FRANCHISE DISCLOSURE DOCUMENT

GOLDFISH SWIM SCHOOL FRANCHISING LLC
a Michigan Limited Liability Company
2701 Industrial Row Drive
Troy, Michigan 48084
(800) 856-5120
www.goldfishswimschool.com

The franchise offered is for the establishment and operation of a swim school that provides specialized quality swim instruction and superior customer service to its clients. The franchise aims to service local markets by offering group and private swim lessons as well as birthday parties, open swim times, swim clinics and many other aquatic activities to children aged 4 months to 12 years in a fun and colorful environment. The franchise will also service its clients by offering a snack bar and retail area.

The total investment necessary to begin operation of a Goldfish Swim School franchise is $1,663,263 to $3,746,733. This includes $50,000 - $52,500 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operations as a Goldfish Swim School Area Developer is $1,733,263 to $3,816,733~~.~~, depending upon the number of Swim Schools you develop. This includes no less than $70,000 that must be paid to Franchisor or an affiliate~~. You~~ for a 2 unit development agreement. While there is no maximum number of units a developer could develop, you would pay an additional $20,000 for each additional Swim School developed when you sign each franchise agreement. In addition, if you sign an Area Development Agreement, you will also sign the Franchise Agreement for your first Swim School.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Chris McCuiston, 2701 Industrial Row Drive, Troy, Michigan 48084, (800) 856-5120.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: March ~~14, 2025~~6, 2026

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 Exhibit G.
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 F 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 Goldfish Swim School 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 Goldfish Swim School franchisee?	Item 20 or Exhibit G 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 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 requires you to resolve disputes with the franchisor by arbitration, and/or litigation only in Michigan. 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 Michigan than in your own state.

2. **Mandatory Minimum Payments.** You must make minimum royalty and other marketing fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE 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:

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee 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 a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is 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 agreement or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise agreement.

(e) A provision that permits the franchisor to refuse to renew a franchise agreement 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 will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) The failure of the proposed transferee to meet the franchisor's then- current, reasonable qualifications or standards.

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subsection does not prohibit a provision that grants, to a franchisor, 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 subsection prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subsection (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless a 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.

If you have any questions regarding the foregoing provisions, contact the Michigan Department of Attorney General, Consumer Protection Division, Franchise, P.O. Box 30213, Lansing, Michigan 48909, (517) 335-7561.

The Michigan Notice applies only to Franchisees who are residents of Michigan or locate their franchises in Michigan.

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ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, the words "we," "our," "us" and "Goldfish Swim School" refer to Goldfish Swim School Franchising LLC, the franchisor of this business. "You" and "your" refer to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure also apply to your owners and will be noted.

The Franchisor

We formed a limited liability company in Michigan on June 19, 2008 for the purpose of offering Goldfish Swim School franchises. Our principal business address is 2701 Industrial Row Drive, Troy, Michigan 48084. We do business under our corporate name and the name Goldfish Swim School. We have offered franchises since 2008.

We franchise the right to operate a swim school that provides specialized quality swim instruction and superior customer service to its clients. The franchise aims to service local markets by offering group and private swim lessons as well as birthday parties, open swim times, swim clinics and many other aquatic activities to children aged 4 months to 12 years of age in a fun and colorful environment. The franchise will also service its clients by offering a snack bar and retail area. The franchise or franchised swim school does business under the trade name, Goldfish Swim School®, and also uses our other related service marks, trademarks or logos (our "Marks"). The location of a franchised swim school typically requires between ~~6~~5,000 to 9,~~500~~000 square feet and is usually in a geographical area with a substantial population of children under the age of ~~12~~9 years old. The franchise operates using our standards, methods, procedures and specifications, called our "System." We also offer, to persons and entities that meet our qualifications, the opportunity to develop multiple Swim Schools within a protected development territory ("Development Territory") under the terms of the Area Development Agreement ("Area Development Agreement"). If you sign an Area Development Agreement, you must develop an agreed-upon number of Swim Schools according to a specific development schedule and you will sign a separate Franchise Agreement in our then-current form for each Swim School developed under your Area Development Agreement, which may be different from the form of franchise agreement included in this offering.

We do not operate and have never operated a business of the type being franchised. We are not involved in any other business activities and have not offered franchises in any other business.

Our Parents, Predecessors and Affiliates

We do not have any parent companies or predecessors. Our Affiliate, Goldfish Swim School, LLC, was formed in Michigan on October 19, 2005 and is located at 2388 Cole Street, #101, Birmingham, Michigan 48009. Our Affiliate owns and operates 1 swim school of the type being franchised in Birmingham, Michigan since March 2006.

Our Affiliate, Goldfish Swim School, LLC, does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training, but otherwise does not offer products or services to franchisees.

Our Affiliate, MFO West Bloomfield, LLC was formed in Michigan on February 2, 2022 and is located at 6335-A Orchard Lake Road, West Bloomfield, Michigan 48322. Our Affiliate owns and operates 1 swim school of the type being franchised in West Bloomfield, Michigan since January, 2023. MFO West Bloomfield, LLC does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training, but otherwise does not offer products or services to franchisees.

Our Affiliate, MFO Fitchburg, LLC was formed in Michigan on October 20, 2022 and is located at 2922 Hardrock Road, Fitchburg, Wisconsin 53719. Our Affiliate owns and operates 1 swim school of the type being franchised in Fitchburg, Wisconsin since January 2023. MFO Fitchburg, LLC does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training, but otherwise does not offer products or services to franchisees.

Our Affiliate, MFO Grandville, LLC was formed in Michigan on February 2, 2022 and is located at 4950 Wilson Avenue, SW, Suite 30, Wyoming, Michigan 49418. Our Affiliate owns and operates 1 swim school of the type being franchised in Wyoming, Michigan since March 2023. MFO Grandville, LLC does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training, but otherwise does not offer products or services to franchisees.

Our Affiliate, MFO Knapps Crossing, LLC was formed in Michigan on October 26, 2023 and is located at 2224 E. Beltline Ave NE, Grand Rapids, Michigan 95525. Our Affiliate owns and operates 1 swim school of the type being franchised in Grand Rapids, Michigan since December 2024. MFO Knapps Crossing, LLC does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training, but otherwise does not offer products or services to franchisees.

Our Affiliate MFO North Scottsdale, LLC was formed in Michigan on December 19, 2024 and is located 7000 E. Mayo Boulevard, #26, Phoenix, Arizona 85054. Our Affiliate owns and operates 1 swim school of the type being franchised in North Scottsdale, Arizona since January 30, 2025. MFO North Scottsdale, LLC does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training but otherwise does not offer products or services to franchisees.

Our Affiliate MFO Ahwatukee, LLC was formed in Michigan on August 12, 2024 and is located 4730 E. Warner Road, Suite 7, Phoenix, Arizona 85044. Our Affiliate owns and operates 1 swim school of the type being franchised in Phoenix, Arizona since November 30, 2025. MFO Ahwatukee, LLC does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate provides a location for training but otherwise does not offer products or services to franchisees.

Our Affiliate, McCuiston Family Enterprises, Inc., was formed in Michigan on December 4, 2015 and is located at 2701 Industrial Row Drive, Troy, Michigan 48084. Our Affiliate owns and operates a management company and employs Christopher McCuiston, Jennifer McCuiston, and Andrew McCuiston.

Our Affiliate, McCuiston Family Enterprises, Inc., does not currently offer and has not previously offered franchises in this or any other line of business. Our Affiliate employs all of our personnel, but otherwise does not offer products or services to franchisees.

Our Affiliate, Goldfish Swim School Franchise Marketing, LLC is a wholly owned subsidiary of ours and administers the collections and expenditures of the Brand Fund. See Item 11.

Our Affiliate, Goldfish Swim School Franchising of Canada, ULC, a British Columbia Unlimited Liability Company, franchises our System in Canada.

General Description of the Market and Competition

A Goldfish Swim School franchise provides swim instruction to children aged 4 months to 12 years. The market for youth swim schools is developed and is not seasonal. You may have to compete with other swim schools, including franchised operations, national chains and independently owned companies offering swimming lessons to children as well as competition from local school districts, park districts, and other local organizations which provide swimming lessons. You may also encounter competition from other Goldfish Swim Schools, which are located outside your designated area, but who may market and advertise within your designated area. Changes in local and national economic conditions and population density affect this

industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition that provide related products.

Regulations Specific to the Industry

The federal government and most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of the franchised swim school, including those that: (a) require a CPR, life guard and first aid certification or other certification; (b) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises, including without limitation, pool construction requirements, zoning regulations, building codes, whether at the federal, state, or local level; (c) regulate matters affecting the health, safety and welfare of your customers, such as, without limitation, federal, state, or local laws, regulations, executive orders, or emergency orders that require closure or significant limitations in the operation of the Franchised Swim School in response to health crises, epidemics, or pandemics, such as COVID-19, general health and sanitation requirements, pool water testing requirements and maintenance of water quality, draining and refilling of the pool, procedures for managing pool water quality anomalies or emergencies, teacher/student ratios, restrictions on smoking, requirement of background checks for employees who will be in contact with children, obligations to report suspected child abuse or neglect, availability of and requirements for public accommodations, including restrooms, and all other regulatory standards applicable to child-related service businesses such as water safety instruction conducted by Franchisee and the Franchised Swim School; (d) set standards pertaining to employee health and safety, including the Occupational Safety and Health Act and other federal, state, and local laws and regulations relating to safe employment conditions; (e) regulate matters affecting requirements for accommodations for disabled persons; (f) set standards and requirements for fire safety and general emergency preparedness, including without limitation, water safety; (g) regulate the proper use, storage and disposal of waste including the proper maintenance of pool water; (h) require you to conduct background checks on your employees and independent contractors; (i) require you to comply with the Americans with Disabilities Act and other federal, state, or local laws or regulations relating to employees and customers with disabilities, including without limitation, the commercial pool lift regulations; (j) require you to meet air quality standards, such as without limitation, the Federal Clean Air Act and various other federal, state and local laws or regulations that regulate air quality standards limiting emissions of ozone, carbon monoxide, and particles, including caps on emissions from indoor pools; and (k) require you to comply with federal, state, or local laws and regulations that regulate indoor air quality, the construction, operation, or maintenance of your pools, and the construction or operation of your Franchised Swim School business. You must investigate and comply with all applicable federal, state, or local laws, regulations, ordinances, or other governmental directives

related to your Franchised Swim School. You alone are responsible for complying with all applicable federal, state, or local laws, regulations, ordinances, or other governmental directives related to your Franchised Swim School, despite any advice or information that we may give you.

Agents for Service of Process

Our agents for service of process are listed ~~on~~in Exhibit B to this Disclosure Document.

ITEM 2. BUSINESS EXPERIENCE

Chris McCuiston, Managing Member and CEO

Mr. McCuiston is one of our members and Manager and has been since our formation in June 2008. Since our formation in June 2008, Mr. McCuiston has been our CEO. Since our Affiliate's formation in October 2005 to the present, he has been the CEO of our Affiliate. In addition, Mr. McCuiston is the Manager of our Affiliates and has been since October 2005 to the present.

Andrew McCuiston, Member & President

Mr. McCuiston is one of our members and has been since our formation in June 2008. Between August 2008 and May 2018, Mr. McCuiston served as our Vice President of Franchise Development. Since May 2018, he has served as our President.

Jennifer McCuiston, Member

Mrs. McCuiston is one of our members and has been since June 2008. From October 2005 to the present, she has been a company thought leader of our Affiliates in designing and executing our swim curriculum. Between January 2016 and November 2018, Mrs. McCuiston served as our Curriculum Director and continues to serve in the role of thought leader for us to the present.

Matthew Davis, Chief Financial Officer

Mr. Davis has served us in the role of Chief Financial Officer since February 1, 2022. Mr. Davis was our Vice President of Finance from May 2018 to January 31, 2022. Between November 2016 and May 2018, he served as our Director of Finance.

Shana Krisan, Chief Marketing Officer

Ms. Krisan has been our Chief Marketing Officer since February 1, 2022. Ms. Krisan has served in various roles in marketing for us since December 2013.

Daniel Israel, Chief Franchising Officer and General Counsel

Mr. Israel has been our Chief Franchising Officer and General Counsel since February 1, 2022. Since May 2016, he has served in various General Counsel roles and various franchise sales roles for us.

James Collins, Chief Curriculum Officer

Mr. Collins has been our Chief Curriculum Officer since February 1, 2022. Mr. Collins was our Vice President of Curriculum from November 2018 to January 31, 2022.

William Moorman, Chief Development Officer

Mr. Moorman has been our Chief Development Officer since February 1, 2022. Mr. Moorman was our Vice President of Real Estate and Construction from October 2021 to January 31, 2022. Between May 2019 and October 2021, he was our Vice President of Construction.

Michael Skitzki, Chief Operations Officer

Mr. Skitzki has been our Chief Operations Officer since February 1, 2022. Mr. Skitzki was our Vice President of Operations from April 2021 to January 31, 2022. Between February 2021 and March 2021, he worked with us as an independent contractor in operations. Between July 2018 and January 2021, he was an Operating Partner for Franworth, LLC in Ann Arbor, Michigan and served as Chief Operating Officer for Franworth, LLC in Ann Arbor, Michigan between July 2015 and July 2018.

~~**Dennis Leskowski, Chief Technology Officer**~~

~~Mr. Leskowski has been our Chief Technology Officer since September 2023. Between May 2023 and September 2023, he was the Program Director of Enterprise Systems for TheoremOne, in Woodland Hills, California. Between April 2018 to April 2023, he was a Principal (Director) for EPAM Systems, Inc. in Newtown, Pennsylvania.~~

Nicole Thomas, Director of Training

Ms. Thomas has been our Director of Training since September 2021. Between January 2019 and September 2021, she was our Manager of Training, Development, and Safety. Between September 2015 and January 2019, she served as our Training Manager.

Josh Reyes, School Opening Consultant

Mr. Reyes has served as our School Opening Consultant since August 2019, where he is responsible for all tasks related to the opening of new Franchised Swim Schools and has been employed by us or our Affiliate in various roles since August 2015.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

You pay us a non-refundable $50,000 lump sum franchise fee when you sign the Franchise Agreement. You pay us a $20,000 lump sum franchise fee when you sign the Franchise Agreement in our then-current form for a second and subsequent franchise based on your Development Schedule under your Area Development Agreement in addition to the $20,000 you pay as part of your Development Fee. ~~The initial franchise fee is uniform.~~In 2025, we did not charge an initial franchise fee for the Algonquin, Illinois location because it was being taken over by an existing franchise group who needed no opening support. We intend that the initial franchise fee will be uniform in the future.

~~We will refund 25% of the franchise fee you paid if we terminate the franchise for your failure to select a site within 180 days, or your failure to successfully complete the initial training program to our satisfaction. We do not give refunds under other circumstances. (For further information about termination of the franchise, see ITEM 17.)~~

You will pay us a non-refundable Real Estate Fee in the amount of $2,500 when you sign the first Franchise Agreement related to your leasehold property. If you develop multiple Swim Schools, the Real Estate Fee will not be assessed on any Swim School after your first. The Real Estate Fee will cover our expenses related to your real estate and site selection, including providing certain information and services to you, such as demographic information, site criteria information, our attendance at meetings or calls with you and your real estate broker, our attendance at in person and telephonic conferences with landlords or local real estate brokers, our expenses related to site tours, and our access to certain real estate database information of potentially available properties.

If you sign an Area Development Agreement, you must develop an agreed-upon number of Swim Schools within the Development Territory within a certain period of time (the "Development Schedule") and simultaneously execute the Franchise Agreement for your first Swim School. You must pay an Initial Franchise Fee for the Area Development Agreement based upon the number of Swim Schools that you develop in the Development Territory (the "Development Fee"). The Development Fee is equal to the Initial Franchise Fee for the first Swim School ($50,000) plus $20.000 [one-half of the reduced Initial Franchise Fee ($40,000)] for each

additional Swim School developed under the Area Development Agreement. Upon signing the Area Development Agreement, you pay a lump sum Development Fee based upon this formula, which is non-refundable. The remaining $20,000 balance of each Initial Franchise Fee for Swim schools opened under the Area Development Agreement is due and payable upon execution of the Franchise Agreement and is non-refundable. The Development Fee is uniform. You will sign a separate franchise agreement in our then-current form for each Swim School opened according to the Development Schedule.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of $1,250 per month or 6% of gross sales for the 90-day period following the earlier of the date you open for business or 600 days after you sign a Franchise Agreement, and the greater of $4,000 per month or 6% of gross sales thereafter.	Payable on the 5th day of each month	You must pay your royalty fee directly to us by Electronic Funds Transfer. Royalty payments shall commence on the earlier of when you open for business or 600 days after you sign a Franchise Agreement. See definition of gross sales.[1] (Section 3.2)
Brand Fund Contribution	The greater of $450 per month or up to 3% (we currently charge 2%) of gross sales for the 90-day period following the earlier of the date you open for business or 600 days after you sign a Franchise Agreement, and	Payable on the 5th day of each month	You pay your Brand Fund contribution to us by Electronic Funds Transfer. Brand Fund contributions shall commence on the earlier of when you open for business or 600 days after you sign a Franchise Agreement. We will give you 30 days notice before increasing required contributions. (Section 11.3) (See ITEM 11)

[1] All citations of Section numbers throughout this Disclosure refer to the Franchise Agreement attached as Exhibit C.

Type of Fee	Amount	Due Date	Remarks
	the greater of $1,300 per month or up to 3% (we currently charge 2%) of gross sales thereafter.		
Local Advertising	2% of gross sales and if part of an advertising cooperative, no more than 5% of gross sales.	Quarterly	You pay directly to third party vendors, subject to our approval. (Section 11.2) We may require your expenditures to be used in cooperative advertising and such contribution amount is determined by the cooperative, of which you will be a voting member. (Section 11.4) Contributions to the advertising cooperative may exceed this local advertising requirement but in no event be more than 5% of gross sales, and you will receive credit for each dollar contributed to the cooperative toward your local advertising requirement. Goldfish Swim Schools operated by us or our affiliates in an area covered by an Advertising Cooperative will contribute to the Advertising Cooperative on the same basis as comparable franchisees and have the same voting rights as any comparable franchisee. Further information about all advertising programs is included in ITEM 11.
Renewal Fee	$10,000	Payable when you sign the Renewal Franchise Agreement	Payable to us at time of renewal, so long as you satisfy all of the renewal requirements.
Technology Fee	Currently $700 - $1,295 per month depending upon the service level selected and required by you, which costs will be increased as our costs increase	Payable on the 5th of each month	You must pay your Technology Fee directly to us by Electronic Funds Transfer in the amount prescribed in the Confidential Brand Standards Manual, which may increase over time from the amount disclosed.
Customer Sales Support Services	Currently~~:~~ $0, however if we implement the fee will be limited to our costs.	Payable to us, our affiliate, or Approved Supplier when due	If we implement a call center or other customer sales support services for your customer booking and sales, we may require you to use our call center or other customer sales support services as we determine.

Type of Fee	Amount	Due Date	Remarks
Audit Expenses[2]	All costs and expenses associated with audit, approximately $1,500 - $5,000	Upon demand	Audit costs payable only if the audit shows you have not spent 2% of your quarterly gross sales on local advertising or if you underreported amounts you owe us by 3% or more. (Section 12.6)
Late Fees[3]	1.5% per month or the maximum rate allowed by law, whichever is less.	Upon demand	Applies to all overdue fees you owe us. (Section 3.5) Also applies to any understatement in amounts due revealed by an audit. (Section 12.6)
Approval of Products or Suppliers[4]	Our actual costs incurred.	Time of evaluation	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase. (Section 13.1)
Insurance Policies	$1,000 - $3,500	Upon demand	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies. Payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (Section 15.5)
Transfer Fee	$2,500 if the transfer is to a transferee who is already part of the System, 50% of the then-current initial franchise fee if the transferee is new to the System. $10,000 under the Area Development Agreement	At the time of transfer	Payable to us at time of transfer. Does not apply to an assignment under Section 18.3 of the Franchise Agreement or an assignment under Section 8.C of the Area Development Agreement.
Relocation Assistance	$1,500	Time of assistance	If you need our assistance to relocate, you must reimburse our costs to assist you. (Section 5.9)
Customer Service[5]	Our actual costs incurred	Upon demand	You must reimburse us if we determine it is necessary for us to provide service directly to your customers (Section 13.9).
Substitute or New Manager Training/ Additional Training	Currently, $600 per day, plus your expenses in attending and increased as our costs increase	Time of training	Our initial training program is covered by your franchise fee. If you have to repeat initial training, we may charge you. (Sections 8.1, 8.3 and 8.4) Further information about training programs is included in ITEM 11.
Ongoing Training[6]	Your expenses.	Time of program	You must pay your expenses as well as your employees' expenses in attending. No tuition or

Type of Fee	Amount	Due Date	Remarks
			training fees are assessed; attendance will not be required more than 3 times per year and will not exceed 6 days in any year. (Section 8.5)
Additional Operations Assistance	Currently, $600 per day plus our expenses and increased as our costs increase	Time of assistance	We provide assistance around the beginning of operations. You pay for additional assistance if you request it. (Section 8.2)
Cost of Enforcement	All costs including attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations if we prevail. (Section 22.4 of the Franchise Agreement; Section 19 of the Area Development Agreement)
Temporary Management Assistance	Currently, $600 per day, plus our expenses and increased as our costs increase	Each month that it applies	If you breach the Franchise Agreement or following the death or incapacity of an owner of the franchise, we may temporarily manage your franchised swim school. (Sections 16.5 and 18.6)
Annual Convention Fee	$500 - $2,500	Upon demand	We may impose an annual convention registration fee
Liquidated Damages for Loss of Future Royalties (Franchise Agreement)	The lesser of 3 times the total Royalty and Brand Fund Contributions for the preceding 12 months, or the Royalty and Brand Fund Contributions for the remaining term of the Agreement	Upon demand	You agree this is a reasonable approximation of the damages we will incur on termination of the Franchise Agreement as a result of your default.
Liquidated Damages for Loss of Bargain (Area Development Agreement)	$80,000 for each undeveloped swim school	Upon demand	You agree this is a reasonable approximation of the damages we will incur on termination of the Area Development Agreement as a result of your default.
Indemnification	All costs including attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised swim school. We also provide indemnification to you for any lawsuits or claims arising from your authorized use of the Marks. (Sections 6.4 and 21.3 of the Franchise Agreement; Section 13 of the Area Development

Type of Fee	Amount	Due Date	Remarks
			Agreement)
Warehousing Fee	Currently $0, however if we implement the fee will be limited to our costs plus a reasonable return not to exceed 10%.	Payable to us or our affiliate when due	If we implement an inventory warehousing program, we may require you to use us as the Designated Supplier for your inventory as we determine.
Construction Management Fee	Currently $0, however if we implement the fee will be limited to our costs.	Payable to us or our affiliate when due	If we implement a construction management fee, we may require you to use our services through your construction as we determine.

We may require that all fees payable to us be paid through an electronic depository transfer account.

All of the fees noted above are uniform~~, though in 2023, we did not charge the minimum royalty for any franchisee, but we do not intend to continue this practice.~~. No other fees or payments are to be paid to us or our Affiliate~~, nor do we~~. Other than the Technology Fee, we do not impose or collect any other fees or payments for any other third party. All fees are non-refundable.

NOTES

[1] "Gross sales" means all revenue from the franchised swim school. Gross sales do not include sales tax or use tax. (Section 1)

[2] We assume costs vary depending on factors, including prevailing auditor's rates in your area, the business activity being audited and how well you keep your books and records. You pay our actual costs only. You should be able to investigate these costs by contacting auditors in your area.

[3] Late fees begin from the date payment was due, but not received, or date of underpayment.

[4] Costs vary depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors. You pay our actual costs only.

[5] Costs vary depending on factors, including nature of the complaint, expertise needed and the time involved. You pay our actual costs only.

[6] You must attend our ongoing training programs. You must pay your costs to attend. We do not charge you an attendance fee. Costs vary depending on the number of people attending, how far you travel and the type of accommodations you choose. You should be able to investigate these costs through travel agencies. For further reference, review the estimated costs to attend our initial training program included in ITEM 7.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee[1]	$40,000 - 50,000	Cashier's Check	At Signing of Franchise Agreement	Us
Real Estate Fee	$0 - 2,500	Cashier's Check	At Signing of Franchise Agreement	Us
Real Estate/Rent[3]	$0 – 82,000	As Arranged	Before and During Initial Period of Operations	Lessor
Architectural Fees	$34,500 – 85,000	As Arranged	Before Beginning Operations	Architect
Leasehold Improvements[4]	$1,334,230 – 2,685,033	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance[5]	$4,283 - 5,700	As Arranged	Before Beginning Operations	Insurance Company
Training[6]	$17,250 - 37,000	As Arranged	During Training	Airlines, Hotels & Restaurants
Furniture, Fixtures, Equipment, Computers, and Decor[7]	$100,000 - 126,500	As Arranged	Before Beginning Operations	Approved Suppliers, Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Advertising Expense[8]	$30,000 - 70,000	As Arranged	Before Beginning Operations and First 3 Months of Operation	Advertising Suppliers
Licenses, Permits, & Deposits[9]	$4,500 - 80,000	As Arranged	Before Beginning Operations	Licensing Authorities and Utilities
Legal & Accounting[10]	$8,500 - 35,000	As Arranged	Before Beginning Operations	Attorney, Accountant
Project Manager/Owner's Representative[11]	$15,000 – 45,000	As Arranged	As Necessary	Contractor
Water Tap Fees[12]	$0 – 93,000	As Arranged	As Necessary	Local Unit of Government
Additional Funds[13, 14] (3 months)	$75,000 - 350,000	As Arranged	As Necessary	Employees, Utilities, Lessor & Suppliers
TOTAL[14]	$1,663,263 – 3,746,733			

Area Development Agreement

Type of Expenditure	Amount of Area Development Agreement	Method of Payment	When Due	To Whom Payment Is To Be Made
Development Fee[2]	$70,000	Cashier's Check	At Signing of Area Development Agreement	Us
Initial Investment for First Franchised outlet (less initial franchise fee as paid in the Development Fee)	$1,663,263 – 3,746,733	As Provided Above	As Provided Above	As Provided Above
TOTAL	$1,733,263 – 3,816,733			

NOTES

[1] Franchise Fee. The franchise fee and its refund policy are described in greater detail in ITEM 5. We do not finance any fee.

[2] Development Fee. You must pay an Initial Franchise Fee for the Area Development Agreement based upon the number of Swim Schools that you develop in the Development Territory (the "Development Fee"). The Development Fee is equal to the Initial Franchise Fee for the first Swim School ($50,000) plus $20.000 [one-half of the reduced Initial Franchise Fee ($40,000)] for each additional Swim School developed under the Area Development Agreement. Upon signing the Area Development Agreement, you pay a lump sum Development Fee based upon this formula, which is nonrefundable~~.~~ and you must sign the Franchise Agreement for your first Swim School.

[3] Real Estate/Rent. You must lease or otherwise provide a suitable facility for the operation of the franchised swim school. Typically, the facility will range in size from ~~6~~5,000 to 9,~~500~~000 square feet. It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations. Lease costs will vary based upon square footage, cost per square foot and required maintenance costs. The low estimate is based on an assumption that you will own your property and, therefore, have no security deposit or rent obligations in the initial period. The high estimate is based upon an assumption that you will lease your property and includes 3 months rent and a security deposit. Some landlords may refund the security deposit if you cancel

the lease before you occupy the premises. The estimated range of costs in this category includes your costs to enter into a lease agreement for the facility and rental expense for the opening period of operations (3 months). These estimates do not include property acquisition ~~or~~, real estate costs~~.~~, or initial construction of the building. If you choose to purchase the building or purchase land and construct the building, you will not have a lease deposit or rent, but your costs will differ from the estimates provided.

[4] Leasehold Improvements. To adapt a newly acquired facility for operation of the franchised swim school, it must be renovated. Leasehold improvement costs could include, without limitation, site testing and diligence, excavation, import and export of material, structural changes, concrete slabs, floor and window covering, wall treatments, carpentry, millwork, vapor barriers, wall and ceiling assemblies, doors and windows, painting, electrical, plumbing, heating and cooling systems, pool construction and related equipment, municipal, licensing, contractor's fees, pool pump and filtration equipment, pool water heating system, pool water quality monitoring, chemical controls and input systems, safety equipment for the pool and mechanical areas, and specialized systems responsible for maintaining consistent temperatures and humidity throughout the franchised Swim School. The cost of purchasing equipment will depend on the unique attributes of the Swim School's site, price variances and shipping distances from suppliers. ~~Estimate~~Estimates include sales taxes and shipping costs. The cost of the leasehold improvements will vary depending on factors, including without limitation, municipal approvals required, modifications based on availability of required utilities, extent of existing demolition requirements, the space's previous use, the size, condition and location of the facility, local wage rates and the cost of materials. The amounts you pay for leasehold improvements are typically non-refundable. You should inquire about the refund policy of the contractor at or before the time of hiring. Some costs may be offset by construction allowances or landlord improvement commitments that you negotiate in your lease. These estimates do not include property acquisition, real estate costs, or initial construction of the building. If you choose to purchase the building or purchase land and construct the building, you will not have leasehold improvements, but your costs for construction and finishing will differ from the estimates provided.

[5] Insurance. You must purchase the types of insurance and coverage amounts as we determine from time to time as provided in our Brand Standards Manual. Factors that may affect your cost of insurance include the size and location of the franchised swim school, value of the leasehold improvements, equipment, inventory, number of employees and other factors. The amounts estimated are for the first 3 months of operation. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

[6] Training. The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The

costs are based upon 2 trainees from the franchisee attending the training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. These expenses are typically non-refundable. Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation. This cost also includes the training costs for trainings offered by third parties, like certified pool operator training. This cost also includes the cost of a General Manager, reception staff and swim teachers prior to opening the facility.

[7] Furniture, Fixtures, Equipment, Computers, & Decor. You must purchase and/or lease and install furniture, fixtures and equipment and décor necessary to operate your franchised swim school. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers and other related factors. Equipment installation charges are also included in this range. ~~It is our experience that~~We do not know if the amounts you pay for furniture, fixtures or equipment are ~~nonrefundable; however, you should consult with your supplier. Generally, the factors~~refundable. Factors determining whether furniture, fixtures and equipment are refundable typically include the condition of the items, level of use, length of time of possession and other variables. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing or leasing. You must purchase general office supplies including stationery, business cards and typical office equipment. ~~It is our experience~~Factors that ~~the amounts you pay for general~~may affect your cost of office equipment and supplies ~~are nonrefundable; however, you should consult with your supplier. Generally, the~~include local market conditions, competition among suppliers and other factors. We do not know if the amounts you pay for office equipment and supplies are refundable. Factors determining whether office equipment and supplies are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the supplier at or before the time of purchase. This range includes the cost of all signage used in the franchised swim school. The signage requirements and costs will vary based upon the size and location of the franchised swim school, local zoning requirements, landlord requirements and local wage rates for installation. The amounts you pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase. You must purchase an initial inventory of swim lesson equipment, merchandise, vending items and birthday party supplies~~, branded apparel, and promotional products~~ for use in the operation of the franchised swim school. Some of these inventory items may include goggles, barbells, ~~swim suits~~swimsuits and diapers, food and beverage items, balloons, and birthday party centerpieces. ~~It is our experience that~~Costs vary based upon the size and location of the franchised swim school, suppliers and other related factors. We do not know if the amounts you pay for inventory items ~~are nonrefundable; however, you should consult with your supplier. Generally, the factors~~may be refundable. Factors determining whether inventory items are refundable typically include the condition of the items at time of return, level of use, and length of time of possession and other factors. You should inquire about

the return and refund policy of the suppliers at or before the time of purchasing. You must purchase computer equipment and software described in more detail in ITEM ~~8 and~~ 11. Amounts you pay for the computer equipment and software are ~~nonrefundable~~non-refundable, or if refundable, you may be subject to a "re-stocking" fee. This estimate includes your payment of the Technology Fee for the initial operational period of 3 months. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing.

[8] Initial Advertising Expense. You must spend an amount we require for your initial advertising expense from the time prior to the opening of your Franchised Swim School through the first 3 months of your operations, which amount includes without limitation, all marketing, advertising, promotion, and the grand opening party. We determine the minimum based on our assessment of your advertising costs in your swim school market. You may choose to spend more. See ITEM 11. Factors that may affect the actual amount you spend include but are not limited to local media costs, site selection of the Franchised Swim School, competition and brand awareness, time of year, customer demographics in the surrounding area, and whether your Franchised Swim School will be the first Goldfish Swim School® in the market. The amounts you spend for initial advertising expense are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. We require that you hire at your cost our Approved Suppliers to provide local marketing services and branding advertising services~~.~~ prior to the opening of your Franchised Swim School.

[9] Licenses, Permits, & Deposits. We assume that the site you select is properly zoned and that no extraordinary effort or expense is required to construct your Franchised Swim School. State and local government agencies typically charge fees for occupancy permits, operating licenses and construction permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies. These fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment. If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services, including electric, telephone, gas and water. The amount of the deposit and whether the deposit is refundable will vary depending on the local utilities. You should contact your local utilities for more information.

[10] Legal & Accounting. You will need to contract with an attorney, an accountant, a bookkeeping service, and other consultants to assist you in establishing your franchised swim school. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

[11] Project Manager/Owner's Representative. You must contract with an Approved Supplier for project manager/owner's representative services to supervise and coordinate the construction of your Franchised Swim School. This expense is non-refundable.

[12] Water Tap Fees. You may be required by a local unit of government to pay a fee to access the local unit of government's water and/or sewer system. Some franchisees are not required to pay water tap fees as the developer may have already paid them. Early in the process, you should investigate whether the location you are considering will result in a water tap fee assessment.

[13] Additional Funds. Based upon the experience we have assisting in the opening of dozens of Franchised Swim Schools in the recent past, we recommend that you have a minimum amount of money available to cover operating expenses, including among other things utilities, employees' salaries, royalties, brand fund fees, for the initial operational period of 3 months that the franchised swim school is open. ~~This amount includes loan costs generally incurred by our franchisees who finance part of this initial investment. Additional working capital may be required if sales are low or operating costs are high.~~ These expenses are typically non-refundable.

~~[14] Total.~~ [14] Total. In compiling this chart, we relied on our and our Affiliate's industry knowledge and experience as well as our experience in assisting franchisees open their Franchised Swim Schools. These estimates are based upon our existing experience in our existing markets. If you propose to open in a market other than a market in which we have opened a company-owned, affiliate-owned, or franchised outlet, you may experience significantly different initial investment expenses. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise.

We do not offer direct or indirect financing for you for any items.

ITEM 8. RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

Standards and Specifications

You must purchase all of your supplies ("Approved Supplies") including without limitation your furniture, fixtures, equipment, including computer equipment, inventory, and signage under specifications in the Goldfish Swim School Confidential Brand Standards Manual ("Confidential Brand Standards Manual") and through suppliers approved by us ("Approved Suppliers"). You will be required to use Approved Suppliers to perform certain services on your behalf in connection with your Franchised Swim School. These specifications include standards and specifications for the appearance, quality, price, performance and functionality. These standards and specifications are based on our Affiliate's experience in operating a swim school of

the type we are franchising and through research and testing in our Affiliate's swim school. We may communicate our standards and specifications directly to suppliers who wish to supply you with furniture, fixtures, equipment, inventory and signage under specifications and to Approved Suppliers performing services on your behalf. We communicate our standards and specifications to you when we evaluate your proposed location for the franchised swim school during training, before you conduct your initial advertising expense, during on-site opening assistance, during periodic visits to your franchise location and through the Confidential Brand Standards Manual (including periodic bulletins). We will periodically issue new standards and specifications (if any) through written notices. We have created standards and specifications for the development of your franchised swim school. We have required vendors and suppliers as identified in the Confidential Brand Standards Manual and we reserve the right to designate required additional vendors or suppliers, or revoke the approval of suppliers as we determine in our discretion from time to time in the future, and will provide you notice through the Confidential Brand Standards Manual. At this time, neither we, nor any of our officers or directors or anyone listed in ITEM 2 has any ownership or other interest in any Approved Supplier. At this time, neither we, nor any of our affiliates are the only approved suppliers of any categories of Approved Supplies.

You must purchase the types of insurance and coverage amounts as we determine from time to time as provided in our Brand Standards Manual. At this time, we require that you purchase the following types of insurance coverage at the following limits of liability, but we reserve the change the types of insurance coverage and/or the levels of coverage in the future through our Brand Standards Manual: special form property coverage on all assets at 100% replacement cost basis without coinsurance; workers compensation at the statutory requirements; employer liability coverage in the minimum coverage of $500,000; comprehensive general liability insurance in the amounts of $1,000,000 per occurrence and $2,000,000 in the aggregate; business interruption insurance in amounts acceptable to us including loss of income and extra expense on a 12 month actual loss sustained basis without coinsurance; automobile liability insurance for owned or hired and non-owned auto with a combined single limit of at least $1,000,000; umbrella liability insurance with a minimum limit of $2,000,000; insurance as necessary to provide coverage under the indemnity provisions; registered participant accident coverage with a minimum limit of $25,000 per person occurrence; and cyber security coverage in amounts we determine from time to time.

You must purchase and maintain a computer system with hardware and software programs we designate. Presently, you must purchase hardware and software for your computer system that must meet our requirements from an Approved Supplier. The Technology Fee you pay to us ~~gives~~will depend upon the level of service you need and select. The service level you will select will give you access to a custom email domain, Customer Relationship Management software, and Customer Scheduling/Billing/Payment software that is specific to our business~~. As part of the Technology Fee, you receive up to 20~~, and software licenses from multiple providers of varying

numbers, depending upon the level of service. You will also be required to purchase networking equipment and security software from an Approved Supplier. You must purchase and install business class internet that meets our Standards and Specifications outlined in our Brand Standards Manual. You must also install and run an approved malware software and firewall solution as outlined in our Brand Standards Manual. Your wifi access must meet our Standards and Specifications as outlined in our Brand Standards Manual.

We have a Designated Supplier for branded apparel and promotional products. We or our affiliate ~~are~~is a Designated Supplier for real estate services for which the Real Estate Fee is paid to us. In 2025, neither we nor our affiliate derived any income from the provision of real estate services. We have the right to change Designated Suppliers or add new Designated Suppliers to our System in our discretion, and you must comply with such standards at your sole cost and expense.

~~From time to time, we~~We may, but are not obligated to, negotiate arrangements with suppliers for your benefit. For example, we expect to negotiate better prices with suppliers based upon larger volumes, and these price discounts would inure to your benefit. At this time, we do not, however, derive any material benefits based upon your use of any required purchases from Approved Suppliers, nor do we provide any material benefits to you based upon your use of any required purchases from Approved Suppliers. We do not provide material benefits to you (for example, renewal or granting additional franchises) based upon your purchase of particular products or services or use of particular suppliers.

We reserve the right from time to time to establish exclusive arrangements with certain providers or suppliers for the benefit of the entire System. When we establish these exclusive System-wide supplier arrangements, you must participate.

We also may receive rebates from suppliers based upon purchases by our franchisees. At present, we receive no rebates from any supplier based upon purchases by you. In fiscal year ~~2024~~2025, neither we nor our Affiliate received any amount in rebates based upon purchases by our franchisees. We and our affiliates reserve the right to receive such payments in the future. If we negotiate rebates from suppliers based upon purchases you make in the future, we reserve the right to use the rebates as we determine in our sole discretion, including without limitation, retaining all of the rebates, or contributing some or all of the rebates to the Brand Fund. We reserve the right to amend, change, or discontinue the rebate distribution policy at any time as we may determine in our discretion. We intend that any rebates received as a result of purchases by our affiliates will be returned to our affiliates.

Approval Criteria for Non-Approved Goods & Services

If you would like to use any goods or services in establishing and operating the franchised swim school that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You must pay our costs for the evaluation of the goods, services or suppliers. We will decide within 30 days after receiving the required information whether you may purchase or lease the goods or services or from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation.

Periodically, we may review our approval of any goods, services or suppliers. We will notify you if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier. Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers. Volume discounts may not be available to franchisees located in outlying markets that a particular supplier does not serve in significant volume. Presently, there are no purchasing or distribution cooperatives that you must join.

Percentage of Your Costs Due to our Standards & Specifications

We estimate that approximately 80% to 95% of your expenditures for leases and purchases in establishing your franchised swim school will be for goods and services that must be purchased from us, our Affiliate or an approved supplier or according to our standards and specifications. We estimate that approximately 35% to 45% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us, our Affiliate, an approved supplier or according to our standards and specifications.

We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve. We have no purchasing or distribution cooperatives serving our franchise System.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other ITEMS of this Disclosure Document.

Obligation		Section in the Franchise Agreement or Area Development Agreement	Disclosure Document ITEM
a.	Site selection and acquisition/lease	Franchise Agreement Section 5 Area Development Agreement Section 3	ITEMS 11 and 12
b.	Pre-opening purchases/leases	Franchise Agreement Sections 5, 12 and 15 Area Development Agreement Section 3	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	Franchise Agreement Sections 5 and 8 Area Development Agreement Section 3	ITEMS 7, 8 and 11
d.	Initial and ongoing training	Franchise Agreement Section 8 Area Development Agreement Section 5	ITEMS 6, 7 and 11
e.	Opening	Franchise Agreement Sections 5 and 8 Area Development Agreement Section Not Applicable	ITEM 11
f.	Fees	Franchise Agreement Sections 3,5,8,10,11,13,15,18 and 22 Area Development Agreement Section 4	ITEMS 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Franchise Agreement Sections 6, 7, 9, 10, and 13 Area Development Agreement Section 7	ITEMS 8, 14 and 16
h.	Trademarks and proprietary information	Franchise Agreement Sections 6, 7, and 9 Area Development Agreement Section Not Applicable	ITEMS 13 and 14
i.	Restrictions on products/services offered	Franchise Agreement Sections 5, 6 and 13 Area Development Agreement Section Not Applicable	ITEMS 8 and 16
j.	Warranty and customer service requirements	Franchise Agreement Section 13 Area Development Agreement Section Not Applicable	ITEM 16
k.	Territorial development and sales quotas	None Area Development Agreement Sections 2 and 3	ITEM 12
l.	Ongoing product/service purchases	Franchise Agreement Section 13 Area Development Agreement Section 7	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	Franchise Agreement Sections 5, 10 and 13 Area Development Agreement Section 7	ITEM 6

Obligation		Section in the Franchise Agreement or Area Development Agreement	Disclosure Document ITEM
n.	Insurance	Franchise Agreement Section 15 Area Development Agreement Section 12	ITEMS 6, 7 and 8
o.	Advertising	Franchise Agreement Section 11 Area Development Agreement Section Not Applicable	ITEMS 6,7 and 11
p.	Indemnification	Franchise Agreement Section 21 Area Development Agreement Section 13	ITEM 6
q.	Owner's participation/management/staffing	Franchise Agreement Section 13 Area Development Agreement Section 5	ITEM 15
r.	Records and reports	Franchise Agreement Section 12 Area Development Agreement Section Not Applicable	ITEM 11
s.	Inspections and audits	Franchise Agreement Sections 6 and 12 Area Development Agreement Section Not Applicable	ITEMS 6, 11 and 13
t.	Transfer	Franchise Agreement Section 18 and Exhibits 1 and 5 Area Development Agreement Section 8	ITEMS 6 and 17
u.	Renewal	Franchise Agreement Section 4 and Exhibits 1 and 5 Area Development Agreement Section Not applicable	ITEM 17
v.	Post-termination obligations	Franchise Agreement Section 17 and Exhibits 2 and 5 Area Development Agreement Section 11	ITEM 17
w.	Non-competition covenants	Franchise Agreement Sections 7 and 17 and Exhibits 2 and 5 Area Development Agreement Section 11	ITEM 17
x.	Dispute resolution	Franchise Agreement Section 23 and Exhibit 5 Area Development Agreement Section 19	ITEM 17
y.	Other	Not Applicable	Not Applicable

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.

A. Before you open your franchised swim school, we will:

1. provide you with our criteria for site selection and evaluate sites you propose for the location of the franchised swim school, which include, without limitation, general population and income levels, population size of children under the age of 9, proximity to competitors, and the like. Our review process is approximately 30 days. (Sections 2.3 and 5.1)

2. designate your designated area (area of primary responsibility). (Section 2.5; See also ITEM 12)

3. review and accept your lease or purchase agreement for the approved site for the franchised swim school. (Section 5.3)

4. provide you with specifications for remodeling and equipping the approved location along with a list of required supplies, equipment and improvements that you must purchase and install. (Section 5.4)

5. provide initial training to the Control Person, or 1 or more owners of yours as we determine, the Designated Manager, and at least 1 other required manager (as we designate in our discretion). These parties must be present for the complete training period, successfully complete the training to our satisfaction. This training includes a shallow water attendant certificate, which certifies you in CPR (cardiopulmonary resuscitation), First Aid, AED (automated external defibrillator), and also provides a lifeguarding certification for shallow water pools. Other certifications like CPO (certified pool operations) may be required, but not provided during this training period. This training is described in detail later in this ITEM. (Section 8.1). If the above referenced certifications are not provided during initial training, you must obtain such certifications prior to the opening of your Franchised Swim School.

6. provide to you on-site assistance and guidance by 1 of our representatives for no more than 3 days for your first swim school and 1 day for your or your affiliate's second swim school, to assist you with any questions you may have in opening and operating the franchised swim school. The specific number of days will be determined by us in our discretion, provided, however, that we will provide you with no on-site opening assistance for your third swim school or thereafter. (Section 8.2)

7. provide you with an Approved Supplies List and an Approved Suppliers List to provide you the goods and services necessary to operate the franchised swim school. (Section 13.1)

8. provide to you, on loan, one copy of the Goldfish Swim School Confidential Brand Standards Manual or provide you with access to an electronic copy of the Confidential Brand Standards Manual. The approximate total number of pages in the Confidential Brand Standards Manual as of the date of this Disclosure Document is 227. The Table of Contents of the Confidential Brand Standards Manual, along with number of pages devoted to each section, is included as Exhibit E to this Disclosure Document. (Section 9.1).

9. Provide for an approved date for opening.

B. After the opening of the franchised swim school, we will:

1. periodically advise you and offer general guidance to you by telephone, e-mail or other electronic communication, newsletters and other methods. Our guidance is based on our and our Affiliate's knowledge and experience. We offer you advice and guidance on a variety of business matters, including operational methods, accounting procedures, authorized services or products and marketing and sales strategies~~.~~., and pricing of products and services you offer as permitted by then-applicable law, such as prescribing the maximum and/or minimum retail prices which you may charge customers for the products and/or services offered and sold at the Franchised Swim School and recommendation retail prices. (Section 14.1)

2. make periodic visits to the franchised swim school to provide you with consultation, assistance and guidance in various aspects of the operation and management of the franchised swim school. We will prepare a written report identifying areas where you are failing to meet the standards of the System and suggesting changes or improvements in the operations of the franchised swim school and detailing deficiencies that become evident as a result of a visit. You will have 14 days to implement the changes required to meet the standards of the System and your failure to do so may cause you to be found in default of your Franchise Agreement. (Section 14.2)

3. make available to you operations assistance and ongoing training as we think necessary. (Sections 8.2 and 8.5) Ongoing training programs are described later in this ITEM and in ITEM 6.

4. approve forms of advertising materials you will use for local advertising, initial advertising expense and cooperative advertising. (Section 11.2) Our advertising programs are described later in this ITEM.

5. provide you with modifications to the Confidential Brand Standards Manual as they are made available to franchisees. (Section 9.2) The Confidential Brand Standards Manual is described in ITEM 14.

C. Advertising and Promotion

1. During the period of time prior to opening your franchised swim school through the first 3 months of operations, you must spend an amount we require (between $30,000 and $70,000) on initial advertising expenses for advertising, marketing, and promotion. Your initial advertising expenses must include, but is not limited to digital, social, public relations, and print advertising; local marketing costs for events, partnerships, or other promotional efforts, and initial advertising expense. We will provide you with support, consulting, and guidance for conducting initial advertising expense, and we will help plan, review and approve the marketing programs and suppliers you use in your initial advertising expense. (Section 11.1; See also ITEM 9.f. and 9.o.) We may require you to hire an Approved Supplier to perform certain local marketing services.

2. Each quarter, you must spend 2% of gross sales on advertising, promotions and public relations in the local area surrounding the franchised swim school. You will pay for your ads and promotions directly, but we will provide you with general marketing guidelines and we will review and approve your advertisements. (Section 11.2; See also ITEM 9.o.)

3. To assist in our system-wide marketing, we have developed a System-wide Brand Fund, administered by our affiliate, and you must contribute to the fund. Presently, we or our affiliate collect the greater of $450 per month or up to 3% (we currently charge 2%) of gross sales for the 90 day period following the earlier of the date you open for business or 600 days after you sign a Franchise Agreement, and the greater of $1,300 per month or up to 3% (we currently charge 2%) of gross sales thereafter. Each franchisee is required to make this Brand Fund contribution and all franchisees contribute at the same rate. The Brand Fund Contribution is collected in the same manner as Royalty. (Section 11.3; See also ITEM 9.o.)

Our affiliate will administer the Brand Fund as follows:

(a) Through our affiliate, we will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. Through our affiliate, we may use print, television, radio, Internet or other media for advertisements and promotions. Neither we nor our affiliate guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Fund.

(b) Through our affiliate, we may use your contributions to meet or reimburse us for any cost of producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). Your contributions to the Brand Fund administered by our affiliate are in ~~a~~ separate ~~account~~accounts of our affiliate, separate from our funds, and will not be used for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Brand Fund. Neither we nor our affiliate will use Brand Fund contributions for the direct solicitation of franchise sales.

(c) Through our affiliate, we expect to use all contributions in the fiscal year they are made. Through our affiliate, we will use any interest or other earnings of the Brand Fund before we use current contributions. We intend for the Brand Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the Brand Fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your pro rata share.

(d) All Goldfish Swim Schools owned by us or an affiliate will make contributions to the Brand Fund ~~at~~on the same basis as required of franchisees.

(e) Through our affiliate, we will have an accounting of the Brand Fund prepared each year and we will provide you with a copy if you request it. The Brand Fund is audited each year as a part of our annual audit by an independent certified public accountant.

(f) The Brand Fund is not a trust and neither we nor our affiliate assume any fiduciary duty in administering the Brand Fund.

(g) During our fiscal year 20242025, our affiliate collected $7,107,549414,.483 in revenue for the Brand Fund. In our fiscal year 20252024, our affiliate spent $7,133,074346,965 from the Brand Fund in the following category of expenses:

Digital Media:	31.8534.47%
National Media:	24.7322.53%
Creative and Brand Positioning:	6.513.09%
Print Media and Production:	0.2870%
Email Program and Hosting:	2.551.79%
Social Media:	1.924.69%
Public Relations & Brand Awareness	6.664.48%
Brand Research	0.641.01%
Listing and Review Services	0.651.71%
Administrative:	24.2128.52%
Total	100.00%

"Administrative" consists of labor costs, training and development and software and equipment for staff associated with the Marketing Department. Additional costs incurred were related to public relations and awareness programs and services to promote the brand and drive membership and member satisfaction at the local level. Any Brand Fund revenue not spent in the fiscal year will be either used to eliminate a previous year's Brand Fund deficiency or carried over to the next fiscal year and spentspend on behalf of the System. In the future, if the Brand Fund spends more in any fiscal year than it receives, we intend to recover such expenditures in the following fiscal year. We do not use any portion of the Brand Fund for the sole solicitation of new franchisees.

There is no fiduciary or trust relationship created by our administering the Brand Fund. We anticipate all of our franchisees will contribute to the Brand Fund, although there is no prohibition against us charging higher or lower rates for future franchisees. We also may forgive, waive, settle, or compromise claims by or against the Brand Fund. We may defer or reduce a franchisee's

contribution based on the peculiarities of a particular territory or circumstance, existing business practices, or other factors that we deem to be important to the operation of any franchised swim school or the System. If we terminate the Brand Fund, we will distribute all unused monies to the contributors in proportion to their respective contributions during a pre-determined period.

4. At this time, there are no Advertising Cooperatives. Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all Goldfish Swim School franchises located in a particular region so long as at least 50% of the franchisees in the region agree to create the advertising cooperative. Your contributions to the advertising cooperative will satisfy your local advertising obligations, provided that your contributions to the advertising cooperative meet or exceed the local advertising requirements. The level of your cooperative advertising contribution will be determined by the cooperative, of which you will be a voting member, but that amount may exceed your minimum local advertising obligation under the Franchise Agreement, but in no event will it exceed 5% of gross sales. We will determine the geographic territory and market areas for each cooperative advertising program. If formed, you must participate in any cooperative advertising program established in your region. If cooperative advertising is implemented in a particular region, an advertising council of franchisees in that region will be appointed to self-administer the program. We reserve the right to dissolve or merge these program(s) and/or council(s) at any time. Goldfish Swim Schools operated by us or our affiliates in an area covered by an Advertising Cooperative will contribute to the Advertising Cooperative on the same basis as comparable franchisees and have the same voting rights as any comparable franchisee. (Section 11.4; See also ITEM 9.o.)

5. You are restricted from establishing a presence on, or marketing on the Internet or any social media, such as, without limitation, Facebook, Twitter, Four Square, Instagram, Tic Toc, Snapchat, etc., without our consent. We have an Internet website at the uniform resource locator www.goldfishswimschool.com that provides information about the System and about Goldfish Swim School franchises. We will include at the Goldfish Swim School website an interior page containing information about your franchised swim school. All information must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Goldfish Swim School website. (Section 11.5; See also ITEM 9.o.)

6. We may periodically conduct promotional campaigns on a national or regional or system-wide or partially system-wide basis to promote products, services, or marketing themes. You must participate in all promotional campaigns we establish for the region in which your Franchised Swim School is located.

~~We~~ 7. There is no franchisee advertising council. However, we established a "Brand Advisory Council" in which some franchisees participate that may have input on advertising or marketing initiatives. We select up to 5 franchisees as the members of this BAC. The BAC does not have decision making authority but will provide input and suggestions into all areas of System operations, including, without limitation, marketing. We have the power to form, change, or dissolve this BAC in our discretion, or form, change, or dissolve any advertising council that we may form in the future.

D. Computer/Point-of-Sale System

You must purchase and use any hardware and software programs we designate. (Section 12.5) Presently, you must purchase hardware and software for your computer system that must meet our requirements, including, without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use in your franchised swim school; (b) cash register systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode (such as the form of telecommunications connection) and speed. The computer system will include multiple access points in the franchised swim school, multiple printer stations, a network configuration to allow all of the computers to access and input data directly to a centralized network, point of sale software and hardware to register customers, schedule customer swim lessons, schedule employees, software to complete payroll functions, accounting, remote access, on-hold messaging, and other software and hardware that we designate from time to time. Technology is advancing so quickly that the specifications are being revised continuously. We may periodically require you to upgrade and update the hardware and software used in connection with the computer system. There are no contractual limitations on the frequency and cost of these upgrades and updates. We update our computer system requirements in our Brand Standards Manual.

Presently, the Technology Fee you pay to us ~~gives~~will depend upon the level of service you need and select. The service level you will select will give you access to a custom email domain, Customer Relationship Management software, and Customer Scheduling~~,~~/Billing~~, and~~ /Payment software that is specific to our business~~. As part of the Technology Fee, you receive up to 20~~ , and software licenses from multiple providers of varying numbers, depending upon the level of service. You will also be required to purchase networking equipment and security software from an Approved Supplier. You must purchase and install business class internet that meets our

Standards and Specifications outlined in our Brand Standards Manual. You must also install and run an approved malware software and firewall solution as outlined in our Brand Standards Manual. Your wifi access must meet our Standards and Specifications as outlined in our Brand Standards Manual. We rely on suppliers to provide support for the hardware and software. The approximate cost of the hardware and software ranges from $15,000 to $20,000. This cost is included in the category of "Furniture, Fixtures, Equipment, Computers, and Decor" in Your Estimated Initial Investment chart in ITEM 7. You may be responsible for annual support or license fees for required software as we implement from time to time in our Brand Standards Manual. We are otherwise unaware of any annual maintenance or updating expenses for the required hardware and software or the costs for such annual support or license fees.

We do not have any contractual obligations for maintenance, or repairs to your Computer System. You do not have to enter into any ongoing maintenance or support agreements for the maintenance of a computer or point-of-sale system with us, our affiliate or a third party, but you may find it advantageous to do so. You may periodically be required to update or upgrade computer hardware and software, if we believe it is necessary. We may introduce new requirements for computer and point-of-sale systems or modify our specifications and requirements. There are no limits on our rights to do so. If we make new requirements, including adopting a new software or point-of-sale system solution, you must comply with these requirements at your sole cost and expense. We have the right to independently access all information you collect or compile at any time without first notifying you. (Sections 10.2, 12.5 and 12.6.)

We will have independent access to your computer system and data. You must afford us unimpeded access to your computer system in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your computer system in any manner we deem necessary or desirable. There are no contractual limitations on our right to access this information.

E. Methods Used to Select the Location of the Franchised Swim School

We do not generally own the premises and lease it to franchisees. If you have a potential site for the franchised swim school, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will designate a geographic area in which you must locate the franchised swim school and we will furnish you with our general site selection criteria. We may provide sites in your designated area to review. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us. (Sections 2.3 and 5.1) You must use a real estate broker that we approve. We reserve the right to designate a Designated Supplier for real estate acquisition services.

The general site selection and evaluation criteria or factors that we consider in approving your site includes the condition of the premises, demographics of the surrounding area including population size of children under the age of 12, proximity to other Goldfish Swim Schools, proximity to competitive businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, proximity to major roads, available parking and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within a reasonable time (usually 30 days) after receiving all requested information. If we cannot agree with you on a suitable site for the franchised swim school within 180 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement. (Sections 5.1 and 5.2).

F. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 600 days. Factors that may affect your beginning operations include ability to secure permits, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures, satisfactory completion of our training programs and your Designated Manager's or on-site general manager's (if different from the Designated Manager) successful completion of his/her CPR, first aid and lifeguard certifications. You must execute a lease or a binding purchase agreement for a site location within 180 days after signing the Area Development Agreement and/or Franchise Agreement, begin construction of your approved location within 330 days after signing the Area Development Agreement and/or Franchise Agreement, and open your franchised swim school and be operational within 600 days after signing the Franchise Agreement. (Sections 5.3, 5.4, 5.5, and 5.6). If you execute an Area Development Agreement, you are required to open additional franchised swim schools pursuant to the Development Schedule.

G. Training

1. Initial Training. We provide you an initial training program that covers material aspects of the operation of the Franchised Swim School and is provided to protect Franchisor's brand and the Trademarks and not to control the day-to-day operations of the Franchised Swim School business. The topics covered are listed in the chart below. This required training is offered by us on an as needed basis in part by a virtual platform and in part in person at our headquarters in Troy, Michigan, or other locations we designate at a mutually convenient time for you and us. You must designate a Control Person or other owner, Designated Manager and the on-site general manager if different from the Designated Manager, and at least 1 other required manager as we designate at our discretion to attend the training, and each must complete to our satisfaction the initial training program of approximately 13 required days to our satisfaction at least 60 days before the opening of the franchised swim school. We expect that your attendees will advance

through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are a minimum estimate of the time it will take to complete training. Training for your attendees may take longer. We do not charge for initial training. You must pay for all travel costs and living expenses for yourself and any of your attendees. These costs are estimated in ITEM 7. If you replace your Designated Manager or on-site general manager if different from the Designated Manager, your new Designated Manager or on-site general manager must attend our training program in order to properly implement our brand standards. You may be charged fees for additional training. Our current fees for additional training are described in ITEM 6. You are responsible for training your own employees and other management personnel. This initial training is in addition to the on-site opening assistance we provide to you. Your franchised swim school must at all times be under the day-to-day supervision of a Designated Manager who has satisfactorily completed our training program. After a replacement of the Designated Manager or on-site general manager if different from the Designated Manager, he or she has 60 days to complete initial training. (Section 8). You will designate a Marketing Lead who is the person responsible for all matters related to marketing, advertising, and sales at your Franchised Swim School. The Marketing Lead must attend Week 2 of the Training Program described below.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Virtual Onboarding	6	0	By virtual platform
Week 1: Orientation	4	0	Our franchise office in Troy, Michigan
Week 1: Operations	8	0	Our franchise office in Troy, Michigan ~~and a location we designate~~
Week 1: Marketing Training	16	0	Our franchise office in Troy, Michigan
Week 1: Sales & Technology	8	0	Our franchise office in Troy, Michigan
Week 1-2: In-School Mentor	0	18	A location we designate
Week 2: Swimologist Instructor	16	16	Our franchise office in Troy, Michigan
Week 3: E &A Lifeguard Instructor Certification *	24	0	Our franchise office in Troy, Michigan

* The Week 3 E&A Lifeguard Instructor Certification is a program to train your managers, Designated Manager and/or Control Person to perform lifeguard certification for your staff. This

is not a requirement of the Initial Training Program but is offered as an additional week of training at your option.

Nicole Thomas is principally responsible for facilitating our training program. Additional employees or contractors of ours who have experience in some facet of the operation of our business may assist Ms. Thomas in the implementation of our training program. Further, Ms. Thomas will be assisted by other employees and contractors of ours. Those employees and contractors of ours who participate in the training program will have, on average, 2 years of experience in the subject matter being taught and 1 year experience with our System.

If circumstances require, a substitute trainer may provide training to you. We may periodically name additional trainers if the training schedule requires it. There are no limits on our right to assign a substitute trainer to provide training.

The initial training will include an electronic copy of our Confidential Brand Standards Manual, which we will update and notify you of any updates or changes, access to our training modules, curriculum documentation, sample employee handbook, a sample of our emergency action plan, access to a library of training videos on our required software platforms, pump room, and swim techniques. We will also provide a library of documentation that is operationally used in your schools daily. The in-person training will occur both at our headquarters in Troy, Michigan and such other locations we designate.

2. On-site training

We will provide to you on-site assistance and guidance by 1 of our representatives for no more than 3 days for your first swim school and 1 day for your or your affiliate's second swim school, to assist you with any questions you may have in opening and operating the franchised swim school. The specific number of days will be determined by us in our discretion, provided, however, that we will provide you with no on-site opening assistance for your third swim school or thereafter. (Section 8.2)

In addition to the training described above, your staff must obtain CPR (cardiopulmonary resuscitation), First Aid, and AED (automated external defibrillator). Pool deck staff must obtain, at a minimum, the shallow water lifeguarding certification. All managers, including the Designated Manager and on-site general manager will be required to also have a CPO (certified pool operations) certificate. (Section 5.6.1.5). State or local laws, regulations, or ordinances may require additional certifications.

Periodically, you, your managers or employees, including the Designated Manager and on-site general manager may be required to attend refresher-training programs to be conducted at our

headquarters or another location we designate. Attendance at these programs will be at your expense. You do not have to attend more than 4 of these programs in any calendar year and these programs will not exceed 8 days during any calendar year. (Section 8.5)

ITEM 12. TERRITORY

If you sign an Area Development Agreement, the Area Development Agreement gives you the right to establish an agreed-upon number of franchised swim schools in a specified geographic area, subject to certain excluded areas described below ("Territory"). We describe your Territory by boundary streets, highways or other recognizable demarcations and delineate it on a map or written description as attached as part of the Area Development Agreement. If you are not in default under the Area Development Agreement, we will not establish or franchise anyone else to establish a swim school in your Territory during the term of the Area Development Agreement. We can terminate or modify your rights in the Territory if you do not comply with the Area Development Agreement or any other agreement you have with us. If we terminate or modify your territorial rights under the Area Development Agreement or your Area Development Agreement expires or terminates, you shall continue to have any approved territory rights you have under any individual Franchise Agreement that you signed for a particular Franchised Swim School. You receive no minimum territory. Continuation of your territorial exclusivity is not dependent upon achieving certain sales volume, market penetration, or other contingency. You will receive an exclusive territory.

The Franchise Agreement licenses you to operate one Franchised Swim School at a specific site within the designated area. Territorial rights are granted under the Franchise Agreement include a "designated area," which is described below. The designated area that you receive will be described and depicted in a map attached to or included in the Franchise Agreement. You will operate one swim school in your designated area and must receive our permission before relocating. We determine the boundaries of the area based on a variety of factors, including general population, population size of children under the age of 12 years, proximity to competitors, proximity to other franchisees and natural, physical or political boundaries. As long as you are not in default under the Franchise Agreement, we will not establish other franchised or company-owned swim schools using the System with a physical location in your designated area. You receive no minimum territory. Continuation of your territorial exclusivity is not dependent upon achieving certain sales volume, market penetration, or other contingency. The territory may only be altered at the renewal of your franchise agreement. You will receive an exclusive territory.

You are not restricted from selling goods and services using the System to customers residing outside your designated area. There are no restrictions on your ability to advertise outside your territory, including engaging in mail order solicitations, direct mail programs, telemarketing, internet or television solicitation programs or use any other advertising media.

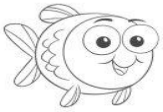
We reserve all rights not expressly granted in the Franchise Agreement or Area Development Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate a Goldfish Swim School® outside your designated area and may operate other

kinds of businesses under other marks within your designated area. We and our affiliates may conduct or authorize others to conduct any form of business at any location selling any type of product or service not offered under the Trademarks. We reserve the right to establish other channels of distribution for the sale of services and products including, without limitation, Internet sales or other direct marketing sales using our principal trademark or any trademarks other than our principal trademark. These activities may compete with your franchised swim school. We will not compensate you for any sales made in your area through an alternate channel of distribution. Unless you are advertising cooperatively with another franchisee, you may not advertise in any media primarily circulated within another franchisee's area of primary responsibility. With these reservations, you may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control.

You will operate the franchise from one location that we approve. You must receive our written permission before relocating. In order to analyze the proposed location for the relocated franchised swim school, we will use the same criteria as we use to evaluate an initial location. If you can no longer use the location due to circumstances beyond your control or fault, including destruction of the premises, you may be allowed to relocate. If you attempt to sell your franchised swim school or transfer your interest from the franchised swim school to a third party, we may exercise our right of first refusal. You do not have any options, rights of first refusal, or similar rights, and do not receive the right to acquire additional franchises or development territories under either the Franchise Agreement or the Area Development Agreement. You must meet our qualifications for new franchisees to qualify for an additional franchise location. There are no minimum sales quotas. As described in detail in ITEM 11.C.4, if we request, you must combine advertising with other franchises that are located in the market targeted by the advertising.

ITEM 13. TRADEMARKS

You receive the right to operate your swim school under the name, Goldfish Swim School®, which is the primary Mark used to identify our System. You may also use any other current or future Marks to operate your franchised swim school that we designate, including the logo on the front of this Disclosure Document and the service mark listed below. By "Mark," we mean any trade name, trademark, service mark or logo used to identify your business. We have the following registered Marks and pending applications on the U.S. Patent and Trademark Office ("USPTO") Principal and Supplemental Registers:

Mark	Principal Or Supplemental	Serial Number	Registration Number	Application Date	Registration Date
goldfish swim school Where the experience is golden. ® (design plus words, letters, and/or numbers)	Principal		3318156		10/23/2007
GOLDFISH SWIM SCHOOL® (standard character mark)	Principal		3605933		4/14/2009
WHERE THE EXPERIENCE IS GOLDEN! ® (standard character mark)	Principal		4613628		9/30/2014
GOLDFISH® (standard character mark)	Principal		4613647		9/30/2014
 ® (design only)	Principal		4613656		9/30/2014
goldfish swim school ® (design plus words, letters, and/or numbers)	Principal		4613661		9/30/2014
goldfish ® (design plus words, letters, and/or numbers)	Principal		4613662		9/30/2014
EXPERIENCE THE DIFFERENCE® (standard character mark)	Principal		5124282		1/17/2017

Mark	Principal Or Supplemental	Serial Number	Registration Number	Application Date	Registration Date
GOLDEN EXPERIENCE® (standard character mark)	Principal		5124280		1/17/2017
JUMP START CLINICS® (standard character mark)	Principal		5128463		1/24/2017
® (design plus words, letters, and/or numbers)	Principal		5128079		1/24/2017
THE SCIENCE OF SWIMPLAY® (standard character mark)	Principal		5331592		11/7/2017
® (design plus words, letters, and/or numbers)	Principal		5391862		1/30/2018
BUBBLES® (standard character mark)*	Principal		5405942		2/20/2018
GOLDEN LEARNERS® (standard character mark)	Principal		5723256		4/9/2019

Mark	Principal Or Supplemental	Serial Number	Registration Number	Application Date	Registration Date
GOLDFISH RX® (standard character mark)	Principal		5885455		10/15/2019
SWIMOLOGIST® (standard character mark)	Principal		6603356		12/28/2021
® (design only)	Principal		6329401		4/20/2021
® (design only)	Principal		6329402		4/20/2021
® (design only)	Principal		6380852		6/08/2021
® (design only)	Principal		6380853		6/08/2021
SAFER. STRONGER. TOGETHER.® (standard character mark)	Principal		6195237		11/10/2020
GOLDFISH ONLINE® (standard character mark)	Principal		6204536		11/24/2020

Mark	Principal Or Supplemental	Serial Number	Registration Number	Application Date	Registration Date
LULU® (standard character mark)	Principal		6212410		12/1/2020
FREEYA® (standard character mark)	Principal		6212409		12/1/2020
SLOAN® (standard character mark)	Supplemental		6207682		11/24/2020
JITT® (standard character mark)	Principal		6234848		12/29/2020
IT'S TIME TO GET BACK IN THE SWIM OF THINGS ® (standard character mark)	Principal		6632485		2/01/2022
YOU GOT THIS™ (standard character mark)	Principal	98816393		10/23/2024	
YOU GOT THIS! ™ (standard character mark)	Principal	99171079		05/06/2025	
THE F.L.O.A.T. METHOD BY GOLDFISH SWIM SCHOOL™ (standard character mark)	Principal	99261547		07/01/2025	

* You are authorized to use the word "Bubbles" in connection with live performances of our mascot. You are also authorized to distribute approved course and educational materials in the fields of swimming, swimming instruction, and water safety in connection with those live mascot performances. You are prohibited from using the word "Bubbles" in connection with your swimming instruction services.

We do not have federal registrations for some of our principal trademarks, including those identified in the table by the ™ symbol and the word "Sloan," which is registered on the USPTO's Supplemental Register. Therefore, the trademarks that are not registered do not have as many legal benefits and rights as a federally-registered trademark. If our right to use those trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Currently, we know of no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of the State of Michigan or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks. We have filed or intend to file all required affidavits and renewal declarations.

On August 16, 2016, we entered into a trademark co-existence agreement with Pepperidge Farm, Incorporated that limits your ability to use the trademarks "Goldfish" and "Goldfish Swim School" in association with food or beverage products. More particularly, you cannot use or sell "Goldfish" or "Goldfish Swim School" branded food or beverage products. However, you may use and sell "Goldfish Swim School" branded bottled water so long as such use and sales take place at your franchise location. The duration of the co-existence agreement is perpetual unless either party legally abandons and no longer uses their respective trademark for a period of three (3) years. Other than the above, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

We know of no infringing or prior superior uses that could materially affect the use of the Marks in any state in which the franchised swim school is to be located.

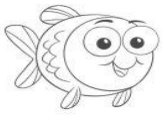
You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We will take the action we think appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

While we are not required to defend you against a claim arising from your use of our Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing

signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised swim school for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

We also have the following applications pending and trademarks registered with the Canadian Intellectual Property Office:

Mark	Application Number	Registration Number	Application Date	Registration Date
goldfish swim school® Where the experience is golden. ® (design plus words, letters, and/or numbers)		TMA956000		11/22/2016
GOLDFISH SWIM SCHOOL® (standard character mark)		TMA956097		11/23/2016
 ® (design only)		TMA948802		9/09/2016
WHERE THE EXPERIENCE IS GOLDEN! ® (standard character mark)		TMA1044783		7/25/2019
GOLDFISH ® (standard character mark)		TMA1044784		7/25/2019
goldfish swim school ®		TMA1055687		9/20/2019

Mark	Application Number	Registration Number	Application Date	Registration Date
(design plus words, letters, and/or numbers)				
® (design plus words, letters, and/or numbers)		TMA1055681		9/20/2019
GOLDEN EXPERIENCE® (standard character mark)		TMA1044782		7/25/2019
JUMP START CLINICS ® (standard character mark)		TMA1044788		7/25/2019
(design plus words, letters, and/or numbers)		TMA1055695		9/20/2019
THE SCIENCE OF SWIMPLAY ® (standard character mark)		TMA1055693		9/20/2019
(design plus words, letters, and/or numbers)		TMA1055694		9/20/2019
BUBBLES ® (standard character mark)		TMA1055689		9/20/2019

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Confidential Brand Standards Manual, our swim lesson curriculum, our employee training manuals, our website, our marketing materials and other copyrightable items that are part of the System.

You may use these items only as we specify while operating the franchised swim school and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Goldfish Swim School. We will provide our trade secrets and other confidential information to you during training, in the Confidential Brand Standards Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your franchised swim school. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised swim school. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your owners, shareholders, officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your Designated Manager(s), on-site general manager if different from the Designated Manager, other managers of the Franchised Swim School, and executives are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements. You must ensure that your employees with access to Confidential Information execute a Nondisclosure Agreement in the form similar to the form attached to the Franchise Agreement to prevent your employees from using or disclosing our Confidential Information after their employment terminates.

All ideas, concepts, techniques or materials concerning the franchised swim school and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make

part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Confidential Brand Standards Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

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

The franchised swim school must always be under the direct, full-time, day-to-day supervision of a Designated Manager or on-site general manager if different from the Designated Manager, who is certified and approved by us. If you are an individual, we may require you to be the Designated Manager of the franchise. If we require you to be the Designated Manager, you must request our consent to select another individual to replace you as the Designated Manager or on-site general manager. If you are a corporation or other business entity, you will select a Designated Manager for the franchise that we approve on an annual basis, but is not required to be an owner of the franchised business entity. The Designated Manager must attend and satisfactorily complete our initial training program before opening the Franchised Swim School. You must keep us informed at all times of the identity of your Designated Manager and on-site general manager if different from the Designated Manager. If you must replace the Designated Manager or on-site general manager, your replacement must attend and satisfactorily complete our initial training program. You must also designate a Designated Manager who is responsible for oversight of the Franchised Swim School, bind you related to the operations of the Franchised Swim School, and be the sole point of contact between us and you as provided in the Franchise Agreement. You must also designate a Control Person who is responsible for being the sole point of contact for all legal communications or notices and be designated with the authority to bind you. You must also designate one of your owners as a Marketing Lead who is responsible for all marketing, advertising, and sales activities at your Franchised Swim School.

As described in ITEM 14, certain individuals associated with your franchised swim school, including your owners (and members of their immediate families and households), officers, directors, partners, your Designated Managers, on-site general manager, other managers, and executives are required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

The Franchisee's obligations under the Franchise Agreement shall be personally guaranteed by individuals who meet our financial requirements~~, and may include your spouse, if necessary to meet our financial requirements.~~. If you are a corporation or other business entity, anyone who owns any equity in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we specify. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we disapprove. We may take action, including terminating your franchise if you purchase or sell unapproved products or make purchases from unapproved suppliers. We may periodically change required or authorized services or products. There are no limits on our right to do so.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

We do not place restrictions on you with respect to who may be a customer of your franchised swim school.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreement attached to this Disclosure Document. You should refer to your state's specific addenda attached to this Disclosure Document for exceptions to this ITEM 17.

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	Section 4.1	The initial term is 15 years.
b. Renewal or extension of the term	Section 4.2	You may renew for 3 successive terms of 5 years each. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 4.2	You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement with us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, the terms and conditions of which may differ materially from the original franchise agreement; comply with current training and certification requirements; pay to us the renewal fee of $10,000; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	Section 16.1	Subject to any applicable state law, you may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 30 days of receiving your written notice.
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	Section 16.2	We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.

Provision	Section in Franchise or Other Agreement	Summary
g. "Cause" defined-curable defaults	Section 16.2	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Brand Standards Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults below that require cure in a shorter time and non-curable defaults in (h.) below. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If a default arises from your failure to furnish evidence that all employed swim instructors and the Designated Manager and on-site general manager have obtained and/or maintained active CPR, life guard and first aid certifications or completed the training program to our satisfaction, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of your default. If a default arises from your failure to investigate any allegations of misconduct or abuse made by a child and/or child's parent(s) in a competent and prompt manner, you may cure the default within 10 days of receiving our notice of your default. If a default arises from your failure to replace the Designated Manager or on-site general manager, you may cure the default within 30 days of receiving our notice of your default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.

Provision	Section in Franchise or Other Agreement	Summary
h. "Cause" defined-non-curable defaults	Section 16.2	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely select an approved site for or establish, equip and begin operations of the franchised swim school; fail to have your Designated Manager or on-site general manager satisfactorily complete training; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the franchised swim school; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect the reputation of either party or the franchised swim school; use the Confidential Brand Standards Manual, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the franchised swim school for 5 or more consecutive days; surrender or transfer control of the franchised swim school in an unauthorized manner; fail to maintain the franchised swim school under the supervision of an approved Designated Manager or on-site general manager following your death or disability; submit reports on 3 or more separate occasions understating any amounts due by more than 3%; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 3 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; continue to violate any health, safety or other laws or operate the franchised swim school in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; repeatedly breach the franchise agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.

Provision	Section in Franchise or Other Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 17.1	If the Franchise Agreement is terminated or not renewed, you must: stop operating the franchised swim school; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Brand Standards Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	Section 18.2	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the franchise location or the franchised swim school's assets.
l. Franchisor's approval of transfer by franchisee	Section 18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of 50% of the then-current initial franchise fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; the transferee has agreed that its Designated Manager or on-site general manager if different from the Designated Manager

Provision	Section in Franchise or Other Agreement	Summary
		will complete the initial training program before assuming management of the franchised swim school; the transferee has agreed that its swim instructors, the Designated Manager, and the on-site general manager will have obtained CPR, life guard and first aid certifications; and the franchise location is remodeled to the then-current brand standards.
n. Franchisor's right of first refusal to acquire franchisee's franchised swim school	Section 19	We may match ~~an~~ the economic terms of your offer ~~for your franchised swim school or an ownership interest~~ and negotiate a commercially reasonable asset purchase agreement with you ~~propose to sell.~~
o. Franchisor's option to purchase franchisee's franchised swim school	Section 17.4	Except as described in (n) above, we do not have the right to purchase your franchised swim school; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised swim school for fair market value.
p. Death or disability of franchisee	Section 18.6	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 7.3	Subject to any applicable state law, you, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the franchised swim school to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	Subject to any applicable state law, for 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business operating within 25 miles of the franchise location or within the area of primary responsibility (whichever is greater), or within 25 miles of any other Goldfish Swim School; or soliciting or influencing any of our customers or business associates to compete with us or terminate their relationship with us.

Provision	Section in Franchise or Other Agreement	Summary
s. Modification of the agreement	Sections 9.2, 22.7 and 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Confidential Brand Standards Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. ~~Notwithstanding the foregoing, nothing~~Nothing in the franchise agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 23.7	Except for claims relating to the Marks, confidential information, trade secrets and covenants not to compete, and subject to state law, all disputes must be arbitrated in Oakland County, Michigan.
v. Choice of forum	Section 23.2	Subject to state law, any litigation must be pursued in courts located in Oakland County, Michigan.
w. Choice of law	Section 23.1	Subject to state law, Michigan law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States, except that the Michigan Franchise Investment Law does not apply to you unless you are a resident of the state of Michigan or your designated area is within the state of Michigan.

Provision	Section in Area Development Agreement	Summary
a. Length of franchise term	Section 3	As agreed based upon the Development Schedule.
b. Renewal or extension of the term	Not Applicable	You cannot renew or extend the term of the Area Development Agreement.
c. Requirements for franchisee to renew or extend	Not Applicable	

Provision	Section in Area Development Agreement	Summary
d. Termination by franchisee	Not Applicable	Subject to any applicable state law, you do not have a right to terminate the Area Development Agreement.
e. Termination by franchisor without cause	Not Applicable	We may only terminate for cause.
f. Termination by franchisor with cause	Section 10	We may terminate the Area Development Agreement only if you default. If we terminate the Area Development Agreement, your interest in the Area Development Agreement will terminate, but you will retain the rights you may have under any Franchise Agreement you signed and you will be bound to the terms of the Franchise Agreement for the applicable franchised swim school
g. "Cause" defined-curable defaults	Section 10	You will have 15 days to cure any of these defaults: (i) failure to make any Payment timely; (ii) failure to meet and/or maintain the Standards; (iii) an Event of Default shall arise under any Franchise Agreement under which Franchisee has an opportunity to cure, in which case, the cure period under this Agreement shall be extended to coincide with the cure period of the Franchise Agreement.
h. "Cause" defined-non-curable defaults	Section 10	You will not have an opportunity to cure any of these defaults: (i) failure to comply with the Development Schedule; (ii) the breach or falsity of any representation or warranty; (iii) failure to deliver executed covenants; (iv) failure to comply with or perform its covenants, obligations and agreements; (v) any Transfer that is not approved by us; (vi) Developer is adjudicated bankrupt, makes an assignment for the benefit of creditors, or seeks protection from creditors by petition in bankruptcy which is not dismissed within 30 days; (vii) the appointment of a liquidator or receiver which is not dismissed within 30 days; (viii) breach or failure to perform any other term or condition of the Area Development Agreement; (ix) an Event of Default shall arise under any Franchise Agreement under which Franchisee has no opportunity to cure; (x) Developer or any Principal pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill; or (xi) multiple defaults, regardless of whether cured.

Provision	Section in Area Development Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 11	Your rights to develop franchised swim schools terminates; you must cease operating your development business; you must take actions necessary, if needed, to cancel assumed names; you must, if necessary, notify telecommunications carriers that your telephone numbers belong to us; you must pay us a fee of $80,000 for each undeveloped franchised swim school; you must not own or operate a Competing Business within your territory or any territory of any of our developers or within 25 miles of any territory of any of our developers or any franchised swim school operated by one of our franchisees.
j. Assignment of contract by franchisor	Section 8	There are no restrictions on our right to assign our interest in the Area Development Agreement.
k. "Transfer" by franchisee-definition	Sections 1 and 8	Any sale, assignment, pledge or other encumbrance of the Area Development Agreement, any or all of your rights or obligations under the Area Development Agreement, or the disposition of any interest in any equity interest of Developer.
l. Franchisor's approval of transfer by franchisee	Section 8	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 8	No event of Default; Developer and each Principal execute a general release; Developer and each Principal remain liable for the performance of the transferee; Transferee must assume all of your obligations, make all required representations and warranties, execute any and all documents required by us; Transferee and all transferee owners must satisfy our standards for new Developers; Transferee execute the then current form of Area Development Agreement and all other documents we deem necessary, Transferee and Transferee's Representative and Operator satisfy all training obligations; payment of transfer fee of $10,000.
n. Franchisor's right of first refusal to acquire franchisee's franchised swim school	~~Section 8~~Not Applicable	~~We may match an offer for your franchised swim school or an ownership interest you propose to sell.~~

Provision	Section in Area Development Agreement	Summary
o. Franchisor's option to purchase franchisee's franchised swim school	Not Applicable	
p. Death or disability of franchisee	Section 8	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Area Development Agreement, the individual's interest in the Developer franchise within 1 year of death or incapacity or we may terminate the Area Development Agreement.
q. Non-competition covenants during the term of the franchise	Section 7	Subject to any applicable state law, you, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the franchised swim school to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 11	Subject to any applicable state law, for 2 years after the termination or expiration of the Area Development Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business operating within 25 miles of the franchise location or within the area of primary responsibility (whichever is greater), or within 25 miles of any other Goldfish Swim School; or soliciting or influencing any of our customers or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Sections 21	The Area Development Agreement can be modified only by written agreement between you and us. We may modify the Confidential Brand Standards Manual without your consent if the modification does not materially alter your fundamental rights.

Provision	Section in Area Development Agreement	Summary
t. Integration/merger clause	Section 21	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in the franchise agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 19	Except for claims relating to the Marks, confidential information, trade secrets and covenants not to compete, and subject to state law, all disputes must be arbitrated in Oakland County, Michigan.
v. Choice of forum	Section 23.2	Subject to state law, any litigation must be pursued in courts located in Oakland County, Michigan.
w. Choice of law	Section 23.1	Subject to state law, Michigan law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States, except that the Michigan Franchise Investment Law does not apply to you unless you are a resident of the state of Michigan or your Territory is within the state of Michigan.

ITEM 18. PUBLIC FIGURES

We do not presently 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.

Bases

The following Financial Performance Representation shown in the Table 1 below are unaudited average numbers derived from the actual historical performance for the 20252024 calendar year of all our franchisees who have been open for at least 12 months as of December 31, 20252024. Financial results of our affiliates which operate businesses substantially similar to the business being franchised, are not included. Since we measured only those Franchised Swim Schools that completed 12 months of operation as of December 31, 2025, 1692024, 155 of our Franchised Swim Schools of the 172192 total Franchised Swim Schools met these criteria. In Table 1 below, we display the average performance of the 155169 Franchised Swim Schools that met these criteria, and of these, how many Franchised Swim Schools met or exceeded the stated average performance, as well as the performance for the 25th percentile (1st quartile), median performance (2nd quartile), and 75th percentile (3rd quartile), as well as the low and high (4th quartile) range for each line item. For each of the line items disclosed in the below Table 1, the number represented is the actual performance of the Franchised Swim School for that quartile or range in that reported line item. In other words, the performance reported in the 1st quartile column is not one single Franchised Swim School, but the performance of a Franchised Swim School that represents the 25th percentile for that line item. Each of the 155 Franchised1697Franchised Swim Schools included in the Financial Performance Representation in Table 1 each have unique geographic and market characteristics. However, other than the geographic and market characteristics of the reporting Franchised Swim Schools, there are no material differences in the economic or market conditions known to, or reasonably ascertainable by us between the business operated by the reporting Franchised Swim Schools and the business being franchised.

The following Financial Performance Representation shown in ~~the~~ Table 2 below are unaudited average numbers derived from the actual historical performance for the 2025~~2024~~ calendar year of all our franchisees who have been open for their first full calendar year, meaning that these Franchised Swim Schools were open at least 12 months but less than 24 months as of December 31, 2025~~2024~~. Since we measured only those Franchised Swim Schools that were open at least 12 months but less than 24 months of operation as of December 31, 2025, 17~~2024, 19~~ of our Franchised Swim Schools of the ~~172~~192 total Franchised Swim Schools met these criteria. In Table 2 below, we display the average performance of the ~~19~~17 Franchised Swim Schools that met these criteria, and of these, how many Franchised Swim Schools met or exceeded the stated average performance, as well as the performance for the 25th percentile (1st quartile), median performance (2nd quartile), and 75th percentile (3rd quartile), as well as the low and high (4th quartile) range for each line item. For each of the line items disclosed in the below Table 2, the number represented is the actual performance of the Franchised Swim School for that quartile or range in that reported line item. In other words, the performance reported in the 1st quartile column is not one single Franchised Swim School, but the performance of a Franchised Swim School that represents the 25th percentile for that line item. Each of the ~~19~~17 Franchised Swim Schools included in the Financial Performance Representation in Table 2 each have unique geographic and market characteristics. However, other than the geographic and market characteristics of the reporting Franchised Swim Schools, there are no material differences in the economic or market conditions known to, or reasonably ascertainable by us between the business operated by the reporting Franchised Swim Schools and the business being franchised.

Assumptions

For each Table 1 and Table 2, the data provided below is the average performance for the Reporting Franchised Swim Schools for calendar year 2025. ~~2024. The market where your Goldfish Swim School® is located, however, may be in a markedly different urban or suburban area. Accordingly, the average results achieved by our reporting Franchised Swim Schools may not be typical for those in your area.~~

Table 1

Table 1: All > 12mo	155 Schools								
REVENUE	**Average**	**% of Gross Revenues**	**# Surpassing**	**% Surpassing**	**Low**	**1st Quartile**	**Median**	**3rd Quartile**	**High**
SWIM LESSONS	2,050,837	95.5%	65	41.9%	270,919	1,381,954	1,851,920	2,522,329	6,072,092
OTHER (1)	96,267	4.5%	71	45.8%	10,073	63,910	92,979	119,262	284,331
TOTAL REVENUE	2,147,104	100.0%	67	43.2%	280,992	1,479,757	1,979,745	2,629,994	6,245,914
OPERATING EXPENSES									
PAYROLL AND RELATED EXPENSES (2)	734,110	34.2%	63	40.6%	254,358	543,029	681,134	901,574	1,628,682
SUPPLIES (3)	59,201	2.8%	67	43.2%	9,732	36,170	52,101	82,648	135,086
MERCHANT FEES	53,008	2.5%	71	45.8%	7,224	36,014	50,121	64,647	164,050
~~REPAIRS AND MAINTENANCE~~	~~70,270~~	~~3.3%~~	~~70~~	~~45.2%~~	~~10,451~~	~~46,347~~	~~66,664~~	~~91,210~~	~~238,599~~
INSURANCE (4)	37,115	1.7%	56	36.1%	9,296	20,424	31,283	44,236	215,057
RENT AND OCCUPANCY COSTS (5)	213,274	9.9%	56	36.1%	48,435	143,478	187,757	249,318	1,240,067
UTILITIES 6)	65,292	3.0%	66	42.6%	15,675	49,126	60,301	76,758	168,508
ROYALTIES	128,826	6.0%	67	43.2%	16,860	88,785	118,785	157,800	374,755
NATIONAL ADVERTISING FUND	42,942	2.0%	67	43.2%	5,620	29,595	39,595	52,600	124,918
ADVERTISING AND MARKETING (7)	63,941	3.0%	76	49.0%	10,007	47,426	63,841	80,767	152,494
TOTAL OPERATING EXPENSES	1,467,985	68.4%	58	37.4%	556,370	1,121,082	1,368,523	1,747,657	3,178,558
PROFIT BEFORE OTHER EXPENSES (8)	679,119	31.6%	69	44.5%	(685,464)	361,153	617,147	897,409	3,141,627

Table 1: All > 12mo	169 Schools								
REVENUE	**Average**	**% of Gross Revenues**	**# Surpassing**	**% Surpassing**	**Low**	**1st Quartile**	**Median**	**3rd Quartile**	**High**
SWIM LESSONS	1,906,260	95.6%	69	40.8%	511,065	1,324,545	1,710,311	2,346,969	6,200,606
OTHER (1)	87,909	4.4%	71	42.0%	17,887	57,156	83,990	104,966	356,881
TOTAL REVENUE	1,994,169	100.0%	70	41.4%	528,953	1,389,965	1,781,634	2,415,642	6,383,493
OPERATING EXPENSES									
PAYROLL AND RELATED EXPENSES (2)	703,705	35.3%	62	36.7%	193,241	532,608	640,170	831,991	1,748,531
SUPPLIES (3)	55,094	2.8%	77	45.6%	10,777	34,104	50,394	71,422	128,106
MERCHANT FEES	48,841	2.4%	75	44.4%	14,144	32,125	44,965	59,217	183,871
REPAIRS AND MAINTENANCE	65,221	3.3%	77	45.6%	4,723	35,887	58,833	83,752	241,923
INSURANCE (4)	39,225	2.0%	72	42.6%	7,628	24,345	36,152	46,771	185,819
RENT AND OCCUPANCY COSTS (5)	226,663	11.4%	62	36.7%	88,380	155,023	196,976	266,807	1,226,000
UTILITIES 6)	70,445	3.5%	75	44.4%	14,737	51,597	67,978	83,904	181,199
ROYALTIES	119,650	6.0%	70	41.4%	31,737	83,398	106,898	144,939	383,010
NATIONAL ADVERTISING FUND	39,883	2.0%	70	41.4%	10,579	27,799	35,633	48,313	127,670
ADVERTISING AND MARKETING (7)	64,916	3.3%	78	46.2%	19,181	49,389	63,063	75,903	194,935
TOTAL OPERATING EXPENSES	1,433,644	71.9%	63	37.3%	585,455	1,099,090	1,308,832	1,688,976	3,438,013
PROFIT BEFORE OTHER EXPENSES (8)	560,524	28.1%	70	41.4%	(197,689)	250,114	475,014	765,949	2,945,479

Table 2

Table 2: 13-24mos	19 Schools								
REVENUE	**Average**	**% of Gross Revenues**	**# Surpassing**	**% Surpassing**	**Low**	**1st Quartile**	**Median**	**3rd Quartile**	**High**
SWIM LESSONS	1,791,115	95.1%	8	42.1%	270,919	977,756	1,370,488	2,526,258	4,037,114
OTHER (1)	92,509	4.9%	10	52.6%	10,073	51,717	97,718	119,203	199,291
TOTAL REVENUE	1,883,624	100.0%	8	42.1%	280,992	1,016,372	1,473,513	2,612,513	4,195,398
OPERATING EXPENSES									
PAYROLL AND RELATED EXPENSES (2)	659,144	35.0%	8	42.1%	319,270	459,472	590,700	844,493	1,103,510
SUPPLIES (3)	51,241	2.7%	10	52.6%	9,732	33,422	52,101	66,432	85,845
MERCHANT FEES	46,891	2.5%	8	42.1%	7,224	26,548	39,732	64,801	110,329
~~REPAIRS AND MAINTENANCE~~	~~59,522~~	~~3.2%~~	~~7~~	~~36.8%~~	~~11,020~~	~~27,193~~	~~48,179~~	~~88,544~~	~~136,560~~
INSURANCE (4)	27,493	1.5%	8	42.1%	12,329	16,831	26,238	35,341	67,740
RENT AND OCCUPANCY COSTS (5)	276,763	14.7%	7	36.8%	48,435	114,830	201,801	306,137	1,240,067
UTILITIES (6)	74,360	3.9%	8	42.1%	20,804	46,041	71,429	97,297	142,779
ROYALTIES	113,017	6.0%	8	42.1%	16,860	60,982	88,411	156,751	251,724
NATIONAL ADVERTISING FUND	37,672	2.0%	8	42.1%	5,620	20,327	29,470	52,250	83,908
ADVERTISING AND MARKETING (7)	68,771	3.7%	11	57.9%	10,007	49,539	76,459	85,546	135,942
TOTAL OPERATING EXPENSES	1,414,874	75.1%	7	36.8%	721,934	963,122	1,169,800	1,705,068	3,178,558
PROFIT BEFORE OTHER EXPENSES (8)	468,750	24.9%	9	47.4%	(685,464)	92,773	379,193	907,445	1,460,401

Table 2: 13-24mos	17 Schools								
REVENUE	Average	% of Gross Revenues	# Surpassing	% Surpassing	Low	1st Quartile	Median	3rd Quartile	High
SWIM LESSONS	1,459,653	95.2%	6	35.3%	511,065	1,064,326	1,340,827	1,720,672	3,339,030
OTHER (1)	74,356	4.8%	8	47.1%	17,887	48,706	58,148	94,032	196,041
TOTAL REVENUE	1,534,009	100.0%	6	35.3%	528,953	1,137,782	1,388,159	1,814,704	3,428,959
OPERATING EXPENSES									
PAYROLL AND RELATED EXPENSES (2)	609,965	39.8%	6	35.3%	193,241	492,114	558,721	682,297	1,210,550
SUPPLIES (3)	50,277	3.3%	8	47.1%	20,686	35,019	43,051	62,390	115,566
MERCHANT FEES	38,986	2.5%	8	47.1%	16,553	28,930	36,110	48,706	86,214
REPAIRS AND MAINTENANCE	40,891	2.7%	9	52.9%	9,621	24,396	43,144	53,697	94,167
INSURANCE (4)	31,305	2.0%	7	41.2%	11,623	20,419	26,760	41,850	56,093
RENT AND OCCUPANCY COSTS (5)	230,402	15.0%	6	35.3%	105,511	172,124	198,579	259,141	433,873
UTILITIES (6)	71,099	4.6%	8	47.1%	37,707	47,883	70,849	82,919	129,630
ROYALTIES	92,041	6.0%	6	35.3%	31,737	68,267	83,290	108,882	205,738
NATIONAL ADVERTISING FUND	30,680	2.0%	6	35.3%	10,579	22,756	27,763	36,294	68,579
ADVERTISING AND MARKETING (7)	66,530	4.3%	7	41.2%	31,679	50,716	56,416	90,901	110,113
TOTAL OPERATING EXPENSES	1,262,174	82.3%	6	35.3%	589,164	988,434	1,159,054	1,445,686	2,337,506
PROFIT BEFORE OTHER EXPENSES (8)	271,835	17.7%	6	35.3%	(197,689)	63,099	181,072	446,165	1,091,452

(1) Other Revenue includes birthday parties, vending, retail revenue, and registration revenues.

(2) Includes all hourly and management labor and payroll taxes and does not include owner's compensation.

(3) Supplies includes pool supplies, cost of vending and food sales, and other operating supplies.

(4) Insurance expenses include premiums for all required insurance policies, including liability, workers' compensation, and health insurance.

(5) Rent/Occupancy Cost includes gross costs of base rent, CAM (common area maintenance), alarm costs and real estate taxes as reported by our Franchisees. Some Franchisees may reflect rent as "gross rent" based on the terms of the applicable lease agreement. A Franchisee's Rent/Occupancy Cost does not differentiate or account for any free rent, tenant improvement allowance, other credit or charge that may affect annual Rent/Occupancy Cost and may vary for each Franchisee. The amount represented is not a per square foot charge but is the actual costs as reported by our Franchises. ~~–~~Some Franchisee's enter lease agreements with third party landlord's and some Franchisee's may enter into leases with affiliated entities of such Franchisee each of which may affect annual Rent/Occupancy Costs. Rent/Occupancy Costs will vary widely by market.

(6) Utilities includes water, sewer, natural gas, and electricity.

(7) Local Marketing Expense includes marketing expenses included in your Local Advertising requirement.

(8) Profit Before Other Expenses (which "other expenses" would include interest expense, taxes, depreciation, amortization, owner compensation and related expenditures, and other miscellaneous costs of doing business).

Our management prepared this financial performance representation based on information provided by our franchisees that we believe to be reliable. ~~This financial performance representation was 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 contents or form.~~ Written substantiation of all financial information presented in this financial performance representation will be made available to you upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation, Goldfish Swim School Franchising, LLC does not make any financial performance representations. 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 the franchisor's management by contacting Chris McCuiston, 2701 Industrial Row Drive, Troy, Michigan 48084, (800) 856-5120, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 20222023 TO 20252024				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	20222023	121137	137155	+1618
	20242023	137155	155172	+1817
	20242025	155172	172192	+1720
Company-Owned	20222023	1	14	0+3
	20242023	14	45	+31
	20242025	45	57	+12
Total Outlets	20222023	122138	138159	+1621
	20242023	138159	159177	+2118
	20242025	159177	177199	+1822

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS ~~2022~~2023 TO 2025~~2024~~		
State	**Year**	**Number of Transfers**
Colorado	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	1
	2025	0
Connecticut	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	0
	2025	0
Florida	2023~~2022~~	1
	~~2023~~	~~0~~
	2024	0
	2025	0
Illinois	2023~~2022~~	~~0~~1
	~~2023~~	~~1~~
	2024	0
~~Maine~~	~~2022~~2025	0
Maine	2023	1
	2024	0
	2025	0
Maryland	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	0
	2025	0
Michigan	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	0
	2025	0
Missouri	2023~~2022~~	~~0~~1
	2024	0
	2025	0
Ohio	2023	~~1~~0

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS ~~2022~~2023 TO 2025~~2024~~		
	2024	0
	2025	2
Oklahoma	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	0
	2025	0
Virginia	2023~~2022~~	~~1~~0
	~~2023~~	~~0~~
	2024	0
	2025	0
New York	2023~~2022~~	~~1~~0
	~~2023~~	~~0~~
	2024	0
	2025	1
New Jersey	2023~~2022~~	0
	~~2023~~	~~0~~
	2024	0
	2025	5
Wisconsin	2023~~2022~~	~~0~~1
	~~2023~~	~~1~~
	2024	0
~~Total~~	~~2022~~2025	~~5~~0
Total	2023	4
	2024	1
	2025	8

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS ~~2022~~2023 TO ~~2024~~2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin -ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations – Other Reasons**	**Outlets at End of the Year**
Alabama	2023~~2022~~	~~0~~1	~~1~~2	0	0	0	0	~~1~~3
	2024~~2023~~	~~1~~3	~~2~~0	0	0	0	0	3
	~~2024~~2025	3	0	0	0	0	0	3
Arizona	2023~~2022~~	2	~~0~~1	0	0	0	0	~~2~~3
	~~2023~~	~~2~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	2	0	1
Arkansas	2023~~2022~~	1	0	0	0	0	0	1
	2024~~2023~~	1	0	0	0	0	0	1
	~~2024~~2025	1	0	0	0	0	0	1
California	2023~~2022~~	1	0	0	0	0	0	1
	~~2023~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2024	1	0	0	0	0	0	1
	2025	1	2	0	0	0	0	3
Colorado	2023~~2022~~	3	0	0	0	0	0	3
	~~2023~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2024	3	1	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Connecticut	2023~~2022~~	3	0	0	0	0	0	3
	~~2023~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2024	3	2	0	0	0	0	5
	2025	5	0	0	0	0	0	5

STATUS OF FRANCHISE OUTLETS FOR YEARS 20222023 TO 20242025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin -ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations – Other Reasons**	**Outlets at End of the Year**
Delaware	20232022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	20232022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	3	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Georgia	20232022	3	01	0	0	0	0	34
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	0	5
Idaho	20232022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Illinois	20232022	1314	1	0	0	0	0	1415
	20242023	1415	10	0	0	0	0	15
	202420252025	15	01*	01*	0	0	0	15
Indiana	20232022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Iowa	2022202025	13	0	0	0	0	0	13
Iowa	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

STATUS OF FRANCHISE OUTLETS FOR YEARS 20222023 TO 20242025								
State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Kansas	20222025	1	10	0	0	0	0	21
Kansas	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Kentucky	20232022	0	01	0	0	0	0	01
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Louisiana	20232022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maine	20232022	0	01	0	0	0	0	01
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	20232022	56	10	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
	2025	7	1	0	0	0	0	8
Massachusetts	20232022	911	20	0	0	0	0	11
	2024023	11	0	0	0	0	0	11
	202420252025	11	0	0	0	0	0	11

STATUS OF FRANCHISE OUTLETS FOR YEARS 20222023 TO 20242025								
State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Michigan	20232022	8	0	0	0	0	0	8
	20242023	8	0	0	0	0	0	8
	202420252	8	0	0	0	0	0	8
Minnesota	20232022	12	1	0	0	0	0	23
	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	1	0	0	0	0	5
Missouri	20232022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nebraska	20232022	12	10	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Nevada	2023	20	0	0	0	0	0	20
	2024	20	0	0	0	0	0	20
	2025	0	1	0	0	0	0	1
New Hampshire	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
New Jersey	20232022	8	01	0	0	0	0	89
	2023	8	1	0	0	0	0	9
	2024	9	1	0	0	0	0	10
New York	202220252	910	1	0	0	0	0	1011
New York	2023	10	5	0	0	0	0	15
	2024	15	0	0	0	0	0	15

STATUS OF FRANCHISE OUTLETS FOR YEARS 20222023 TO 20242025								
State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2025	15	3	0	0	0	0	18
North Carolina	20232022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Ohio	202220225	115	10	0	0	0	0	125
Ohio	2023	12	2	0	0	0	0	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	0	14
Oklahoma	20232022	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Oregon	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
	2025	0	2	0	0	0	0	2
Pennsylvania	20232022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
	2025	9	1	0	0	0	0	10
Rhode Island	20232022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
South Carolina	20232022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Tennessee	20232022	12	10	0	0	0	0	2

STATUS OF FRANCHISE OUTLETS FOR YEARS ~~2022~~2023 TO ~~2024~~2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin -ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations – Other Reasons**	**Outlets at End of the Year**
	~~2023~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Texas	2023~~2022~~	~~4~~7	~~3~~0	0	0	0	0	7
	~~2023~~	~~7~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~7~~
	2024	7	1	0	0	0	0	8
~~Utah~~	~~2022~~2025	~~2~~8	~~0~~3	0	0	0	0	~~2~~11
Utah	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Virginia	2023~~2022~~	~~5~~6	~~1~~0	0	0	0	0	6
	~~2023~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~6~~
	2024	6	0	0	0	0	0	6
	2025	6	1	0	0	0	0	7
Washington	2023~~2022~~	2	~~0~~2	0	0	0	0	~~2~~4
	~~2023~~	~~2~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2024	4	1	0	0	0	0	5
	2025	5	1	0	0	0	0	6
Wisconsin	~~2022~~2023	~~2~~3	~~1~~0	0	0	~~0~~1	0	~~3~~2
	~~2023~~	~~3~~	~~0~~	~~0~~	~~0~~	~~1~~	~~0~~	~~2~~
	2024	2	0	0	0	0	0	2
~~Total~~	~~2022~~2025	~~121~~2	~~16~~1	0	0	0	0	~~137~~3
Total	2023	137	19	0	0	1	0	155
	2024	155	17	0	0	0	0	172

STATUS OF FRANCHISE OUTLETS FOR YEARS ~~2022~~2023 TO ~~2024~~2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin -ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations – Other Reasons**	**Outlets at End of the Year**
	2025	172	23	1	0	2	0	192

* The Algonquin, Illinois location never ceased operation. There was a simultaneous termination and new franchise agreement, but was not a transfer.

There are no franchisees who have had an outlet terminated, cancelled, transferred other than disclosed above, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2022-2024~~2023-2025							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
~~Michigan~~Arizona	~~2022~~2023	~~1~~0	0	0	0	0	~~1~~0
	~~2023~~	~~1~~	~~2~~	~~0~~	~~0~~	~~0~~	~~3~~
	2024	~~3~~0	~~1~~0	0	0	0	~~4~~0
~~Wisconsin~~	~~2022~~2025	0	0	~~0~~2	0	0	~~0~~2
Michigan	2023	~~0~~1	~~0~~2	~~1~~0	0	0	~~1~~3
	2024	3	1	0	0	0	4
	2025	4	0	0	0	0	4
Wisconsin	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1
~~Total*~~	~~2022~~2025	1	0	0	0	0	1
	2023	1	2	1	0	0	4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2022-2024~~2023-2025							
Total*							
	2024	4	1	0	0	0	5
	2025	5	0	2	0	0	7

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, ~~2024~~2025			
State	**Franchise Agreements Signed But Outlet Not Yet Opened**	**Projected New Franchised Outlet In The Next Fiscal Year**	**Projected New Company-Owned Outlet in the Next Fiscal Year**
Alabama	0	0	0
Arizona	0	0	0
California	~~4~~8	2	0
Colorado	~~1~~0	0	0
Connecticut	~~2~~4	~~1~~3	0
Delaware	1	1	0
Florida	~~1~~3	~~0~~3	0
Georgia	~~2~~1	1	0
Idaho	0	0	0
Indiana	0	0	0
Illinois	0	0	0
Kansas	~~1~~0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	~~2~~1	~~1~~0	0
Massachusetts	1	~~0~~ 1	0
Michigan	~~1~~0	0	0
Minnesota	~~1~~0	~~1~~ 0	0
Nebraska	0	0	0
Nevada	~~1~~0	~~1~~0	0
New Hampshire	~~1~~0	~~1~~0	0
New Jersey	~~1~~2	1	0
New York	~~5~~3	3	0
North Carolina	1	1	0
Ohio	0	0	0
Oklahoma	2	~~1~~2	0
Oregon	~~2~~0	~~2~~0	0
Pennsylvania	~~2~~1	~~1~~0	0
Rhode Island	0	0	0
South Carolina	~~1~~0	~~1~~0	0
Tennessee	~~1~~0	0	0
Texas	~~4~~1	~~2~~1	0
Utah	0	0	0

PROJECTED OPENINGS AS OF DECEMBER 31, ~~2024~~2025			
State	**Franchise Agreements Signed But Outlet Not Yet Opened**	**Projected New Franchised Outlet In The Next Fiscal Year**	**Projected New Company-Owned Outlet in the Next Fiscal Year**
Virginia	~~1~~0	~~1~~0	0
Washington	~~2~~4	2	0
Wisconsin	~~2~~1	1	0
Total*	~~43~~34	~~25~~22	0

No franchisees have signed confidentiality clauses in the last 3 years. A list of current and former franchisees is attached as Exhibit G. Exhibit G also includes the list of 36 franchisees that have signed franchise agreements but have not yet opened. As of the end of our last fiscal year, we had 46 Area Developers. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no known trademark-specific franchisee associations associated with the franchise system being offered.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit F are the audited financial statements for our fiscal year ending December 31, ~~2024~~2025, the audited financial statements for our fiscal year ending December 31, 2024~~2023~~, and the audited financial statements of our fiscal year ending December 31, ~~2022~~2023.

Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The Goldfish Swim School Franchising LLC Franchise Agreement (with exhibits) is attached to this Disclosure Document as Exhibit C.

The Goldfish Swim School Franchising LLC General Release is attached to the Franchise Agreement as Exhibit 1.

The Goldfish Swim School Franchising LLC Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit 2.

The Goldfish Swim School Franchising LLC Unlimited Guaranty and Assumption of Obligations is attached to the Franchise Agreement as Exhibit 3.

The Goldfish Swim School Franchising LLC Conditional Assignment of Lease is attached to the Franchise Agreement as Exhibit 6.

The Goldfish Swim School Franchising LLC Option to Purchase is attached to the Franchise Agreement as Exhibit 7.

The Goldfish Swim School Franchising LLC Telephone Number Assignment is attached to the Franchise Agreement as Exhibit 8.

The Goldfish Swim School Franchising LLC EFT Authorization is attached to the Franchise Agreement as Exhibit 9.

The Goldfish Swim School Franchising, LLC Area Development Agreement (with exhibits) is attached to this Disclosure Document as Exhibit D.

We provide no other contracts or agreements for your signature.

ITEM 23. RECEIPTS

Our copy and your copy of the Disclosure Document Receipts are located on the last 2 pages of this Disclosure Document.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

California
Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Department of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, California 95834
(866) 275-2677 Toll Free

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

Hawaii
Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Kentucky
Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Maine
Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Department of the Attorney General
Consumer Protection Division
Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl
New York, NY 10005
212-416-8285

North Carolina
Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5909

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, Rhode Island 02920

South Carolina
Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Texas
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

EXHIBIT B TO THE DISCLOSURE DOCUMENT
LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California
Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Department of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, California 95834
(866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii
Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland
Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, Minnesota 55101

New York
Attention: New York Secretary of the State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota
North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island
Division of Securities
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, Rhode Island 02920

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia
Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

GOLDFISH SWIM SCHOOL FRANCHISING LLC

FRANCHISE AGREEMENT

EXHIBIT C TO THE DISCLOSURE DOCUMENT

GOLDFISH SWIM SCHOOL FRANCHISING LLC

FRANCHISE AGREEMENT

EXHIBIT C TO THE DISCLOSURE DOCUMENT

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11. TERM OF THE FRANCHISE AGREEMENT

GOLDFISH SWIM SCHOOL FRANCHISING LLC

FRANCHISE AGREEMENT

This Franchise Agreement made this ____ day of _____, 20____, is by and between Goldfish Swim School Franchising LLC, a Michigan limited liability company, having its principal place of business at 2701 Industrial Row Drive, Troy, Michigan 48084 ("Franchisor"), and _____ _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor and its Affiliate* have developed, and are in the process of further developing, a System identified by the service mark "Goldfish Swim School®" and relating to the establishment and operation of a swim school that provides specialized quality swim instruction and superior customer service to its clients. The Franchise aims to service local markets by offering group and private swim lessons as well as birthday parties, open swim times, swim clinics and many other aquatic activities to children under the age of twelve (12) years old in a fun and colorful environment. The Franchise will also service its clients by offering a snack bar and retail area, referred to as "Goldfish Swim Schools;" and

WHEREAS, in addition to the service mark "Goldfish Swim School®" and certain other Marks, the distinguishing characteristics of the System include: uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development, design and construction techniques; distinctive interior and exterior design, layout and décor; other strategies, techniques and Trade Secrets and other Confidential Information; and the Confidential Brand Standards Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate a Goldfish Swim School using the System and the Marks; and

WHEREAS, Franchisee desires to operate a Goldfish Swim School, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations and service and the necessity of operating the Franchised Swim School in strict conformity with Franchisor's System.

*Capitalized terms not otherwise defined are defined in Section 1.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

"Affiliate" means any business entity that controls, is controlled by, or is under common control with Franchisor;

"Agreement" means this agreement entitled "Goldfish Swim School Franchising LLC Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Approved Location" means the site for the operation of the Franchised Swim School selected by Franchisee and accepted in writing by Franchisor;

"Approved Supplier(s)" has the meaning given to such term in Section 13.1;

"Area of Primary Responsibility" has the meaning given to such term in Section 2.5;

"Brand Fund" has the meaning given to such term in Section 11.3;

"Brand Fund Contribution" has the meaning given to such term in Section 11.3;

"Competitive Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) swim instruction to children the same as or similar to those provided by Goldfish Swim Schools or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

"Confidential Information" means, without limitation, business practices; copyrighted materials; trademarks; patents; applications; trade secrets; trade dress; instructional materials; descriptions of Goldfish's products and services; proposed products and services; computer software and hardware utilized by the Franchise System and all information contained on such computer hardware and software; Customer Data (which includes but is not limited to Customer Personal Data); advertising materials; business plans; swim programs; swim curriculum and training manuals; employee compensation plans; identities of suppliers, customers and

prospective customers; all specifications, sources of supply (or prospective sources) and all information pertaining to same (including wholesale pricing structures, contents of sourcing agreements and identity of suppliers), all procedures, systems, techniques and activities employed by Franchisor or Franchisee in the offer and sale of products and/or services at or from the Franchised Swim School; prices and pricing policies; financial data; computer programs and software; floor plans; development schedules; development plans; systems; operations and procedures; Confidential Brand Standards Manual; Franchisee's final plans for construction, build-out, design, renovation, décor, equipment, signage, furniture, fixtures, and trade dress of the Franchised Swim School; and all other information provided to Franchisee from Franchisor;

"Confidential Brand Standards Manual" means the Goldfish Swim School Confidential Brand Standards Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System and protection of the brand, including other Brand Standards Manuals, and all books, computer programs, and password-protected portions of an Internet or intranet site or other electronic medium on which the Confidential Brand Standards Manual and brand protection standards are located;

"Control Person" an individual designated and described in Exhibit 4 to this Agreement who shall (1) be the sole point of contact on behalf of Franchisee for any and all legal communications or notices from Franchisor; and (2) be designated with the authority to legally bind the Franchisee.

"Construction Commencement Period" shall mean the period that expires three hundred thirty (330) days following the Effective Date;

"Cooperative Advertising" means the combined advertising program of two (2) or more franchisees established within a common market that may be consolidated for local advertising purposes so long as at least fifty percent (50%) of the franchisees in the common market agree to form and participate in the cooperative in a particular region;

"Customer Personal Data" means data that may be reasonably linked or linkable to natural persons to whom Franchisee provides goods or services or who are associated with a business entity to which Franchisee provides goods or services, including not limited to such natural person's name, birthdate, contact information, payment card information, transaction history, and other personal and other information as may be further set forth and defined in the Confidential Brand Standards Manual.

"Designated Area" has the meaning given to such term in Section 2.3;

"Designated Manager" means the individual designated by Franchisee who shall (1) have primary responsibility for managing the day-to-day affairs of the Franchised Swim School; (2) devote his or her full time and attention to the operation of the Franchised Swim School if acting as the on-site general manager or such sufficient time and attention to the successful operation of the Franchised Swim School; (3)not engage in any activity that would be in conflict with his or her obligations under this Agreement; (4) successfully complete the initial program to Franchisor's satisfaction; (5) be the sole point of contact on behalf of Franchisee for any and all operational communications from Franchisor; and (6) have the authority to control and bind the operations of the Franchised Swim School verbally or in writing. If Franchisee is a legal business entity, (such as a corporation, limited liability company or other legal business entity), Franchisor may, in its sole discretion, require that the Designated Manager is an individual holder of a legal or beneficial equity interest in Franchisee, and if Franchisee is an individual and not a business entity, Franchisor may, in its sole discretion, require that the Designated Manager is Franchisee;

"Development Period" shall mean the date expires six hundred (600) days following the Effective Date;

"Effective Date" means the date on which Franchisor and Franchisee fully execute this Agreement, thereby commencing its effectiveness;

"Electronic Depository Transfer Account" means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor consistent with the EFT Authorization attached to this Agreement as Exhibit 9;

"Franchise" means the right granted to Franchisee by Franchisor to use the System and the Marks;

"Franchise Fee" has the meaning given to such term in Section 3.1;

"Franchised Swim School" means the Goldfish Swim School to be established and operated by Franchisee pursuant to this Agreement;

"Franchisee" means the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement;

"Franchisor" means Goldfish Swim School Franchising LLC;

"Franchisor Indemnitees" has the meaning given to such term in Section 21.3;

"**Generally Accepted Accounting Principles"** or **"GAAP"** means the standards, conventions and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements;

"Gross Sales" means the aggregate of all revenue from the sale of products and services from all sources in connection with the Franchised Swim School, whether for check, cash, credit, trade, or otherwise including, without limitation, all proceeds from any business interruption insurance or retail value of the services provided to Franchisee's customers regardless of whether currency is exchanged (i.e., trade or bartered transactions), but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (c) the value of any allowance issued or granted to any customer of the Franchised Swim School that is credited by Franchisee in full or partial satisfaction of the price of any products and services offered in connection with the Franchised Swim School, and (d) any rebate received by Franchisee from a manufacturer or supplier;

"Gross Sales Reports" has the meaning given to such term in Section 12.2;

"Incapacity" means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised Swim School on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

"Internet" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the world wide web;

"Initial Marketing Expense" has the meaning given to such term in Section 11.1;

"Local Advertising" has the meaning given to such term in Section 11.2;

"Marks" means the service mark "Goldfish Swim School®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with Goldfish Swim Schools;

"Owner" means in the case that Franchisee is a business entity, any owner of a direct or beneficial interest in Franchisee;

"Real Estate Fee" has the meaning given to such term in Section 3.8;

"Royalty Fee" has the meaning given to such term in Section 3.2;

"Site Selection Period" has the meaning given to such term in Section 5.2.

"System" means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of Goldfish Swim Schools; and

"Trade Secrets" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Goldfish Swim Schools that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. GRANT OF FRANCHISE; APPROVED LOCATION

2.1 Grant

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, nonexclusive, limited license to operate one (1) Goldfish Swim School using the System and Marks.

2.2 Approved Location

The Approved Location shall be designated by Franchisor and attached to this Agreement as Exhibit 10.

2.3 Approved Location Not Determined

If the Approved Location is determined as of the Effective Date, then this Section shall be inapplicable. If the Approved Location of the Franchised Swim School is not determined as of the Effective Date, then the geographic area in which the Franchised Swim School is to be located shall be within the geographic area described in Exhibit 10 to this Agreement ("Designated Area"). Franchisee shall select and submit possible sites for Franchisor's evaluation in accordance with Section 5.1. When the Approved Location is

determined, its address shall be inserted into Exhibit 10 to this Agreement and Franchisor will determine in its sole discretion the Area of Primary Responsibility and insert that description into Exhibit 10.

2.4 Sub-franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity. Except as may be permitted pursuant to Section 18, Franchisee shall not grant any person or entity the right to perform any part of Franchisee's rights or obligations licensed hereunder.

2.5 Area of Primary Responsibility

Franchisee shall receive a territory called the Designated Area or "Area of Primary Responsibility" as determined by Franchisor and described and depicted in the map in Exhibit 10 to this Agreement. If at the time of execution of this Agreement, the Approved Location is not available, when the Approved Location is determined, its address shall be inserted into Exhibit 10 to this Agreement and Franchisor will determine in its sole discretion the Area of Primary Responsibility and insert that description into Exhibit 10. Franchisee will operate the Franchised Swim School in the designated Area of Primary Responsibility. As long as this Agreement is in full force and effect and Franchisee is not in default under any of the terms hereof, Franchisor will not establish other franchised or company-owned swim schools using the System with a physical location in your Area of Primary Responsibility. Franchisee's rights in the Area of Primary Responsibility are subject to Franchisor's rights articulated in Section 2.7.

2.6 Map and Description of Area of Primary Responsibility

The Description of the Designated Area or Area of Primary Responsibility and the map depicting the Designated Area or Area of Primary Responsibility shall be designated by Franchisor and attached to this Agreement as Exhibit 10.

2.7 Franchisor's Rights

Franchisee acknowledges that except to the extent provided in Section 2.5 above, Franchisor expressly retains all rights and discretion with respect to the Marks and System, including the right to:

2.7.1 establish, own or operate, and license others to establish, own or operate, Goldfish Swim Schools with a physical location outside of the Area of Primary Responsibility as Franchisor deems appropriate;

2.7.2 establish, own or operate, and license others to establish, own or operate other non-swim lesson based businesses under other systems using the same or other trademarks at locations inside and outside of the Area of Primary Responsibility;

2.7.3 purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Swim School (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Area of Primary Responsibility. If Franchisor purchases or acquires franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between Franchisor and such franchisee(s) or licensee(s). If Franchisor purchases or acquires such businesses within the Area of Primary Responsibility which are not franchised or licensed, Franchisor may, in its sole discretion:

2.7.3.1 offer to sell any such businesses to Franchisee or to any third party at the business's fair market value to be operated as a Goldfish Swim School; or

2.7.3.2 offer Franchisee the opportunity to operate such business(s) in partnership with Franchisor (or an Affiliate) under the business(s) existing trade name or a different trade name.

2.7.4 be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Area of Primary Responsibility;

2.7.5 provide the services and sell the products authorized for Goldfish Swim Schools using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution other than a Franchised Swim School situated within the Area of Primary Responsibility including without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; retail outlets or stores; mail order; catalogs; television sales (including "infomercials"); or any other channel of distribution whatsoever except for a Franchised Swim School, on such terms and conditions as Franchisor deems appropriate; and

2.7.6 engage in any activities not expressly forbidden by this Agreement.

Franchisee agrees that Franchisor and/or its affiliates may engage in any business activity whatsoever in or outside the Area of Primary Responsibility except as Franchisor is restricted by this section, and that this Agreement does not confer upon Franchisee any right to participate in or benefit from any such other business activity, regardless of whether it is conducted under the Trademarks or not. Franchisor's rights to engage in other business activities are specifically

reserved and may not be qualified or diminished in any way by implication. Franchisee waives and releases any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

2.8 Marketing and Solicitation Restrictions

Franchisee may market or solicit customers whose principal residence (or principal business office if the customer is a business entity) is both inside and outside the Area of Primary Responsibility. Franchisee acknowledges that other franchisees and/or Franchisor and/or affiliates may market or solicit customers whose principal residence (or principal business office if the customer is a business entity) is within Franchisee's Area of Primary Responsibility.

3. FEES

3.1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay a fee ("Franchise Fee") to Franchisor in the amount depicted in Exhibit 4 to this Agreement. The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable~~, except under certain conditions set forth under Sections 5.2 and 8.3.~~. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

3.2 Monthly Royalty Fee

Franchisor will collect a Royalty Fee on a monthly basis commencing on the earlier of the date that Franchisee opens for business to the public under section 5.6.1 of this Agreement or on the expiration of the Development Period as defined herein. Thereafter, on the fifth day of each month (unless such fifth day is a Saturday or Sunday, and in such case on the following Monday), for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a monthly fee ("Royalty Fee"). The Royalty Fee shall be equal to the greater of One Thousand Two Hundred Fifty Dollars ($1,250) or six percent (6%) of Gross Sales for the preceding month for the ninety (90) day period following the earlier of the date Franchisee opens for business to the public under section 5.6.1 of this Agreement or on the expiration of the Development Period as defined herein, and the greater of Four Thousand Dollars ($4,000) or six percent (6%) of Gross Sales for the preceding month thereafter. The Royalty Fee shall be paid by Electronic Funds Transfer and Franchisee authorizes Franchisor to withdraw the Royalty Fee from its account each month. On the third 3rd day of each month, Franchisee shall transmit to Franchisor a Gross Sales Report, as required by Section 12.2, for the same period.

3.3 Taxes

Franchisee shall pay to Franchisor an amount equal to all sales taxes, excise taxes, use taxes, withholding taxes, and similar taxes imposed on the fees payable by Franchisee to Franchisor hereunder and on goods or services furnished to Franchisee by Franchisor at the same time as Franchisee remits such fees to Franchisor, whether such goods or services are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Swim School is located.

3.4 Electronic Transfer

Franchisee shall pay all Royalty Fees, Brand Fund Contributions, software license fee, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor through an Electronic Depository Transfer Account. Franchisee shall open and maintain an Electronic Depository Transfer Account and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor and authorizes Franchisor to automatically withdraw all amounts due to Franchisor. Every month, Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the Electronic Depository Transfer Account. Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor's written consent.

3.5 Late Fees

All Royalty Fees, Brand Fund Contributions, amounts due for purchases by Franchisee from Franchisor and other amounts that are not received by Franchisor within five (5) days after the due date shall incur late fees at the rate of one and one-half percent (1.5%) per month or the maximum amount allowed by law, whichever is less, from the date payment is due to the date payment is received by Franchisor. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Brand Fund Contributions or any other amounts due Franchisor, including reasonable accounting and legal fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

3.6 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the right first to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Brand Fund Contributions, purchases from Franchisor or any other amount owed to Franchisor in any proportion or priority.

3.7 Technology Fee

On the fifth day of each month (unless such fifth day is a Saturday or Sunday, and in such case on the following Monday), for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a monthly technology fee equal to the amount prescribed in the Confidential Brand Standards Manual by Electronic Funds Transfer and Franchisee authorizes Franchisor to withdraw the software license fee from its account each month.

3.8 Real Estate Fee

Upon execution of this Agreement, Franchisee shall pay to Franchisor a non-refundable Real Estate Fee in the amount depicted in Exhibit 4 to this Agreement. The Real Estate Fee will cover our expenses related to your real estate and site selection, including providing certain information and services to you, such as demographic information, site criteria information, our attendance at meetings or calls with you and your real estate broker, our attendance at in person and telephonic conferences with landlords or local real estate brokers, our expenses related to site tours, and our access to certain real estate database information of potentially available properties.

4. TERM AND RENEWAL

4.1 Initial Term

This Agreement shall be effective and binding from the Effective Date and will have an initial term of fifteen (15) years from the date that Franchise opens for business to the public pursuant to section 5.6.1, unless sooner terminated pursuant to Section 16. Upon opening, Franchisor and Franchisee will execute Exhibit 11 to this Agreement, which will clearly identify the date of opening and the expiration date of this Agreement.

4.2 Successor Terms

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor. Franchisee's right to a successor franchise is limited to three (3) successive terms of five (5) years each, such that the total term of the Franchise shall not exceed thirty (30) years. To qualify for a successor franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

4.2.1 Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

4.2.2 Franchisee has access to and, for the duration of the successor franchise, the right to remain in possession of the Approved Location, or a suitable substitute location approved by Franchisor, which is in full compliance with Franchisor's then-current specifications and standards;

4.2.3 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised Swim School reflects Franchisor's then-current standards and specifications;

4.2.4 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the term of this Agreement;

4.2.5 Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;

4.2.6 Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than eighteen (18) months nor more than twenty-four (24) months prior to the end of the term of this Agreement;

4.2.7 Franchisee has executed Franchisor's then-current form of franchise agreement (or has executed other documents at Franchisor's election that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Brand Fund Contribution; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee;

4.2.8 Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with any training and certification requirements; and

4.2.9 Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor, any Affiliate and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised Swim School is located.

4.2.10 Franchisee has paid to Franchisor the renewal fee of ten thousand dollars ($10,000.00).

4.2.11 If Franchisee does not sign a new Franchise Agreement for a renewal term prior to the expiration of this Agreement and continues to 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 a

franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Extension Period") until one party provides the other with written notice of such party's intent to terminate the Extension Period, in which case the Extension Period will terminate thirty (30) days after receipt of the notice to terminate the Extension Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Extension 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 Extension Period.

5. APPROVED LOCATION

5.1 Selection of Site

Franchisee shall promptly select a site for the Franchised Swim School and shall notify Franchisor of such selection. Franchisee shall engage the services of a commercial real estate broker, which commercial real estate broker shall be approved by Franchisor in Franchisor's sole and absolute discretion. Franchisee shall not enter into any exclusive engagement with a commercial real estate broker unless approved in advance by Franchisor. Franchisor may at any time designate one or more preferred real estate broker(s) to be engaged by Franchisee in which case the Franchisee shall be required to use a/the real preferred real estate broker(s) designated by Franchisor. Franchisor reserves the right to provide to Franchisee certain properties for review by Franchisee. Franchisee acknowledges and agrees that an integral part of the site selection process is Franchisee's diligent inquiry into the real estate in the Area of Primary Responsibility. Franchisee shall, or cause its commercial real estate broker to: (a) communicate with Franchisor on any schedule designated by Franchisor to provide to Franchisor updates and information regarding the Franchisee's site selection process, including timely providing any and all data or documentation requested by Franchisor; and (b) participate in all scheduled conference calls or other form of communication designated by Franchisor regarding the status of the site selection process or particular sites under review. Franchisee shall submit to Franchisor such information as Franchisor may require in order for Franchisor to evaluate Franchisee's proposed site. Franchisor shall evaluate the site and notify Franchisee of its preliminary acceptance or non-acceptance of the site within a reasonable time (usually fifteen [15] days) of receiving notice of the site from Franchisee. Franchisee shall submit to Franchisor such information as Franchisor may require in order for Franchisor to evaluate Franchisee's proposed site. If preliminary acceptance is provided by Franchisor, then Franchisee shall be permitted to submit an offer to purchase or lease (e.g. a letter of intent) with respect to the proposed location. Franchisee shall not submit any such offer to purchase or lease prior to receiving preliminary acceptance from the Franchisor. If Franchisor provides preliminary acceptance, Franchisor shall have the right to request any additional materials or information it desires with respect to the proposed location and Franchisee shall provide such information immediately. Within a reasonable time (usually thirty [30] days) following the receipt of both:

(a) preliminary site acceptance, and (b) any additional materials from Franchisee requested by Franchisor with respect to the proposed location, Franchisor shall provide final acceptance or rejection of such proposed location. If Franchisor accepts such selection, the site shall be designated as the Approved Location. If Franchisor does not accept ~~of~~ such selection, Franchisee shall select and notify Franchisor of new sites until Franchisor accepts a site for the Franchised Swim School. Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisee shall ensure that any proposed site meets the then-current Standards and Specifications, including, without limitation demographic criteria, proximity to other existing or potential future Goldfish Swim School locations, proximity to Franchisor's designated location for a location within the Designated Area, parking availability, ceiling heights, composition of the structure, size, composition and location of water lines, size and location of sewer lines, location and capacity of electrical service, location and size of gas service, fire suppression requirements, and soil conditions necessary for the construction of a pool. Franchisor has the right to accept or not accept a proposed location based on such factors as it deems appropriate, including, without limitation, the condition of the premises, demographics of the surrounding area including population size of adolescents, proximity to other Goldfish Swim Schools, proximity to Competitive Businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, proximity to major roads, available parking and overall suitability. Franchisee shall not locate the Franchised Swim School on a selected site without the prior written acceptance of Franchisor. While Franchisee's proposed location must be within the Designated Territory, in no event does this mean that Franchisor will approve any proposed location that is within the Designated Territory. Franchisor's right to accept or reject a proposed location is based on its then existing site criteria as outlined in this Franchise Agreement and/or Franchisor's Brand Standards Manual, which may include, but not be limited to, proximity to a designated location within the Designated Territory and the ability of Franchisor or other franchisees of Franchisor to develop locations outside the Designated Territory. Franchisor does not represent that it, or any of its Affiliate, owners, employees or agents, have special expertise in selecting sites. Neither Franchisor's assistance nor acceptance is intended to indicate or indicates that the Franchised Swim School will be profitable or successful at the Approved Location. Franchisee is solely responsible for identifying the Approved Location.

5.2 Failure to Select Site

Should Franchisee fail to select a site for the Franchised Swim School that is accepted by Franchisor within one hundred eighty (180) days after the Effective Date ("Site Selection Period"), Franchisor has the right to terminate this Agreement. ~~If this Agreement is terminated pursuant to this Section 5.2, Franchisor shall return to Franchisee twenty five percent (25%) of the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 1, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members,~~

~~partners, owners, employees and agents (in their corporate and individual capacities).~~

5.3 Lease or Purchase of Approved Location

After the designation of the Approved Location (and if the site is to be leased or purchased), Franchisee shall execute a lease for, or a binding agreement to purchase within the Site Selection Period, the Approved Location, the terms of which must have been previously approved by Franchisor in writing. Franchisor shall not unreasonably withhold its acceptance. If Franchisee leases the Approved Location, Franchisee shall control or have options to control the Approved Location for the operation of the Franchised Swim School for the Term of this Agreement. ***Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisor will not guarantee any lease agreement on behalf of Franchisee. Franchisee acknowledges and agrees that Franchisee shall solely rely on its review of any such lease.*** Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement, if Franchisee purchases the real estate for the Approved Location.

Franchisee shall provide Franchisor with an option to purchase the real estate consistent with the terms of the Real Estate Option to Purchase form attached as Exhibit 7 to this Agreement. Franchisee shall take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. Franchisee shall conditionally assign the lease to Franchisor, pursuant to the terms of its standard Conditional Assignment of Lease form attached as Exhibit 6 to this Agreement, to secure performance by Franchisee of its obligation under this Agreement and have the lessor consent to such conditional assignment of lease. Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the lease or the conditional assignment of lease referenced below, acceptable to Franchisor and, at Franchisor's option, the lease, or the conditional assignment of lease shall contain such provisions as Franchisor may reasonably require, including:

5.3.1 a provision reserving to Franchisor the right, but not the obligation, at Franchisor's election, to receive an assignment of the leasehold interest without payment of any assignment fee or similar charge and without any increase in rent or other fees upon termination or expiration of the Franchise grant. The lessor agrees that, before the effective date of any assignment of the lease to Franchisor (or its designee), Franchisee shall be solely responsible for all obligations, debts and payments under the lease;

5.3.2 a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default;

5.3.3 a provision requiring the lessor to provide Franchisor (at the same time lessor provides to Franchisee) a copy of all lease amendments and assignments, and a copy of all letters and notices lessor sends to Franchisee relating to the lease or the leased premises;

5.3.4 a provision permitting Franchisor to enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect the System and the Marks without being guilty of trespass, or other tort or other crime;

5.3.5 a provision allowing Franchisee to display the Marks in accordance with the specifications required by the Confidential Brand Standards Manual, subject only to the provisions of applicable law;

5.3.6 a provision prohibiting the premises from being used for any purpose other than the operation of the Franchised Swim School;

5.3.7 a provision allowing Franchisor, upon expiration and non-renewal or termination of the lease or the Franchise Agreement, to enter the premises and remove any interior and exterior signs containing the Marks and trade fixtures;

5.3.8 a provision stating that upon default of this Agreement, Franchisor or its nominee has the right, but not the obligation, to take possession of the Approved Location and operate the Franchised Swim School;

5.3.9 a provision stating that lessor shall not amend or otherwise modify the lease in any manner that would affect any of the foregoing provisions to be included in the lease set forth above without Franchisor's prior written consent;

5.3.10 a provision stating that if Franchisor takes assignment of the lease, Franchisor may, without lessor's prior written consent, assign such lease to another franchisee using the System and, upon assignment, all of Franchisor's obligations under the lease shall be terminated; and

5.3.11 a provision requiring Franchisee, at the expiration or termination of the lease, to completely de-identify the leased premises, including without limitation, filling in the pools, and removal of all plumbing and pump equipment, removal of all indicia of affiliation with Franchisor, and a full restoration of the leased premises to a "white box." Further, if Franchisee fails to perform such actions, Franchisor may enter the leased premises, without being liable for trespass or other damages as to landlord and perform such restoration actions to restore the leased premises to a "white box."

No lease may restrict the development of a Goldfish Swim School within any geographic radius or territory from the proposed location.

5.4 Construction of Approved Location

Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the development of a Goldfish Swim School, including specifications for the exterior and interior design and layout, fixtures, equipment, décor and signs. Such plans and specifications are subject to alteration as Franchisor deems necessary. Franchisee shall cause the Approved Location to be under construction within the Construction Commencement Period. In connection with the development and construction of the Approved Location, Franchisee shall:

5.4.1 employ an Approved Suppliers for architectural and pool engineering work for the Franchised Swim School to prepare, for Franchisor's approval, preliminary plans and specifications for improvement of the Approved Location adapted from the prototypical plans and specifications furnished by Franchisor. Franchisee shall ensure that such architect shall not claim any copyrights on any plans and specifications adapted from Franchisor's prototypical plans and specifications. The architect employed by Franchisee shall create an initial "test fit" of the planned location showing detail of the layout of the Franchised Swim School and submit such "test fit" to Franchisor for review. Franchisor will use commercially reasonable efforts to review and approve or deny that "test fit" layout within thirty (30) days following receipt of such "test fit" layout from the architect. Franchisee shall not release the architect to complete the full construction documents for the project until Franchisor has approved the "test fit" layout. Franchisee shall submit to Franchisor all (1) permitted construction drawings (labeled "Construction Drawings for Permitting"), (2) construction drawings labeled "Construction Drawings For Construction", (3) specifications and other drawings or plans (in both PDF and CAD format) requested by Franchisor certified by the approved architect ("Final Plans and Specifications") within five (5) days following completion by architect. Franchisor shall respond to Franchisee within fifteen (15) days following receipt of the Final Plans and Specifications from Franchisee. Architect's Final Plans and Specifications must include a certification that the Final Plans and Specifications comply with all of

Franchisor's current plans and specifications, Franchisee shall not commence construction until Franchisor has approved the Final Plans and Specifications. Franchisee shall ensure that architect waives any and all copyrights related to the Final Plans and Specifications and authorizes Franchisor to use the Final Plans and Specifications in any way Franchisor deems appropriate in Franchisor's sole discretion, including without limitation, using the Final Plans and Specifications as Franchisor's prototypical plans and specifications for future franchisees.

5.4.2 obtain all zoning classifications and clearances which may be required by state and local laws, ordinances or regulations, and submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications;

5.4.3 ensure or employ an Approved Supplier (the Franchisee's Project Manager or Owner's Representative) to ensure that the location is suitable for the operation of a Goldfish Swim School, including, without limitation, proper ceiling heights, composition of the structure, size, composition and location of water lines, size and location of sewer lines, location and capacity of electrical service, location and size of gas service, fire suppression requirements, and soil conditions necessary for the construction of a pool and submit to Franchisor a completed site submission checklist in the form provided by Franchisor;

5.4.4 obtain all building, utility, sign, health, and business permits and licenses, and any other permits and licenses required for the build-out and operation of the Franchised Swim School and certify in writing and provide evidence to Franchisor that all such permits have been obtained within fifteen (15) days following receipt of any such permits or licenses;

5.4.5 employ at Franchisee's sole cost and expenses the services of an Approved Supplier project manager/owner's representative to assist you in the development and construction of your Franchised Swim School and comply with all Franchisor requirements related to the following, without limitation: list of all construction vendors or contractors in contact list format with all names and contact information; construction budget; construction schedule and timeline to be submitted at the start of construction; and buyout dates;

5.4.6 employ a qualified, licensed, and insured general contractor approved by Franchisor to complete construction of all required improvements to the Approved Location and require that the general contractor and all other construction vendors comply with the approved plans and specifications, and conduct all construction activities in a first in class manner and follow first class working guidelines related to site conditions during construction;

5.4.7 purchase all supplies and inventory necessary for the operation of the Franchised Swim School consistent with the Confidential Brand Standards Manual;

5.4.8 supply on a weekly basis as established by Franchisor (i) a minimum of twelve (12) photographs from the previous week during construction of areas designated by the Franchisor, and (ii) a construction schedule with updates, and (iii) participate in a weekly conference call or provide a written summary of the construction progress as designated by Franchisor;

5.4.9 purchase and install all equipment, signs, furniture and fixtures, including any point-of-sale and computer equipment, required for the operation of the Franchised Swim School consistent with the Confidential Brand Standards Manual; and

5.4.10 establish broadband or high-speed Internet access and obtain at least two (2) telephone numbers and one (1) facsimile number solely dedicated to the Franchised Swim School.

5.4.11 prior to obtaining a Certificate of Occupancy for the Franchised Swim School, provide to Franchisor a facility maintenance plan and evidence that one (1) year service plans are in place together with evidence that the Franchisee has scheduled a training with the facility maintenance plan provider prior to opening;

5.4.12 within fifteen (15) days following the opening of the Franchised Swim School, Franchisee shall provide Franchisor with final costs for construction of the Franchised Swim School, which shall be provided in a detailed format and form as required by Franchisor (the "Initial Construction Cost Detail"). Franchisee shall, within ninety (90) days following opening of Franchised Swim School, provide Franchisor any changes to the Initial Construction Cost Detail with final actual construction costs (the "Final Construction Cost Detail") and provide to Franchisor a final contract list of all vendors used in construction of the Franchised Swim School, a reconciled schedule of estimated timelines to final timelines, and a performance review of all such vendors on forms designated by Franchisor. Franchisee acknowledges that the Final Construction Cost Detail may be used by Franchisor in an aggregated format with other franchisees to estimate a franchisee's estimated initial investment.

5.5 Failure to Develop and Begin Construction Approved Location

Should Franchisee fail to develop and begin construction the Approved Location for a Goldfish Swim School within the Construction Commencement Period, Franchisor has the right to terminate this Agreement. Time is of the essence. If this Agreement is terminated pursuant to this Section 5.5, Franchisor shall retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the

Franchised Swim School and shall not be construed as nor considered to be a penalty. Franchisor specifically reserves all rights and remedies available for Franchisee's breach of the Franchise Agreement.

5.6 Opening

5.6.1 Before opening the Franchised Swim School and commencing business, Franchisee must:

5.6.1.1 fulfill all of the obligations of Franchisee pursuant to the other provisions of this Section 5;

5.6.1.2 furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

5.6.1.3 complete initial training to the satisfaction of Franchisor;

5.6.1.4 hire and train the personnel necessary or required for the operation of the Franchised Swim School;

5.6.1.5 furnish Franchisor with evidence that all employees, including without limitation the Designated Manager and the on-site general manager if not the Designated Manager have obtained CPR, first aid, AED, lifeguard certifications, and certified pool operations certifications. Failure to obtain and maintain current certifications may be cause for termination;

5.6.1.6 if Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

5.6.1.7 obtain Franchisor's permission and approval of an opening date, providing a reasonable time (10 – 14 days) between the issuance of Franchisee's certificate of occupancy or similar document and Franchisee's opening date. Franchisor's approval of the opening date shall be based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate;

5.6.1.8 pay in full all amounts due to Franchisor;

5.6.1.9 ensure that Control Person and Designated Manager be present at the opening of the Franchised Swim School for a period of time designated by Franchisor; and

5.6.1.10 complete and sign in favor of Franchisor to Franchisor's satisfaction, a certification in a format approved by Franchisor that Franchisee has met all requirements of Franchisor to open the Franchised Swim School.

5.6.2 Franchisee shall comply with these conditions and shall open and continuously operate the Franchised Swim School within the Development Period. If Franchisee fails to open within the Development Period, Franchisor may terminate this Agreement. Time is of the essence.

5.7 Failure to Open

Should Franchisee fail to commence operations of the Approved Location for the Franchised Swim School within the Development Period, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.7, Franchisor shall retain the entire Franchise Fee and Real Estate Fee paid by Franchisee. The Franchise Fee and Real Estate Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Swim School and shall not be construed as nor considered to be a penalty. Franchisor specifically reserves all rights and remedies available for Franchisee's breach of the Franchise Agreement.

5.8 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Goldfish Swim School in full compliance with this Agreement and the Confidential Brand Standards Manual, unless approved in writing by Franchisor.

5.9 Relocation

Franchisee shall not relocate the Franchised Swim School without the prior written consent of Franchisor. If the lease for the Approved Location expires or terminates through no fault of Franchisee or if the Franchised Swim School's premises is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by

Franchisor and Franchisee, Franchisor may allow Franchisee to relocate the Franchised Swim School. Any such relocation shall be at Franchisee's sole expense and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.7. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including, but not limited to, legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If Franchisor and Franchisee do not agree upon a substitute site within one hundred eighty (180) days after the lease expires or is terminated or the Approved Location is rendered unusable, this Agreement shall terminate as provided in Section 16.2.1.1.

5.10 Renovation of Approved Location

In addition to Franchisee's maintenance obligations under Section 13.2 of this Agreement and Franchisee's obligations to comply with the Brand Standards Manual, Franchisee shall renovate, remodel and modernize the Franchised Swim School to conform the Franchised Swim School to the current image of the Franchise System at our request (but not more often than every five years), taking into consideration the cost of the modernization, the life expectancy of the equipment and the then-remaining term of this Agreement. Within 60 days after receipt of Franchisor's written notice regarding required modernization, Franchisee shall prepare and complete drawings and plans for the required modernization. These drawings and plans must be submitted to, and their use approved by, Franchisor prior to the commencement of work. Franchisee shall complete the required modernization within the time reasonably specified by Franchisor in the written notice, not to exceed 12 months from the date you are notified of any required changes. Franchisee acknowledges and agrees that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of the Franchise System and to avoid deterioration or obsolescence in connection with the operation of the Franchised Swim School. If Franchisee fails to make any improvement as required by this Section or perform the maintenance described in Section 13.2, Franchisor may, in addition to our other rights in this Agreement, effect such improvement or maintenance and Franchisee must reimburse Franchisor for the costs incurred. Capital expenses necessary for the repair and maintenance of the Franchise Swim School to comply with Section 13.2 of this Agreement are not subject to time limitations described in this section. Franchisor may, in its sole discretion, require that Franchisee use a Project Manager or Owners Representative approved by Franchisor in connection with any such renovation or remodel, with the cost paid by Franchisee. With regard to any renovation or remodel of the Approved Location, Franchisee shall provide Franchisor with a detailed financial summary of the renovations, including without limitation the cost detail for all renovations made.

6. PROPRIETARY MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created and accrued thereby, shall inure to the benefit and ownership of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks nor in any goodwill created by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Swim School. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Franchised Swim School is an "Independently Owned and Operated Goldfish Swim School Franchise" by Franchisee. With respect to use of the Marks and real estate, the Franchisee shall not have a right to use the Marks at any real estate location of the Franchisee other than the Franchised Swim School.

6.3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided,

however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Indemnification for Use of Marks

Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided that Franchisee has complied with the provisions of Section 6.3 and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark. This indemnification shall not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks is disputed or challenged by Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.

6.5 Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Swim School, Franchisor and its designees have the right to enter and inspect the Franchised Swim School and the Approved Location at all reasonable times and,

additionally, have the right to observe the manner in which Franchisee renders services, conducts activities and operations, and to inspect facilities, equipment, products, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Swim School in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other items to test whether such products or items meet Franchisor's then-current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Swim School and to interview and survey (whether in person or by mail) customers and employees and to photograph or videotape the operations.

6.7 Franchisor's Sole Right to Domain Name

Franchisee shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "Goldfish Swim School" or any variation thereof without Franchisor's written approval. Franchisor is the sole owner of all right, title and interest in and to such domain names as Franchisor shall designate in the Confidential Brand Standards Manual.

7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor shall disclose to Franchisee, or Franchisee may otherwise obtain, Trade Secrets and other Confidential Information during the training program, through the Confidential Brand Standards Manual, as a result of guidance furnished to Franchisee during the term of this Agreement, or in the course of Franchisee's operation of the Franchised Swim School. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development, construction and operation of the Franchised Swim School and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are non-public and/or proprietary to Franchisor, and that Franchisor discloses or otherwise permits Franchisee to, or provides the means by which Franchisee may, obtain the Trade Secrets and Confidential Information solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the security and absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized

copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information, including without limitation, keeping such Trade Secrets and other Confidential Information in a place of safekeeping accessible only to the Designated Manager or on-site general manager if different from the Designated Manager when such Trade Secrets and other Confidential Information is not in use. For clarity, neither Franchisee nor any party acting on behalf of Franchisee shall input, upload, submit, disclose, transmit, describe, reference, or otherwise expose any of Franchisor's Trade Secrets or other Confidential Information to any artificial intelligence system, platform, tool, application, model, algorithm, chatbot, or similar technology ("AI"), whether or not the AI claims to restrict training, retain confidentiality, or limit data use, except as authorized by us in the Brand Standards Manual or otherwise by us in writing. Any such unauthorized use constitutes unauthorized disclosure of Trade Secrets or other Confidential Information. Franchisee shall take all necessary precautions to ensure that any employee to whom Franchisee discloses Confidential Information only to the extent necessary for such employee to carry out the employee's job duties maintains the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Franchisee shall obtain from all persons and business entities to whom Confidential Information is disclosed, or who otherwise receives or process Confidential Information, an executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete or a Confidentiality and Non-Disclosure Agreement, as applicable, in the form as provided in the Confidential Brand Standards Manual. Franchisee shall enforce this Section as to its owners, officers, directors, members, managers, employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them. Franchisee shall vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete or Confidentiality and Non-Disclosure Agreement, as applicable, executed by any of the persons ~~and~~or business entities to whom Franchisee has disclosed Confidential Information or who have otherwise received or processed Confidential Information. Franchisee acknowledges Franchisor's right, to be exercised as Franchisor alone determines, to enforce for itself the terms of such executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete or Confidentiality and Non-Disclosure Agreement. If the substantive provisions of the Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete have been breached by a person or business entity employed, engaged or otherwise serving the Franchised Swim School who has not executed a Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete or Confidentiality and Non-Disclosure Agreement, Franchisee shall nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law. If Franchisor prosecutes such Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete or Confidentiality and Non-Disclosure Agreement, Franchisee shall

indemnify and hold Franchisor harmless from any and all losses and expenses as provided in this Agreement.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees therefore, and Franchisee hereby agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

7.3 Exclusive Relationship

Franchisee acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Goldfish Swim School franchisees if owners of Goldfish Swim Schools and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (or any member of their immediate families or households), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

7.3.1 Divert or attempt to divert any business or customer of the Franchised Swim School to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

7.3.2 Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee, and a Confidentiality and Nondisclosure Agreement from all employees to whom Confidential Information is disclosed or who have access to or handle Confidential Information in substantially the form as provided to Franchisee in the Confidential Brand Standards Manual. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements. In the event that you or your employees, agents, consultants or contractors receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, you shall immediately notify us thereof, and shall fully cooperate with and assist us in prohibiting or denying any such transfer or disclosure. Should such transfer or disclosure be required by a valid, final, non-appealable court order, you shall fully cooperate with and assist us in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

8. TRAINING AND ASSISTANCE

8.1 Initial Training

Franchisor shall make an initial training program available to the Designated Manager, the on-site general manager if different from the Designated Manager, and at least one (1) other required manager (as determined by the Franchisor in its sole discretion), and the Control Person or one (1) or more owners of Franchisee designated by Franchisor. If the

Marketing Lead is not the Control Person or other owner designated by Franchisor to attend the entire initial training program, the Marketing Lead must attend and satisfactorily complete no less than the marketing portions of the initial training program. The initial training program is designed to protect Franchisor's brand and covers the material aspects of the operation. At least (60) days prior to the opening of the Franchised Swim School, the Designated Manager, the on-site general manager if different from the Designated Manager, and at least one (1) other manager (as determined by the Franchisor in its sole discretion), and the Control Person or one (1) or more owners of Franchisee designated by Franchisor must attend and successfully complete, to the Franchisor's satisfaction, a training program pertaining to the operation and administration of the Franchised Swim School including but not limited to, sales and marketing methods, financial controls, maintenance of quality standards, customer service techniques, record keeping, reporting procedure, and other operational function. The initial training may include CPR (cardiopulmonary resuscitation), First Aid, AED (automated external defibrillator) and may provide a lifeguarding certification for shallow water pools but does not include other certifications required by Franchisor (such as certified pool operations certifications, required for all of your management staff) and as required by applicable law prior to Franchisee's operation of the Franchised Swim School. If the above referenced certifications are not provided during initial training, Franchisee must obtain such certifications prior to the opening of the Franchised Swim School. Franchisor shall conduct the initial training program at its headquarters or at other designated locations. Franchisor shall not charge tuition or similar fees for initial training, however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. If Franchisee believes that Franchisor has not met its training obligations set forth above, Franchisee must notify Franchisor within fifteen (15) days following its initial training. If Franchisee fails to deliver notice to Franchisor as provided in this section, Franchisee shall be deemed to have acknowledged that all initial training required to be provided by Franchisor was provided. Franchisee shall be responsible for training its management and other employees. Franchisor may require all owners of Franchisee to attend some or all of the initial training.

8.2 Opening Assistance

In conjunction with the beginning of operation of the Franchised Swim School, Franchisor shall make available to Franchisee, at Franchisor's expense, one (1) of Franchisor's representatives for no more than three (3) days for your first Franchised Swim School and one (1) day for your or your affiliate's second Franchised Swim School (which duration we determine in our discretion), experienced in the System, for the purpose of familiarizing Franchisee's staff with the Goldfish Swim School techniques and for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Swim School. Franchisor will not provide any opening assistance for any of Franchisee's franchised swim schools after Franchisee's second franchised swim school, it being understood that Franchisee

will be responsible for all responsibilities of opening the third franchised swim school and every franchised swim school thereafter. If Franchisee requests additional assistance with respect to the opening or continued operation of the Franchised Swim School, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance. If Franchisee believes that Franchisor has not met its training obligations set forth above, Franchisee must notify Franchisor within fifteen (15) days following its opening assistance training. If Franchisee fails to deliver notice to Franchisor as provided in this section, Franchisee shall be deemed to have acknowledged that all initial training required to be provided by Franchisor was provided. The Designated Manager shall be present at the Franchised Swim School for all periods in which a Franchisor representative is present at the Location.

8.3 Failure to Complete Initial Training Program

If Franchisee is an individual and Franchisor determines in Franchisor's discretion that the Designated Manager/Franchisee and/or the Control Person or other owner of Franchisee is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement. ~~If this Agreement is terminated pursuant to this Section 8.3, Franchisor shall return to Franchisee twenty five percent (25%) of the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 1, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).~~ If Franchisee is a business entity and the Designated Manager, on-site general manager if different from the Designated Manager and/or Control Person or other owner of Franchisee fails to complete the initial training program to Franchisor's reasonable satisfaction, Franchisee may be permitted to select a substitute manager or Control Person or other owner of Franchisee and such person must complete the initial training to Franchisor's satisfaction. Franchisee will be required to pay Franchisor's then-current rates for additional training, if any, for providing the substitute manager an initial training program; provided, however, that Franchisor retains its right to terminate this Agreement pursuant to this Section.

8.4 New Control Person or Designated Manager

After beginning operations, should Franchisee name a new Designated Manager, on-site general manager if different from the Designated Manager, or Control Person, Franchisee must notify Franchisor of the identity of the new Designated Manager, on-site general manager, or Control Person and the new Designated Manager or on-site general manager must obtain CPR, life guard and first aid certifications as well as complete the initial training program to Franchisor's satisfaction within sixty (60) days of being named. A new Designated Manager or on-site general manager shall complete the initial training program to Franchisor's satisfaction

within sixty (60) days of being named and Franchisee shall pay to Franchisor the then-applicable fees for such training, as well as all expenses related to that training, such as all wages and employee expenses, travel, room and board, and related expenses for the new Designated Manager, on-site general manager, or Control Person to attend the initial training program.

8.5 Ongoing Training

From time to time, Franchisor may provide and if it does, has the right to require that the Designated Manager, on-site general manager if different from the Designated Manager, Control Person, or other employee or owner of Franchisee attend ongoing training programs or seminars during the term of this Agreement. Franchisor shall not charge a fee for any mandatory ongoing training. Franchisor shall not require the Designated Manager, on-site general manager if different from the Designated Manager, Control Person, or other employee or owner of Franchisee to attend more than four (4) sessions in any calendar year and collectively not more than eight (8) days in any calendar year. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Designated Manager's, on-site general manager's if different from the Designated Manager, Control Person's, or other employees' or owners' of Franchisee attendance at such training, and Franchisor may impose a fee on all those attending the training sessions. Franchisee and Designated Manager, on-site general manager if different from the Designated Manager, Control Person, or other employee or owner of Franchisee shall attend Franchisor's annual convention and Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with such annual convention. Franchisor may impose a registration fee on all those who attend the annual convention. Franchisor may make recommendations from time to time about certain employment policies and procedures. Unless determined to be a Brand Standard in the Brand Standards Manual, Franchisee will have sole discretion as to adoption of any such policies and procedures and the specific terms of such policies and procedures. Training with respect to all such policies and procedures shall be Franchisee's sole responsibility.

9. CONFIDENTIAL BRAND STANDARDS MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy of the Confidential Brand Standards Manual or grant Franchisee access to an electronic copy of the Confidential Brand Standards Manual. The Confidential Brand Standards Manual will be in electronic form on our intranet or similar medium. The Confidential Brand Standards Manual will, among other things, set forth the Franchise System, the operating systems, procedures, policies, methods, standards, specifications and requirements for operating the Franchised Swim School and maintain our brand standards. Franchisee shall conduct the Franchised Swim School in strict accordance with the provisions set forth in the Confidential Brand Standards Manual. The Confidential Brand Standards Manual shall, at all times, remain the sole property of Franchisor and all printed copies retained by Franchisee or any of Franchisee's employees shall promptly be returned to Franchisor upon expiration or termination of this Agreement.

9.2 Revisions

Franchisor has the right to add to, delete from or otherwise modify or revise the Confidential Brand Standards Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor (the "Supplements to the Confidential Brand Standards Manual"), all of which will be considered a part of the Confidential Brand Standards Manual. All references to the Confidential Brand Standards Manual in this Agreement will include the Supplements to the Confidential Brand Standards Manual. Supplements to the Confidential Brand Standards Manual will become binding upon Franchisee as if originally set forth in the Confidential Brand Standards Manual, upon being delivered to Franchisee. The Confidential Brand Standards Manual and any Supplements to the Confidential Brand Standards Manual are material in that they will affect the operation of the Franchised Swim School, but they will not conflict with or materially alter Franchisee's rights and obligations under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that any printed copy of the Confidential Brand Standards Manual retained by Franchisee or Franchisee's employees is up-to-date at all times. If a dispute as to the contents of the Confidential Brand Standards Manual arises, the terms of the electronic copy of the Confidential Brand Standards Manual maintained by Franchisor shall be controlling.

9.3 Confidentiality

The Confidential Brand Standards Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that any printed copy of the Confidential Brand Standards Manual retained by Franchisee or any of Franchisee's employees is in a current and up-to-date manner. If the Confidential Brand Standards Manual is in paper form or stored on computer-readable media, Franchisee shall maintain the Confidential Brand Standards Manual in a secure manner at the Approved Location; if the Confidential Brand Standards Manual is in electronic form, Franchisee shall maintain the Confidential Brand Standards Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Confidential Brand Standards Manual, access to the Confidential Brand Standards Manual or any key, combination or passwords needed for access to the Confidential Brand Standards Manual. Franchisee shall not disclose, duplicate or otherwise use any portion of the Confidential Brand Standards Manual in an unauthorized manner.

10. FRANCHISE SYSTEM

10.1 Uniformity

By signing this Agreement, Franchisee indicates that Franchisee understands and acknowledges that every detail of the Franchised Swim School is important – not only to Franchisee, but to Franchisor and to other Goldfish Swim School franchisees – in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all franchisees, to establish and maintain a reputation for operating uniform, efficient, high quality youth swim educational programs, and to protect the goodwill of all Goldfish Swim Schools. Franchisee also acknowledges that a fundamental requirement of the System, this Agreement, and other Goldfish Swim School franchises is adherence by all franchisees to the Company's uniform standards and policies, except for certain regional or individual differences we may from time to time approve or require. Franchisee acknowledges and agrees that it shall strictly comply and shall cause the Franchised Swim School and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Confidential Brand Standards Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisor has the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, the presentation of the Marks, and computer hardware, software, required equipment, inventory, supplies, signs or sales and marketing techniques, certification requirements, modifications to the Confidential Brand Standards Manual, the offered products and services, the building and premises of the Franchised Swim School (including the trade dress, décor, and color schemes), and the adoption of new administrative forms and methods of reporting and payment of any monies owed to Franchisor (including electronic means of reporting and payment). Within 30 days after receipt of written notice from Franchisor, Franchisee shall begin selling any newly authorized products and services and cease selling products and services that are no longer authorized. Franchisee shall accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. Franchisee shall make such expenditures as such changes, additions or modifications in the System as Franchisor may require at Franchisee's sole cost and expense. Any required expenditure for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2. Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order.

10.3 Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Goldfish Swim School. Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder.

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

Franchisee shall appoint a Marketing Lead who is the person responsible for all matters related to marketing and sales at the Franchised Swim School. The Marketing Lead is identified in Exhibit 4.

11.1 Initial Marketing Expense

During the period of time prior to the opening of Franchisee's Franchised Swim School (as determined by Franchisor in Franchisor's sole discretion) thorough the first three (3) months of operation, Franchisee shall spend an amount specified by Franchisor, no greater than the range contained in the Franchise Disclosure Document on local advertisement and promotion of the initial opening ("Initial Marketing Expense"). Franchisor shall determine and specify an appropriate minimum amount which Franchisee shall be required to expend on Initial Marketing Expense based upon Franchisor's general assessment of Franchisee's advertising costs in Franchisee's Designated Area, local media costs, site selection of the Franchised Swim School, competition, brand awareness, time of year, customer demographics in the surrounding area, and whether the Franchised Swim School will be the first Swim School in the market. Franchisee may choose to spend more. Further, Franchisor shall specify the time at which Franchisee shall conduct Initial Marketing Expense. Prior to their use, all materials to be used in Initial Marketing Expense must be approved by Franchisor through the process set forth in Section 11.2.2. Such Initial Marketing Expense shall include, but not be limited to, digital, social, broadcast, public relations, and print advertising; local marketing costs for events, partnerships, or other promotional efforts. Franchisor will provide Franchisee with support, consulting, and guidance for conducting Initial Marketing Expense, and Franchisor will help plan, review, and approve the marketing venues Franchisee uses in Franchisee's Initial Marketing Expense. Initial Marketing Expense expenditures shall be in addition to any Local Advertising expenditures and Brand Fund Contributions. Franchisor may require that Franchisee hire at Franchisee's cost an Approved Supplier to provide local marketing and advertising services and branding advertising services prior to the opening of the Franchised Swim School.

11.2 Local Advertising

11.2.1 Franchisee shall continuously promote the Franchised Swim School. Every quarter, Franchisee shall spend two percent (2%) of the previous quarter's Gross Sales on advertising, promotions and public relations within the immediate locality surrounding the Franchised Swim School ("Local Advertising"). Such expenditures shall be made directly by Franchisee, subject to the prior approval and direction of Franchisor. Franchisor shall provide general guidelines to Franchisee for conducting Local Advertising. Within thirty (30) days after

the end of each quarter, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Local Advertising for the preceding quarter. Franchisor may require that Franchisee retain, at the sole cost and expense of Franchisee, an Approved Supplier to perform certain local marketing for and on behalf of Franchisee.

11.2.2 Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within fourteen (14) days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials by the end of such fourteen (14) day period, such materials shall be deemed to have received the required approval. Franchisee shall not use any marketing or promotional material prior to written approval by Franchisor. The submission of advertising materials to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services. Franchisee is not restricted from selling goods and services using the Franchise System to customers residing outside of the Designated Area or Area of Primary Responsibility. There are no restrictions on your ability to advertise outside your Designated Area or Area of Primary Responsibility, including engaging in mail order solicitations, direct mail programs, telemarketing, internet or television solicitation programs or use any other advertising media.

11.3 Brand Fund

Through an affiliate of Franchisor, Franchisor has established and administers a System-wide marketing, advertising and promotion fund to assist in Franchisor's regional and national advertising ("Brand Fund"). Franchisee shall be required to contribute monthly to the Brand Fund in an amount specified by Franchisor and which Franchisor may adjust from time to time ("Brand Fund Contribution") commencing on the earlier of the date that Franchisee opens for business to the public under section 5.6.1 of this Agreement or on the expiration of the Development Period as defined herein. Franchisee shall pay to Franchisor a Brand Fund Contribution equal to the greater of Four Hundred Fifty Dollars ($450) or three percent (3%) of Gross Sales (we currently collect 2%) for the preceding month for the ninety (90) day period following the earlier of the date that Franchisee opens for business to the public under section 5.6.1 of this Agreement or on the expiration of the Development Period as defined herein, and the greater of One Thousand Three Hundred Dollars ($1,300) or three percent (3%) of Gross Sales (we currently collect 2%) for the preceding month thereafter. If the Brand Fund Contribution is based on a percentage of Gross Sales, Franchisor currently collects 2% of Gross Sales for the Brand Fund Contribution and reserves the right to increase the Brand Fund Contribution, as limited by this section, by notice to Franchisee through the Brand Standards Manual. Brand Fund Contributions shall be made at the time and in the manner provided for Royalty Fees in Section 3.2 and may be drawn by Franchisor or its designate, including

Franchisor's affiliate. Franchisor shall notify Franchisee at least thirty (30) days before changing Brand Fund Contribution requirements. The Brand Fund shall be maintained and administered by Franchisor or its designee, including Franchisor's affiliate as follows:

11.3.1 Franchisor shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Brand Fund. The program(s) may be local, regional or System-wide. Franchisor does not warrant the success or effectiveness of any particular marketing program.

11.3.2 Franchisee's Brand Fund Contributions may be used to meet the costs of, or to reimburse Franchisor for its costs (including, without limitation, Franchisor's employment expenses for staff to manage the Brand Fund) of, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine, newspaper, and direct mail advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). All Brand Fund Contributions shall be maintained in a separate account from the monies of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable costs and expenses, if any, that Franchisor may incur in activities reasonably related to the administration of the Brand Fund.

11.3.3 Franchisor shall endeavor to spend all Brand Fund Contributions on marketing programs and promotions during Franchisor's fiscal year within which such contributions are made. If excess amounts remain in any Brand Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the Brand Fund, and next out of prior year contributions and then out of current contributions.

11.3.4 Although Franchisor intends the Brand Fund to be of perpetual duration, Franchisor has the right to terminate the Brand Fund at any time. The Brand Fund shall not be terminated, however, until all Brand Fund Contributions have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a pro rata basis based on total Brand Fund Contributions made in the aggregate by each franchisee.

11.3.5 Each Goldfish Swim School operated by Franchisor or an Affiliate shall make Brand Fund Contributions at the same rate as Goldfish Swim School franchisees.

11.3.6 An accounting of the operation of the Brand Fund shall be prepared annually and shall be available to Franchisee upon request. Franchisor retains the right to have

the Brand Fund reviewed or audited and reported on, at the expense of the Brand Fund, by an independent certified public accountant selected by Franchisor.

11.3.7 Franchisee acknowledges that the Brand Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Brand Fund. There is no fiduciary or trust relationship created by Franchisor's or its affiliate's administering the Brand Fund. Franchisor anticipates all franchisees will contribute to the Brand Fund, although there is no prohibition against Franchisor charging higher or lower rates for future franchisees. Franchisor also may forgive, waive, settle, or compromise claims by or against the Brand Fund. Franchisor may defer or reduce a franchisee's contribution based on the peculiarities of a particular territory or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any franchised swim school or the System. If Franchisor terminates the Brand Fund, Franchisor or its affiliate will distribute all unused monies to the contributors in proportion to their respective contributions during a pre-determined period.

11.4 Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising program for the benefit of Goldfish Swim Schools located within a particular region, so long as at least 50% of the franchisees in that region agree to the formation of such advertising cooperative. The level of your cooperative advertising contribution will be determined by the cooperative, of which you will be a voting member, but that amount may exceed your minimum local advertising obligation under the Franchise Agreement, but in no event will it exceed 5% of gross sales. Your contributions to the advertising cooperative in your region will satisfy your local advertising obligations, so long as they meet the minimum local advertising obligations otherwise contained in this Agreement. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisee participate in such Cooperative Advertising programs when established within Franchisee's region, regardless of Franchisee's position on the formation of such advertising cooperative. If a Cooperative Advertising program is implemented in a particular region, an advertising council of franchisees in that region will be selected to self-administer the Cooperative Advertising program. Franchisee shall participate in the council according to the council's rules and procedures and Franchisee shall abide by the council's decisions. Nevertheless, Franchisor reserves the right, but not the obligation, to change, dissolve or merge such program(s) and/or council(s) at any time. Goldfish Swim Schools operated by us or our affiliates in an area covered by an Advertising Cooperative will contribute to the Advertising Cooperative on the same basis as comparable franchisees and have the same voting rights as any comparable franchisee.

11.5 Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet or any social media, such as, without limitation, Facebook, Twitter, Four Square, Instagram, Tik Tok, and other social media platforms now existing or yet to be created, in connection with the Franchised Swim School without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator www.goldfishswimschool.com that provides information about the System and the products and services that Franchisor and its franchisees provide. Franchisor will include at the Goldfish Swim School website an interior page containing information about the Franchised Swim School. If Franchisor includes such information on the Goldfish Swim School website, Franchisor has the right to require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information shall be subject to Franchisor's approval prior to posting. Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting products, programs or services available at the franchised swim schools – also be devoted in part to offering franchises for sale and be utilized by Franchisor to exploit the electronic commerce rights we alone reserve in this Agreement. Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us as provided herein. Franchisor retains the sole right to approve any linking to, or other use of, the Goldfish Swim School website. In additions to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and system-wide communications (among other activities) can be effected. Designated Manager, on-site general manager if different from the Designated Manager, and Control Person shall comply with all communication requirements as set forth in the Confidential Brand Standards Manual.

11.6 Promotional Marketing

Franchisor may periodically conduct promotional campaigns on a national or regional or system-wide or partially system-wide basis to promote products, services, or marketing themes. You must participate in all promotional campaigns we establish for the region in which your Franchised Swim School is located. Franchisor may from time to time designate a "National

Sponsorship Program" with a specific charity or organization ("National Sponsor"). If Franchisor designates such an organization as a National Sponsor, Franchisee shall participate in the National Sponsor program according to its terms or as implemented through the Confidential Brand Standards Manual.

12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete, and accurate books, records and accounts in accordance with the standard accounting system and standard chart of accounts prescribed by Franchisor in the Confidential Brand Standards Manual or otherwise in writing for at least the current fiscal year and the immediately three (3) preceding fiscal years. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Swim School as provided herein, including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law. Franchisor may at any time require that Franchisee retain, at its sole cost and expense an Approved Supplier to perform certain bookkeeping/recordkeeping services on behalf of Franchisee.

12.2 Gross Sales Reports

Franchisee shall maintain an accurate record of monthly Gross Sales and shall deliver to Franchisor a signed and verified statement of Gross Sales ("Gross Sales Report") for each month within three (3) days of the close of each month in a form that Franchisor approves or provides in the Confidential Brand Standards Manual. The Gross Sales Report for the preceding month must be provided to Franchisor by the close of business on the third (3rd) day of each month (or such other day as specified by Franchisor).

12.3 Financial Statements

Franchisee shall supply to Franchisor on or before the twentieth (20th) day of each month, in a form approved by Franchisor, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the fiscal year-to-date. Franchisee shall, at its expense, submit to Franchisor within forty-five (45) days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with GAAP applied on a consistent basis. All financial statements shall be certified by an officer of the Franchisee. Franchisee shall submit to Franchisor such other periodic reports in the

manner and at the time specified in the Confidential Brand Standards Manual or otherwise in writing. Franchisee acknowledges that Franchisor may use Franchisee's financial statements and the data in the financial statements in an aggregated form for its own purposes, such as, without limitation, to demonstrate the financial performance of the system for press releases, future franchise disclosure documents, and recruitment of financing sources.

12.4 Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Confidential Brand Standards Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Swim School to Franchisor's lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement. Franchisee must provide Franchisor with all of the data required by Franchisor in the Confidential Brand Standards Manual in a format readily usable by Franchisor. All data pertaining to, derived from, or displayed at the Franchised Swim School (including without limitation, data pertaining to or otherwise about Franchised Swim School customers, including Customer Personal Data) is and shall be Franchisor's exclusive property, and Franchisor hereby grants Franchisee with a royalty-free non-exclusive license to use that data during the Term of this Agreement and any renewal term. Franchisee agrees that all data collected from customers and potential customers in connection with the Franchised Swim School, including but not limited to Customer Personal Data, (collectively, "Customer Data") is deemed to be owned exclusively by Franchisor, and Franchisee agrees to provide Customer Data to Franchisor at any time that Franchisor requests. Franchisee has the right to use Customer Data while this Agreement is in effect, but only in connection with operating the Franchised Swim School and only in accordance with the policies established by Franchisor from time to time. Franchisee shall not sell, assign, transfer or use Customer Data for any purpose other than operating the Franchised Swim School and marketing the Franchise System services and products. ~~Franchisee agrees to abide by all applicable laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws").~~

12.5 Computer/Point-of-Sale System

Franchisor reserves the right to require that certain brands, types, makes, and/or models of communications, computer and technology systems, and hardware be used by, between, or among the Businesses, and in accordance with our standards, including without limitation: (a) back office and point of sale systems, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at the Businesses, between or among Businesses, and between and among the Franchised Swim School, and you, and us; (b) POS Systems; (c) customer relationship management systems; (d)

physical, electronic, and other security systems and measures; (e) printers and other peripheral devices; (f) archival back-up systems; (g) internet access mode (e.g., form of telecommunications connection) and speed; and (h) WiFi and other internet service for customers (collectively, all of the above are referred to as the "Computer System"). At this time, Franchisee shall purchase the Computer System required by the Confidential Brand Standards Manuals. Franchisee shall record all Gross Sales information on the required Computer System. The Computer System provides Franchisee with sales reports, scheduling and various product and service usage reports. Franchisor shall have and has full access to Franchisee's Computer System and all of Franchisee's computer and point-of-sale data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor access to all of Franchisee's financial information and to verify Franchisee's compliance with its obligations under this Agreement. Franchisee is responsible for the annual maintenance and repairs of the Computer System. The technology configuration is frequently subject to change due to technology and service advancement, as updated in the Confidential Brand Standards Manual. Franchisee acknowledges that Franchisor may require Franchisee to update the Computer System or implement another point of sale system or Computer System in the future as implemented and updated in the Confidential Brand Standards Manual. Franchisee acknowledges that computer systems are susceptible to viruses, bugs, power disruptions, access failures, content failures, and attacks by third parties. Franchisor does not warranty and specifically disclaims any warranty that information systems or computer systems supplied by Franchisor or its Designated Supplier or Approved Supplier will not be susceptible to these issues. Franchisee acknowledges that Franchisee is solely responsible for protecting itself from these issues. Franchisee must also take appropriate steps to verify that Franchisee's suppliers, lenders, lessors, customers and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protections, anti-virus protections and use of backup related systems.

THE COMPUTER SYSTEM AND ITS CONTENT ARE PROVIDED "AS-IS'. FRANCHISOR AND ITS AGENTS AND LICENSORS DISCLAIM ANY AND ALL WARRANTIES RELATING TO THE COMPUTER SYSTEM, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, REGARDING ANY CONTENT AND YOUR ABILITY OR INABILITY TO USE THE COMPUTER SYSTEM AND ITS CONTENT.

USE OF THE COMPUTER SYSTEM IS AT FRANCHISEE'S SOLE RISK. FRANCHISOR WILL NOT BE LIABLE TO FRANCHISEE OR ANY PERSON CLAIMING THROUGH FRANCHISEE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR OTHER DAMAGES UNDER ANY THEORY OR LAW FOR ANY ERRORS IN OR THE USE OF OR INABILITY TO USE THE COMPUTER SYSTEM AND

ITS CONTENT INCLUDING DAMAGES FOR LOST PROFITS, BUSINESS, DATA, OR DAMAGE TO ANY COMPUTER SYSTEMS.

12.6 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine, copy and audit the books, records and tax returns of Franchisee for the previous three fiscal years. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum. If the audit or any other inspection should reveal that Franchisee has not spent two percent (2%) of its monthly Gross Sales on Local Advertising or if the inspection discloses an underpayment of three percent (3%) or more of the amount due for any period covered by the audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.7 Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including accounting and legal professionals, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Swim School including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

13. STANDARDS OF OPERATION

13.1 Authorized Products, Services and Suppliers

13.1.1 Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised Swim School only those supplies, signs, equipment and other items and services that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. Franchisor will from time to time provide you with a list of

these Approved Supplies. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or an Affiliate). Franchisor will from time to time provide you with a list of the Approved Suppliers. Franchisee shall not offer for sale, sell or provide through the Franchised Swim School or from the Approved Location any products or services that Franchisor has not approved. Franchisee shall not sell products or services on a wholesale basis, using its best efforts to ensure that ~~is~~its sales of products or services are to the end user customer. Franchisor may, in the exercise of its business judgment, enter into supply contracts either for all Swim Schools or a subset of Swim Schools situated within one or more geographic region(s) (each, a "system-wide supply contract"). Franchisor may enter into system-wide supply contracts with one or more vendors or products, services or equipment that all Franchised Swim Schools in a geographic area will be required to purchase, use or sell. If Franchisor does so, then immediately upon notification to Franchisee, Franchisee and all other franchised swim schools in the geographic area must purchase the specified product, service or equipment only from the designated supplier. However, if at the time of the notification to Franchisee, Franchisee is already a party to a non-terminable supply contract with another vendor or supplier for the product, service or equipment, then Franchisee's obligation to purchase from the designated supplier under the system-wide supply contract will not begin until the scheduled expiration (or earlier termination) of the pre-existing contract. Franchisor makes no representation that Franchisor will enter into any system-wide supply contracts or other exclusive supply arrangements or, if Franchisor does so, that Franchisee would not otherwise be able to purchase the same products and/or services at a lower price from another supplier. Franchisor may add to, modify, substitute or discontinue system-wide supply contracts or exclusive supply arrangements in the exercise of Franchisor's business judgment.

EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS OR SERVICES SOLD BY OR THROUGH FRANCHISOR OR ITS AFFILIATES, INCLUDING THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FRANCHISOR WILL NOT BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE, LOSS OF PROFIT, OR OTHER INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE PRODUCTS AND SERVICES SOLD BY OR THROUGH FRANCHISOR OR ITS AFFILIATES OR FOR ANY DAMAGES (REGARDLESS OF THEIR NATURE) CAUSED BY FRANCHISOR'S FAILURE TO FULFILL FRANCHISOR'S RESPONSIBILITIES UNDER THIS AGREEMENT. FRANCHISOR AND ITS AFFILIATES' SOLE LIABILITY FOR ANY WARRANTIES GRANTED IS TO REPAIR OR REPLACE, AT FRANCHISOR OR FRANCHISOR'S AFFILIATES' OPTION, ANY PRODUCTS AND SERVICES SOLD BY OR THROUGH FRANCHISOR AND ITS AFFILIATES THAT ARE NOT IN COMPLIANCE WITH THE WARRANTY. FRANCHISOR'S AND ITS AFFILIATES'

LIABILITY RELATING TO PRODUCTS AND SERVICES SOLD BY OR THROUGH FRANCHISOR OR ITS AFFILIATES WILL IN NO EVENT EXCEED THE STATED SELLING PRICE OF THE PRODUCTS AND SERVICES TO FRANCHISEE. ANY WARRANTIES GRANTED WILL BE VOID AND OF NO FORCE AND EFFECT WITH RESPECT TO ANY PRODUCTS THAT ARE DAMAGED AS A RESULT OF (A) NEGLECT, ALTERATION OR ACCIDENT OR (B) IMPROPER USE, INCLUDING FAILURE TO FOLLOW OPERATING AND MAINTENANCE PROCEDURES SPECIFIED BY FRANCHISOR AND ITS AFFILIATES.

13.1.2 Franchisor shall provide Franchisee, in the Confidential Brand Standards Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or its Affiliate. If Franchisee desires to utilize any products or services that Franchisor has not approved (for products and services that require supplier approval), Franchisor shall direct Franchisee to have the service or product and/or supplier evaluated by an independent agency to determine whether the service or product complies with Franchisor's standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all of the expenses for such independent evaluation (as disclosed in the Confidential Brand Standards Manual) of each product or supply that Franchisee seeks to implement in the System. Franchisor will decide within thirty (30) days after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Franchisor's failure to respond to Franchisee within thirty (30) days after receiving the required information from Franchisee will be deemed to be a denial of the proposed supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

13.1.3 Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor.

13.1.4 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee

qualifications, test marketing and regional or local differences. Franchisor has the right to give its consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.3 and shall not create any rights in Franchisee to provide the same products or services.

13.1.5 Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of supplies based upon Franchisee's purchases of such supplies. Franchisee shall have no entitlement to or interest in any such benefits.

13.2 Appearance and Condition of the Franchised Swim School

Franchisee shall maintain the Franchised Swim School and the Approved Location in "like new" condition, and shall repair or replace equipment, fixtures, supplies, inventory and signage as necessary to comply with the standards and specifications of Franchisor, the Confidential Brand Standards Manual, and Franchisee's landlord and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2. Franchisee shall provide Franchisor within ten (10) days of Franchisor's request with a detailed financial summary, including without limitation, the cost detail for each and every element maintained by Franchisee to maintain the Franchised Swim School in "like new" condition.

13.3 Ownership and Management

The Franchised Swim School shall, at all times, be under the direct supervision of Franchisee. The Designated Manager shall devote his or her full time and attention to the operation of the Franchised Swim School if acting as the on-site general manager or such sufficient time and attention to the successful operation of the Franchised Swim School. If the Designated Manager is not the on-site general manager, the on-site general manager shall devote his or her full time and attention to the operation of the Franchised Swim School. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its Designated Manager and on-site general manager if different from the Designated Manager. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of the Control Person. At all times, Designated Manager and on-site general manager if different from the Designated Manager and Control Person shall have successfully completed Franchisor's training program. Franchisor shall have the right to require the Designated Manager, on-site general manager if different from the Designated Manager, Control Person, or other owner of Franchisee to attend additional training of up to four (4) times per year and up to eight (8) days per year at times and locations Franchisor determines. Franchisee shall be responsible for all costs associated with such additional training, including tuition, travel, meals, lodging, and other expenses. Franchisee and Designated Manager and on-site general manager if different from the Designated Manager and Control Person must not

engage in any business or other activities that will conflict with its obligations under this Agreement. It is acknowledged that Franchisee is the sole and independent owner of the Franchised Swim School business, shall be in full control thereof, shall designate the Control Person to act on its behalf, and shall conduct the business solely in accordance with its own judgment and discretion, subject only to the provisions of this Agreement. Without limiting the foregoing, if Franchisee or any Owner not a U.S. national, you represent that Franchisee and/or such Owner have an immigration status that allows Franchisee and/or such Owner to live and work in the United States, and Franchisee hereby promises that Franchisee and/or such Owner will maintain such status during the term of this Agreement. Failure to maintain an immigration status that allows Franchisee and/or such Owner to live and work in the United State is a material breach of the Franchise Agreement.

13.4 Days of Operation

Franchisee shall keep the Franchised Swim School open for business during normal business hours on the days as agreed upon by Franchisor and Franchisee but will meet the minimum standards as set forth in the Confidential Brand Standards Manual. Franchisee shall not close the Franchised Swim School for a period in excess of five (5) days without prior written approval from Franchisor. Time is of the essence.

13.5 Personnel

Franchisee shall maintain competent and conscientious personnel to operate the Franchised Swim School in accordance with this Agreement and the Confidential Brand Standards Manual. Franchisee shall train or cause the training of all personnel as and when required by prudent business practices, System standards or this Agreement. Franchisee must conduct criminal background checks and child abuse registry checks on all of its employees or independent contractors who will provide swim instruction to students or work anywhere children may be present. Franchisee shall hire all employees of the Franchised Swim School and be exclusively responsible for the terms and conditions of their employment and compensation and the proper training of such employees in the operation of the Franchised Swim School, human resources and customer relations. Franchisee is exclusively and solely responsible for determining and controlling the essential terms and conditions of employment for each of Franchisee's employees. Franchisee will be exclusively and solely responsible for recruiting and hiring the personnel that Franchisee employs to operate the Franchised Swim School Franchisee shall be responsible for the employees' training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination, and for compliance with all workplace related laws. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or its affiliates. Franchisor will have no right or obligation to direct Franchisee's employees or to operate the Franchised Swim School. Franchisor does not have direct or indirect control of – or the right or authority to control – the terms and conditions of the employment of

Franchisee's employees or the Franchisee's day-to-day operations or employment related decisions. In order to protect the System, Franchisee shall endeavor to employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of the Franchise System. In order to protect the System, Franchisee shall use its best efforts to ensure that its employees maintain a neat and clean appearance and render competent and courteous service to all customers and fellow employees of the Franchised Swim School. At Franchisor's request, Franchisee must provide Franchisor with copies of employment materials or independent contractor agreements relating to each of Franchisee's employees, including, but not limited to, employment or other application materials and the results of criminal background checks and child abuse registry checks. All costs associated with Franchisee's performance of its obligations under this Section shall be the sole responsibility of Franchisee.

13.6 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization). Franchisor may withhold any such consent in its sole and absolute discretion.

13.7 Licenses and Permits

This Agreement is expressly conditioned upon Franchisee's ability to secure and maintain, at Franchisee's sole cost and expense, any and all required state, county, city and/or local licenses required for the construction and operation of the Franchised Swim School (collectively "Licenses"). After Franchisee has secured the required Licenses, Franchisee shall thereafter comply with all applicable laws and regulations pertaining to the development, construction and operation of the Franchised Swim School. If operations pursuant to this Agreement or the Confidential Brand Standards Manual are suspended or prohibited for more than 30 consecutive days as a result of Franchisee's failure to comply with applicable laws and regulations relating to any License, then Franchisor may, in its sole discretion, terminate this Agreement upon 10 days prior written notice to you. Franchisee must operate the Franchised Swim School in full compliance with all applicable laws, ordinances and regulations. Franchisee must notify Franchisor in writing immediately upon (a) the commencement of any legal or administrative action, or the issuance of an order of any court, agency or other governmental instrumentality that may adversely affect the development, occupancy or operation of the Franchised Swim School or Franchisee's financial condition; or (b) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those related to health, safety, or operation of a the Franchised Swim School. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or

comply with in connection with the operation of the Franchised Swim School. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Swim School.

13.8 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Swim School, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Swim School not more than five (5) days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.9 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Swim School. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Swim School. The Franchised Swim School shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisor has the right to terminate this Agreement for violation of this Section. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchised Swim School pursuant to this Section. In addition, in the event that a crisis occurs at the Franchised Swim School, Franchisor reserves the right to control the crisis management process in order to protect the System and Franchisee shall pay all costs associated with addressing and resolving the crisis, including Franchisor's direct and indirect costs, including without limitation, costs associated with third party public relations or communications consultants, as well as Franchisor's staff and overhead costs associated with managing the crisis. Franchisee shall comply with the Confidential Brand Standards Manual at all times.

13.10 Uniforms

Franchisee shall abide by any uniform or dress code requirements stated in the Confidential Brand Standards Manual or otherwise. Uniforms, if required, must be purchased

from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms.

13.11 Vending Machines

Franchisee shall not install or use at the Franchised Swim School any vending machines, amusement devices, jukeboxes, video machines or other similar devices without first securing Franchisor's written approval.

13.12 Credit Cards

Franchisee shall, at its expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as Franchisor may designate, from time to time, to enable the Franchised Swim School to accept such methods of payment from its customers. Franchisee shall also accept debit cards, stored value gift cards or other non-cash payment systems specified by Franchisor to enable customers to purchase authorized products and services. Franchisee shall obtain all necessary hardware and/or software used in connection with these non-cash payment systems. At all times, Franchisee shall maintain credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, and electronic funds transfer systems (together, "Credit Card Vendors") that Franchisor designates as mandatory. The term Credit Card Vendors includes among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). Franchisee may not use any Credit Card Vendors that Franchisor has not approved in writing or for which Franchisor has revoked approval. Franchisor has the right to modify the requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke approval of any such service provider. Franchisee must sign a Gift Card Participation Agreement if required to designate a vendor or to establish procedures for administering the gift card program. Franchisee must comply with Franchisor's credit card policies, including minimum purchase requirements for a customer's use of a credit card as prescribed in the Confidential Brand Standards Manual. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. Franchisee must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event Franchisee is unable to demonstrate full compliance, Franchisor may require that Franchisee engages the services of an approved supplier

to assist you on an ongoing basis. Having a secure managed firewall that meets Franchisor's system standards is one part of the current requirement. Franchisee will be required to enter into a contractual relationship directly with an approved managed firewall supplier.

13.13 Data Privacy.

Franchisee recognizes and acknowledges that this Agreement and Franchisee's conduct of business may subject Franchisor and Franchisee to certain Privacy Laws, including those that are applicable to Franchisee's processing of Customer Personal Data. All Customer Personal Data is and shall be deemed to be exclusively owned by Franchisor and, for purposes of the Privacy Laws, Franchisor is the "controller" and Franchisee is a "processor" of such Customer Personal Data.

Subject to Franchisee's and each Owners' compliance with the terms and conditions of this Agreement, Franchisor grants Franchisee a non-exclusive, non-sublicensable, non-transferable, limited right to collect, use, share, disclose, store, and delete (collectively, "process") Customer Personal Data during the Term of this Agreement solely as necessary for the operation of the Franchised Swim School. All such processing of Customer Personal Data must at all times be in compliance with i) all applicable laws, including without limitation, the Privacy Laws and ii) Franchisor's standards and specifications, Franchise System, and Brand Standards Manual, which Franchisor may amend from time to time in its sole discretion. If there is a conflict between Franchisor's standards pertaining to the Privacy Laws and the requirements of any applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately provide written notice to Franchisor of said conflict; and (c) promptly and fully cooperate with Franchisor and counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law.

Franchisee covenants and agrees to cooperate with Franchisor and to comply with and adhere to all directions and requests that Franchisor delivers to Franchisee from time to time relating to Customer Personal Data and/or the Privacy Laws, including without limitation, assisting Franchisor in complying with any obligations it may have under the Privacy Laws, adhering to the policies and procedures set forth in Franchisor's Brand Standards Manual, and delivering or making available to Franchisor all information in Franchisee's possession necessary to demonstrate Franchisee's compliance with Franchisor's Brand Standards Manual and/or the Privacy Laws. Franchisor reserves the right to audit and inspect Franchisee's use of information technology, organizational systems, and data security policies and practices, which may include an assessment of Franchisee's compliance with Franchisor's standards and specifications relating to Franchisee's processing and use of Customer Personal Data. Any such assessment, audit, and/or inspection will be at Franchisee's sole cost and expense and Franchisee must reimburse Franchisor for any costs and expenses incurred in connection therewith.

13.14 E-Mail

Franchisor shall designate and maintain Franchisee's e-mail address and account for communicating with Franchisor and all marketing, notification information, contact information, and communication. Franchisee may not change its e-mail address, except by prior written consent of Franchisor. Franchisor will determine in its sole discretion those officers, directors and employees of Franchisee who will have an e-mail address and account using Franchisor's e-mail system or domain. Franchisor may require that Franchisee pay for the cost of each e-mail address and account for Franchisee and any officers, directors or employees of Franchisee. Franchisee shall be responsible for checking its e-mail address on a regular basis as required by the Confidential Brand Standards Manual. All communication made by Franchisor to Franchisee at the designated e-mail address shall be deemed made on the date sent by Franchisor.

13.15 Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Swim School. Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all products and services provided as part of the System.

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1 General Advice and Guidance

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee by telephone, e-mail, or other electronic communication, newsletters and other methods with respect to planning, opening and operating the Franchised Swim School. Such advice and guidance shall be provided to Franchisee, Designated Manager, or Control Person. Franchisor shall not charge for this service, however, Franchisor retains the right to refuse or charge a fee for this service should Franchisee be deemed by Franchisor to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating Goldfish Swim Schools and an analysis of costs and prices charged for competitive products and services. Because enhancing the Franchise System's competitive position and consumer acceptance for the Franchise System's products and services is a paramount goal of Franchisor and the Franchise System's franchisees, and because this objective is consistent with the long-term interest of the Franchise System overall, Franchisor may exercise rights with respect to the pricing of products and services to the fullest extent permitted by then-applicable

law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which Franchisee may charge customers for the products and/or services offered and sold at the Franchised Swim School; recommending retail prices; advertising specific retail prices for some or all products or services sold by the Franchised Swim School, which prices Franchisee will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which the Franchised Swim School may charge the public for the products and services offered. Franchisor may engage in any such activity either periodically or throughout the term of this Agreement. Further, Franchisor may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. Franchisee acknowledges and agrees that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Franchised Swim School and Franchisee irrevocably waives any and all claims arising from or related to our prescription or suggestion of your Franchise Store's retail prices. Franchisee acknowledges that Franchisor shall have the sole right to determine the prices to be charged for products sold through the Goldfish Swim School Internet site, including products sold to persons identified as customers of the Franchised Swim School.

14.2 Periodic Visits

Franchisor or Franchisor's representative shall make periodic visits, which may be announced or unannounced, to the Franchised Swim School for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Swim School. During such periodic visits, Franchisor or Franchisor's representatives have the right at any reasonable time, and without prior notice to: (a) inspect the Franchised Swim School; (b) observe, photograph, video tape, and/or audio tape the operations at the Franchised Swim School; (c) remove samples of products, materials, or supplies for testing and analysis; and (d) interview personnel and customers of the Franchised Swim School. Franchisor and Franchisor's representatives who visit the Franchised Swim School will prepare, for the benefit of both Franchisor and Franchisee, a written report detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Swim School. A copy of any such written report shall be provided to Franchisee. Franchisee shall implement any required changes or improvements as required by Franchisor within fourteen (14) days of Franchisee's receipt of the written report from Franchisor, with time being of the essence. Franchisee agrees to cooperate fully with such activities. If Franchisee, for any reason, fails to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge you a reasonable fee for our expenses in so acting, payable by Franchisee immediately upon demand,

in the same manner as Franchisee pays Royalty. The Designated Manager or Control Person shall be present for any and all Franchisor periodic visits.

14.3 Participation in Customer Sales Support Services

Franchisor may provide or have an affiliate or a third-party provide customer sales support services for Franchisee, which may include responding to after-hours phone calls and emails and/or responding to calls and emails during business hours in certain circumstances or other similar services. Franchisor may require Franchisee to participate in these services and to pay a proportionate share of the costs of these services or a reasonable charge for these services as Franchisor may implement through the Brand Standards Manual. Franchisee must comply with Franchisor's policies and procedures relating to participation in the customer sales support services.

15. INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure prior to the time that the following risks attach to Franchisee and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional named insured or loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. Franchisor may require more coverage or additional coverages from time to time in Franchisor's sole and absolute discretion. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

15.1.1 special form property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Swim School and all tenants improvements and betterments on a 100% replacement cost basis without coinsurance. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

15.1.2 workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Swim School is located and employer liability coverage with a minimum limit of FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) or, if higher, the statutory minimum limit as required by state law;

15.1.3 comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Swim School, or Franchisee's conduct of business pursuant to this

Agreement, with a minimum liability coverage of ONE MILLION DOLLARS ($1,000,000.00) per occurrence and TWO MILLION DOLLARS ($2,000,000.00) in the aggregate or, if higher, the statutory minimum limit required by state law, including professional liability for non-bodily injury and sexual molestation and child abuse coverage. Such coverage shall also include contractual liability insurance for the indemnification obligations of this agreement; Franchisor shall be named as an additional named insured on a primary and noncontributory basis;

15.1.4 business interruption insurance in amounts and with terms acceptable to Franchisor including loss of income and extra expense on a 12-month actual loss sustained basis without coinsurance;

15.1.5 automobile liability insurance for owned or hired and non-owned auto, with a combined single limit of at least ONE MILLION DOLLARS ($1,000,000.00) or, if higher, the statutory minimum limit required by state law;

15.1.6 an umbrella with a minimum limit amount of $2,000,000;

15.1.7 such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 21.3;

15.1.8 employment practices liability insurance with a minimum limit amount of $500,000, including coverage for, without limitation, sexual harassment, discrimination, wrongful termination, breach of employment contract, negligent evaluation, failure to employ or promote, wrongful discipline, deprivation of career opportunity, and wrongful infliction of emotional distress;

15.1.9 registered participant accident coverage with a minimum limit of $25,000 per person occurrence; and

15.1.10 cyber security and/or data breach coverage in amounts determined by Franchisor from time to time.

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the

latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.3. Franchisee shall provide, annually, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to Franchisor and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

16. DEFAULT AND TERMINATION

16.1 Termination by Franchisee

If Franchisee is in full compliance with all of the terms of this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within thirty (30) days after receiving written notice identifying the claimed breach, Franchisee may elect to terminate this Agreement unless the breach cannot reasonably be cured within such thirty (30) days. If the breach cannot reasonably be cured in such thirty (30) days, Franchisee may elect to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts.

16.2 Termination by Franchisor

16.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee or an Owner:

16.2.1.1 fails to timely select an approved site for or establish, equip and commence operations of the Franchised Swim School pursuant to Section 5;

16.2.1.2 made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

16.2.1.3 is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Swim School;

16.2.1.4 after notice to cure, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Swim School;

16.2.1.5 discloses, duplicates, uses in an unauthorized manner, or fails to otherwise protect and maintain the confidentiality and security of any portion of the Confidential Brand Standards Manual, Trade Secrets or any other Confidential Information;

16.2.1.6 if required by Franchisor, fails to have any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by Franchisor;

16.2.1.7 abandons, fails or refuses to actively operate the Franchised Swim School for five (5) or more consecutive days (unless the Franchised Swim School has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised Swim School following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable;

16.2.1.8 surrenders or transfers control of the operation of the Franchised Swim School without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required;

16.2.1.9 fails to maintain the Franchised Swim School under the primary supervision of a Designated Manager and an on-site general manager if different from the Designated Manager during the one hundred eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to Section 18.6;

16.2.1.10 submits to Franchisor on three (3) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than three percent (3%) for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

16.2.1.11 is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a receiver of its property or any part thereof is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; if a suit to foreclose any lien or mortgage against its Approved Location or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed;

16.2.1.12 misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

16.2.1.13 fails on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Brand Fund Contribution, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

16.2.1.14 fails on three (3) or more separate occasions within any period of twelve (12) consecutive months to comply with any marketing, specification, standard, or operating procedure prescribed in the Confidential Brand Standards Manual or otherwise prescribed in writing;

16.2.1.15 violates any health or safety law, ordinance or regulation, or operates the Franchised Swim School in a manner that presents a health or safety hazard to its customers or the general public;

16.2.1.16 engages in any activity exclusively reserved to Franchisor;

16.2.1.17 fails to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance;

16.2.1.18 repeatedly breaches this Agreement and/or repeatedly fails to comply with mandatory specifications, customer service standards or operating procedures

prescribed in the Confidential Brand Standards Manual, whether or not previous breaches or failures are cured; or

16.2.1.19 defaults under any other agreement between Franchisor and Franchisee, Owner, or an affiliate of Franchisee, such that Franchisor has the right to terminate such agreement or such agreement automatically terminates; provided however, if Franchisee, Owner, or an affiliate of Franchisee has entered into an Area Development Agreement with Franchisor and Franchisee, Owner, or an affiliate of Franchisee fails to perform under the terms of that Area Development Agreement, such default of the Area Development Agreement shall not be considered a default of this Agreement;

16.2.1.20 commits or is alleged to have committed any criminal act or other act involving moral turpitude, drugs, or felonious activities; commits any act or becomes involved in any situation or occurrence which brings him/her/them/it into public disrepute, contempt, scandal, or ridicule, or which shocks or offends the Franchisor, the Franchisor's community or any group or class thereof, or which reflects unfavorably upon Franchisor or the System; or makes or authorizes statements deemed by the Franchisor to be in derogation of Franchisor or its products or services and such actions or statements become public during the Term;

16.2.1.21 fails to maintain an immigration status that allows Franchisee and/or such Owner to live and work in the United States.

16.2.2 Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.2.1 within five (5) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

16.2.2.2 within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement; or

16.2.2.3 within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Confidential Brand Standards Manual or otherwise prescribed in writing; or

16.2.2.4 within thirty (30) days of receiving notice of Franchisee's failure to have its Designated Manager or on-site general manager if different from the Designated Manager satisfactorily complete any training program pursuant to Section 8; or

16.2.2.5 within thirty (30) days of receiving notice of Franchisee's failure to furnish Franchisor with evidence that all employees and the Designated Manager or on-site general manager if different from the Designated Manager have obtained and/or maintained active CPR, life guard and first aid certifications pursuant to Section 5.6.1.5; or

16.2.2.6 within ten (10) days of receiving notice of Franchisee's failure to adequately investigate any allegations of misconduct or abuse alleged by a child and/or child's parent(s) in a competent and prompt manner;

16.2.2.7 within thirty (30) days that a holder of a legal or beneficial interest in Franchisee is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Swim School, unless Franchisee takes action to remove the holder of legal or beneficial interest in Franchisee.

16.2.2.8 defaults under any other agreement between Franchisor and Franchisee, Owner, or an affiliate of Franchisee, such that Franchisor has the right to cure such agreement, then the default under this Agreement shall have the same cure period; provided however, if Franchisee, Owner, or an affiliate of Franchisee has entered into an Area Development Agreement with Franchisor and Franchisee, Owner, or an affiliate of Franchisee fails to perform under the terms of that Area Development Agreement, such default of the Area Development Agreement shall not be considered a default of this Agreement

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to Section 16.2.2, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any products or services for which Franchisor is an Approved Supplier to Franchisee, until such time as Franchisee corrects the breach.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

17.1.1 immediately cease to operate the Franchised Swim School and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

17.1.2 cease to use the Trade Secrets, Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

17.1.3 take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "Goldfish Swim School®" or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.4 pay all sums owing to Franchisor and any Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees with respect to litigation, arbitration, appellate or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by Franchisor as result of any early termination of this Agreement, and any other amounts due to Franchisor or any Affiliate;

17.1.5 pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

17.1.6 immediately return to Franchisor the Confidential Brand Standards Manual, Trade Secrets and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Swim School (all of which are acknowledged to be Franchisor's property);

17.1.7 assign, pursuant to the Telephone Number Assignment form attached to this Agreement as Exhibit 8, all telephone listings and numbers for the Franchised Swim School to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated

with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor;

17.1.8 comply with all other applicable provisions of this Agreement; and

17.1.9 completely de-identify the Approved Location so that any and all indicia of affiliation with Franchisor is removed, including without limitation, removing the pools, filter systems, pool water pumps, and water systems from the Approved Location, return all trademarked items to Franchisor, provide to Franchisor all Confidential Information.

If Franchisor exercises its option to acquire the real estate associated with Franchised Swim School, either through purchase pursuant to the Real Estate Option to Purchase or by assuming the lease pursuant to the Conditional Assignment of Lease, Franchisor may purchase all or some of the assets used in connection with the Franchised Swim School's operation. The purchase price for each asset acquired shall be equal to the fair market value of the Franchised Swim School's tangible property. Further, if Franchisor exercises its option to acquire the Franchised Swim School, Franchisor shall have the immediate right to occupy the premises and require Franchisee to vacate. Franchisee grants Franchisor an option to acquire all rights and assume all obligations remaining under any equipment leases. This option shall be exercised in the same manner that Franchisor is required to exercise its option as to the real estate, with possession to be transferred at the time possession of the real estate is transferred. In light of the poor market for used equipment, any equipment leases assumed by Franchisor, if it exercises its option, have a fair market value of $0.00.

If the fair market value of any assets Franchisor elects to acquire cannot be agreed upon between the parties within 30 days following the termination or expiration without renewal of this Agreement, Franchisor shall select and pay for the services of a qualified appraiser to establish the fair market value thereof, and a copy of said appraisal will be provided to Franchisee. If the value is not agreed to by the parties within 10 days after Franchisee's receipt of the appraisal, Franchisee shall select and pay for the services of a qualified appraiser to appraise the property within 15 days after the expiration of such 10-day period. Franchisee shall provide Franchisor with a copy of its appraisal. If the value of all of the property is still not agreed to within 10 days after the receipt of that appraisal from Franchisee, the 2 appraisers shall select a third appraiser within the 15 days thereafter whose determination of fair market value as to the property to which a value has not yet been agreed to shall be final and binding. The cost of the third appraiser shall be paid equally by Franchisor and Franchisee. The parties shall close the purchase of the assets within 120 days of the date of determination of the fair market value of such assets.

17.2 Post-Termination Covenant Not to Compete

17.2.1 Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

17.2.1.1 to protect the Trade Secrets and other Confidential Information of Franchisor;

17.2.1.2 to induce Franchisor to grant a Franchise to Franchisee; and

17.2.1.3 to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff, Designated Managers, and on-site general manager if different from the Designated Manager.

17.2.2 Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, Designated Manager, on-site general manager if different from the Designated Manager, or member of the professional management staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:

17.2.2.1 own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a twenty-five (25) mile radius of the Approved Location or within the Area of Primary Responsibility (whichever is greater), or (b) within a twenty-five (25) mile radius of the location of any other Goldfish Swim School in existence at the time of termination or expiration; or

17.2.2.2 solicit or otherwise attempt to induce or influence any customer or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor.

17.2.3 In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 2 or as provided to Franchisee in the Confidential Brand Standards Manual.

17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Confidential Brand Standards Manuals or Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 7, 17.1 or 17.2. If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location. Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Swim School including leasehold improvements, equipment, supplies and other inventory. The purchase price shall be equal to the assets' fair market value as agreed upon by the parties. If the fair market value of any assets Franchisor elects to acquire cannot be agreed upon between the parties within 30 days following the termination or expiration without renewal of this Agreement, the process to determine the fair market value under this section will be identical to the process described in section 17.1.9 above.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

17.6 Loss of Future Royalties

If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the lesser of (a) three (3) times the total of all Royalty Fee and Brand Fund Contribution payments for preceding twelve (12) calendar months preceding Franchisee's default or (b) the Royalties and Brand Fund Contributions due to Franchisor for the remaining term of this Agreement, using the average Royalty Fee paid by Franchisee in the preceding twelve (12) calendar months preceding Franchisee's default multiplied by the number of months remaining in the Term of this Agreement. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including attorneys' fees and costs.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Swim School, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 Franchisee has complied with the requirements set forth in Section 19;

18.2.2 all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Swim School, are fully paid and satisfied;

18.2.3 Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

18.2.4 the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Swim School;

18.2.5 the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Brand Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

18.2.6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

18.2.7 Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

18.2.8 Franchisee, or the transferee, has paid to Franchisor a transfer fee in an amount equal to two thousand five hundred dollars ($2,500) if the transferee is already part of the System and fifty percent (50%) of the then-existing initial franchise fee for new franchisees if the transferee is new to the System;

18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;

18.2.10 Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;

18.2.11 the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.12 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17;

18.2.13 the transferee agrees that its Designated Manager and on-site general manager if different from the Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Swim School;

18.2.14 the transferee agrees to furnish evidence that all employees and the Designated Manager and on-site general manager if different from the Designated Manager have obtained CPR, life guard and first aid certifications; and

18.2.15 Franchisee has, at its expense, made such expenditures as required by Franchisor to improve, renovate, remodel, and upgrade the Location to maintain uniformity with the then-current Brand Standards and then-current standards and specifications.

18.3 Transfer to a Controlled Entity

18.3.1 If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.3.1.1 the Controlled Entity is newly organized and its charter or articles of formation provides that its activities are confined exclusively to the operation of the Franchised Swim School;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity, and there is no change in the Control Person;

18.3.1.3 all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2.8;

18.3.1.4 the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Swim School. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

18.3.1.7 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

18.3.2 The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Swim School, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Swim School or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Swim School by an intended transferee identified by Franchisee.

18.5 For-Sale Advertising

Franchisee shall not, without prior written consent of Franchisor which shall not be unreasonably withheld, place in, on or upon the location of the Franchised Swim School, or in any communication media, any form of advertising relating to the sale of the Franchised Swim School or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

18.6.1 Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Swim School or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Franchisee resided, with such choice of law provision being applicable only for this Section 18.6. During such one hundred eighty (180) day period, the Franchised Swim School must remain at all times under the primary management of a Designated Manager, an on-site general manager if different from the Designated Manager, and Control Person who otherwise meets Franchisor's management qualifications. Upon the death or Incapacity of the Control Person, Franchisee shall name a replacement Control Person within ten (10) days of such date of death or Incapacity and Franchisee and new Control Person shall comply with the terms of this Agreement and the Confidential Brand Standards Manual.

18.6.2 Following such a death or Incapacity of such person as described in this Section 18.6, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Swim School until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Confidential Brand Standards Manual from time

to time, currently equal to SIX HUNDRED DOLLARS ($600.00) per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs in relation to the management of the Franchised Swim School, including without limitation, travel expenses, room and board expenses, and related expenses for Franchisor to perform these management functions.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to Section 18.6) the Franchised Swim School (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a bona fide, binding, executed written agreement to purchase such interest of Franchisee only, along with all pertinent documents including any contract or due diligence materials, to Franchisor. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall, for sixty (60) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same economic terms and conditions contained in such agreement communicated to Franchisee; provided, however, that Franchisor has the right to negotiate its own commercially reasonable definitive purchase agreement purchasing the assets of the Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor ~~shall have up to ninety (90) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the agreement.~~and Franchisee shall work diligently to negotiate the definitive purchase agreement and close the purchase within ninety (90) days. Prior to closing, Franchisor may assign its rights under this section to an affiliate of Franchisor.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise its right of first refusal within sixty (60) days from the date of delivery of all such documents, the agreement may be closed by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor,

Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit 4 are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, fiduciary, legal representative, joint venturer, partner, employee, servant, independent contractor of Franchisor, joint employer, or other special relationship between the parties for any purpose whatsoever. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee may not represent or imply or hold itself out to third parties that Franchisee is an agent, fiduciary, legal representative, joint venture, partner, employee, servant, independent contractor, joint employer, or other special relationship of or with Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state of imply that Franchisor is Franchisee's employer or the employer of Franchisee's employees and or independent contractors, nor vice versa. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Swim School operating the Franchised Swim School pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Swim School. Any third-party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone. None of Franchisee's employees will be considered Franchisor's employees. Neither Franchisee nor any of its employees whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any local, state, or federal government agency. Franchisor shall not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's

authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions for the Franchised Swim School does not directly or indirectly vest in Franchisor the power to hire, fire, or control such employee. Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of the Franchised Swim School and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise System which Franchisee is required to comply with under this Agreement, whether set forth in the Confidential Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Swim School, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising its control of the day-to-day operations of the Franchised Swim School. Except as expressly provided in this Agreement, Franchisor may not control or have access to Franchisee's funds or the expenditure of Franchisee's funds or in any other way exercise dominion or control over the Franchised Swim School. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Franchisee is other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Franchised Swim School. Franchisee shall have no right or power to, and shall not, bind or obligate us or our affiliates in any way or manner, nor represent that Franchisee has any right to do so. Franchisee is an independent contractor, and Franchisee is solely responsible for all aspects of the development and operation of the Franchised Swim School, subject only to the conditions and covenants established by this Agreement. Without limiting the generality of the foregoing, Franchisee acknowledges that Franchisor has no responsibility to ensure that the Franchised Swim School is developed and operated in compliance with all applicable laws, ordinances, and regulations and that Franchisor shall have no liability in the event the development or operation of the Franchised Swim School violates any law, ordinance, or regulation. Franchisee's business is, and shall be kept, totally separate and apart from any that may be operated by Franchisor. In all public records, in relationships with others, and on letterhead and business forms, electronic communications, bulletins and posters to Franchisee's employees, paychecks, checks, and other communications to customers, Franchisee shall indicate that Franchisee is solely a franchisee of Franchisor.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

21.3 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees, costs of investigation, expert fees and disbursements and all other costs of investigation, arbitration and/or litigation, court costs, settlement amounts, judgments, compensation for damages to the Franchisor's reputation and goodwill, costs of or resulting from delays, travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Indemnittee's attorneys and/or experts), financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Swim School; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Swim School, including any negligent or intentional acts; (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information, (g) violation of any federal, state, or local labor and employment law for acts or omissions of Franchisee or Franchisee's employees; or (h) any cybersecurity breaches or violations of any Privacy Laws. The obligations of this Section 21.3 shall expressly survive the termination of this Agreement.

21.4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Franchisor has the right, at any time it considers appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions Franchisor considers expedient with respect to the action, suit, proceeding, claim, demand, inquiry, or investigation if, in Franchisor's sole judgment, there are reasonable grounds to do so. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement. In no event may Franchisee make any claim for money damages based upon any claim or assertion that Franchisor has unreasonably withheld or delayed any consent or approval under this Agreement. Franchisee waives any such claim for damages. Franchisee may not claim any such damages by way of set

off, counterclaim, or defense. Franchisee's sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions consistent with the terms of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial and covenant to arbitrate all disputes in accordance with Section 23.7. Franchisor's rights herein shall include pursuing injunctive relief through arbitration or in state or federal court.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

Goldfish Swim School Franchising LLC
Attn: Chief Executive Officer
2701 Industrial Row Drive
Troy, Michigan 48084

22.4 Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

22.5 Unlimited Guaranty and Assumption of Obligations

Franchisee's obligations under this Franchise Agreement shall be personally guaranteed by individuals who meet our financial requirements. All holders of a legal or

beneficial interest in Franchisee shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Exhibit 3, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

22.7 Entire Agreement

This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's Goldfish Swim School Franchising LLC Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Nothing in this Agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

22.8 Severability and Modification

22.8.1 Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

22.8.2 Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.11 Timing

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15 Multiple Originals; Counterparts; Original Signatures

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original. This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. Any signature required by this Agreement, or any Exhibit or Schedule may be delivered via electronic and/or facsimile signature and said electronic and/or faxed signature shall be considered as though an original. Any signature required by this Agreement, or any Exhibit or Schedule may be delivered via electronic and/or facsimile signature and said electronic and/or faxed signature shall be considered as though an original. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S Federal ESIGN Act of 2000 (e.g.www.docusign.com) or any other transmission method.

22.16 Compliance with Laws

Franchisee shall comply with all requirements of applicable federal, state, and local rules, regulations, statutes, laws, and ordinances ("Laws"), including without limitation, Laws that: (a) require a CPR, life guard and first aid certification or other certification; (b) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises, including without limitation, pool construction requirements, zoning regulations, building codes, whether at the federal, state, or local level; (c) regulate matters affecting the health, safety and welfare of Franchisee's customers, such as general health and sanitation requirements, pool water testing requirements and maintenance of water quality, draining and refilling of the pool, procedures for managing pool water quality anomalies or emergencies, teacher/student ratios, restrictions on smoking, requirement of background checks for employees who will be in contact with children, obligations to report suspected child abuse or neglect, availability of and requirements for public accommodations, including restrooms, and all other regulatory standards applicable to child-related service businesses such as water safety instruction conducted by Franchisee and the Franchised Swim School; (d) set standards pertaining to employee health and safety, including the Occupational Safety and Health Act and other federal, state, and local laws and regulations relating to safe employment conditions; (e) regulate matters affecting requirements for accommodations for

disabled persons; (f) set standards and requirements for fire safety and general emergency preparedness; (g) regulate the proper use, storage and disposal of waste including the proper maintenance of pool water; (h) require Franchisee to conduct background checks on Franchisee's employees and independent contractors; (i) require Franchisee to comply with the Americans with Disabilities Act and other federal, state, or local laws or regulations relating to employees and customers with disabilities, including without limitation, the commercial pool lift regulations; (j) require Franchisee to comply with employment laws such as the Fair Labor Standards Act, Title VII of the Civil Rights Act, the Equal Employment Opportunity Act, Affordable Care Act, Age Discrimination in Employment Act, Employee Retirement Income Security Act, immigration laws, and other federal, state, and local laws and regulations governing minimum wage, overtime, and other employment related subjects; (k) require Franchisee to comply with citizenship and immigration status of Franchisee's employees; (l) require Franchisee to meet air quality standards, such as without limitation, the Federal Clean Air Act and various other federal, state and local laws or regulations that regulate air quality standards limiting emissions of ozone, carbon monoxide, and particles, including caps on emissions from indoor pools; and (m) require Franchisee to comply with federal, state, or local laws and regulations that regulate indoor air quality, the construction, operation, or maintenance of Franchisee's pools, and the construction or operation of Franchisee's franchised swim school business. Franchisee must investigate and comply with all applicable Laws or other governmental directives related to Franchise's franchised swim school. Franchisee alone is responsible for complying with all applicable Laws or other governmental directives related to Franchisee's franchised swim school, despite any advice or information that Franchisor may give Franchisee.

22.17 Electronic Signatures

This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Agreement.

23. DISPUTE RESOLUTION

23.1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Michigan (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency. The parties agree, however, that if Franchisee's Approved Location is not in Michigan and if you are not a resident of the state of Michigan, the Michigan Franchise Investment Law shall not apply to this transaction, the relationship between Franchisor and Franchisee or this Agreement.

23.2 Consent to Jurisdiction

Any action brought by either party except those claims required to be submitted to arbitration, shall only be brought in the appropriate state court located in or serving Oakland County, Michigan. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

23.3 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

23.4 Limitations of Claims

Any claim concerning the Franchised Swim School or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1)

year 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 the claim.

23.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

23.6 Waiver of Jury Trial

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

23.7 Arbitration

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. Except for controversies or claims relating to the ownership of any and all intellectual property rights, including, but not limited to, Franchisor's Marks, copyrights or the unauthorized use or disclosure of Franchisor's Confidential Information, covenants against competition and other claims for injunctive relief, or amounts owed by Franchisee to Franchisor, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in Oakland County, Michigan, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the District Court for the State of Michigan and located in Oakland County, Michigan. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

Franchisee agrees that it will not file any arbitration claim as a class action, seek class action status, or permit its claim to be joined or made part of any class action

filed by another. Franchisee further agrees that it will not file or join in any consolidated arbitration.

Franchisee acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received, at least fourteen (14) calendar-days prior to the date on which this Agreement was executed, the Disclosure Document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures.

24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so. Franchisee further acknowledges he or she has conducted an independent investigation of the business franchised pursuant to this agreement and recognizes the business venture contemplated by this agreement involves the normal business risks associated with beginning a new business. Franchisee acknowledges that it is entering into this Agreement based upon its own investigation and not as a result of any representations about Franchisor made by Franchisor's shareholders, members, officers, directors, employees, agents, representatives, independent contractors, or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to Franchisee pursuant to applicable law.

24.3 True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

24.4 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Goldfish Swim School involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.5 No Guarantee of Success

Franchisee represents and acknowledges that it has not received on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Swim School. Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement. Specifically, Franchisee acknowledges that the only financial performance information Franchisor furnished is set forth in Item 19 of the Franchise Disclosure Document; that no officer, director, member, employee, agent, representative or independent contractor of Franchisor is authorized to furnish Franchisee with any other financial performance information; that if they nevertheless do, Franchisee will not rely on any such financial performance information given to Franchisee by any such individual; and that if any such individual attempts to or actually does give Franchisee any such financial performance information in contravention of this provision, Franchisee will immediately communicate such activity to Franchisor. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or non-franchised swim schools.

24.6 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

24.7 Other Agreements

Franchisee acknowledges that Franchisor intends to enter into agreements with other franchisees that may contain certain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations do not affect the duties of the parties to this Agreement to comply with the terms of this Agreement. Franchisee

further acknowledges that because uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right to materially vary our standards or franchise agreement terms for any Franchised Swim School, based upon the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which Franchisor considers important to the successful operation of the Franchise System. Franchisee has no right to require Franchisor to disclose any variation or to grant the same or a similar variation to Franchisee.

24.8 Financing Franchisee has or has made firm arrangements to acquire funds to commence, open and operate the Franchised Swim School and it is financially and otherwise able to accept the risk attendant to entering into this Agreement.

24.9 Litigation Franchisee is not a party to nor subject to any court order or action of any governmental authority which would limit or otherwise interfere in any way with the performance by Franchisee of its obligations under this Agreement.

24.10 Certain Offenses Franchisee represents and warrants neither Franchisee nor any owner of Franchisee has been accused of or convicted of a crime against a child or any form of physical violence or sexual assault against any person or any crime involving moral turpitude.

24.11 Anti-Terrorism Representations. 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. 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. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or any one associated with Franchisee to be listed in the Annex to Executive Order 13224.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 24.11. 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. "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.

24.12 Other Acknowledgements

Franchisee has carefully considered the nature and extent of the restrictions upon Franchisee set forth in this Agreement (including without limitation, the covenants not to compete, confidentiality restrictions and the restrictions on assignment) and the rights and remedies conferred upon Franchisee and Franchisor under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to Franchisor and the Franchise System; (c) are fully required to protect Franchisor's legitimate business interests; and (d) do not confer benefits upon Franchisor that are disproportionate to Franchisee's detriment. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

GOLDFISH SWIM SCHOOL FRANCHISING LLC:

By:_____

Name printed:_____

Title:_____

Date:_____

FRANCHISEE: _____

By:_____

Name:_____

Title:_____

Date:_____

or , if an individual

Signed:_____

Name Printed:_____

Date:_____

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, ("RELEASOR") an individual/corporation/ limited liability company/partnership with a principal address of _____ _____, in consideration of:

_____ the execution by Goldfish Swim School Franchising LLC, a Michigan limited liability company ("RELEASEE"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement; or

_____ RELEASEE'S refund of twenty-five percent (25%) of the Franchise Fee RELEASOR paid to RELEASEE,

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR:_____
(type/print name)
By: _____ Date:_____

Name:_____

Title:_____
(or, if an individual)
Signed:_____ Date:_____

Name printed:_____

ACKNOWLEDGMENT

State of _____)
) ss
County of _____)

On this ____ day of _____, 20____ before me personally came _____, known to me to be the same person whose name is signed to the foregoing General Release, and acknowledged the execution thereof for the uses and purposes therein set forth, [and who did swear and say that he/she is the _____ (title) of _____ _____ (company name), and he/she has the authority to execute said General Release].

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____ (NOTARIAL SEAL)
Notary Public
My Commission expires:

EXHIBIT 2 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT
(Franchisee and its Owner(s))

This NONDISCLOSURE AND NON-COMPETITION AGREEMENT (the "Agreement") is made as of the ____ day of _____, 20____, is by and between Goldfish Swim School Franchising, LLC ("Franchisor") and _____ located at _____ ("Franchisee") and _____, owner of Franchisee ("Individual").

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20_____ ("Franchise Agreement") by and between Franchisee and Goldfish Swim School Franchising LLC ("Company"); and

WHEREAS, Company is the Franchisor of "Goldfish Swim Schools" and has the authority to disclose and discuss all information relating to the operations of a Goldfish Swim School franchise using the System and the Marks (hereinafter referred to as "Business," or "Franchised Swim School");

WHEREAS, Individual is an equity owner of Franchisee; and

WHEREAS, Company has provided both Franchisee and Individual with access to and review of certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee and Individual understand the necessity of not disclosing any such information to any other party or using such information to compete against Company or any other franchisee of Company in any Competitive Business (as defined herein).

NOW, THEREFORE, in order to induce Company to transmit the aforesaid information to Franchisee and Owner, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee and Owner (hereinafter, the "Franchisee Parties") hereby agree as follows:

1. Definitions

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes,

financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Goldfish Swim Schools that is not commonly known by or available to the public and that information: (i) derives 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 (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means without limitation, business practices; copyrighted materials; trademarks; patents; applications; trade secrets; trade dress; instructional materials; descriptions of Goldfish's products and services; proposed products and services; computer software and hardware utilized by the System (as herein defined) and all information contained on such computer hardware and software; all data collected from customers and potential customers in connection with the Franchised Swim School; all Customer Personal Data; advertising materials; business plans; swim programs; swim curriculum and training manuals; employee compensation plans; identities of suppliers, customers and prospective customers; all specifications, sources of supply (or prospective sources) and all information pertaining to same (including wholesale pricing structures, contents of sourcing agreements and identity of suppliers), all procedures, systems, techniques and activities employed by Company or Franchisee in the offer and sale of products and/or services at or from the Franchised Swim School; prices and pricing policies; financial data; computer programs and software; floor plans; development schedules; development plans; systems; operations and procedures; the Company's Confidential Brand Standards Manual; Franchisee's final plans for construction, build-out, design, renovation, décor, equipment, signage, furniture, fixtures, and trade dress of the Franchised Swim School; and all other information provided to the Franchisee Parties from Franchisor.

c) For purposes of this Agreement, "Customer Personal Data" means data that may be reasonably linked or linkable to natural persons to whom the Franchised Swim School provides goods or services or who are associated with a business entity to which the Franchised Swim School provides goods or services, including not limited to such natural person's name, birthdate, contact information, payment card information, transaction history, and other personal and other information as may be further set forth and defined in the Company's Confidential Brand Standards Manual.

d) Any information expressly designated by Company as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve the Franchisee Parties of their respective obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. The Franchisee Parties understand that their access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between the Franchisee

Parties and Company with respect to the Trade Secrets and other Confidential Information.

e) For the purposes of this Agreement, "Competitive Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) swim instruction to children the same as or similar to those provided by Goldfish Swim Schools or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Company, any of its affiliates or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Company, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest.

f) For the purposes of this Agreement, "Marks" means the service mark "Goldfish Swim School®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Company may designate to be used in connection with Goldfish Swim Schools.

g) For the purposes of this Agreement, "System" means the uniform standards, methods, procedures and specifications developed by Company and as may be added to, changed, modified, withdrawn or otherwise revised by Company for the operation of Goldfish Swim Schools.

2. Confidentiality/Non-Disclosure

a) The Franchisee Parties shall not communicate, divulge, or permit access to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, the Franchisee Parties must take all steps reasonably necessary and/or requested by Company to ensure that the Confidential Information and Trade Secrets are kept confidential and ~~secured~~secure pursuant to the terms of this Agreement. The Franchisee Parties must comply with all applicable policies, procedures and practices that Company has established and may establish from time to time with regard to the Confidential Information and Trade Secrets, and Individual must also comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets. Notwithstanding the foregoing, the Franchisee Parties shall not input, upload, submit, disclose, transmit, describe, reference, or otherwise expose any Trade Secrets or other Confidential Information to any artificial intelligence system, platform, tool, application, model, algorithm, chatbot, or similar technology ("AI"), whether or not the AI claims to restrict training, retain confidentiality, or limit data use, except as authorized by Franchisor in the Brand Standards Manual or otherwise by Franchisor in writing. Any such unauthorized use constitutes an

unauthorized disclosure of Trade Secrets or other Confidential Information.

b) The Franchisee Parties' obligations under paragraph 2(a) of this Agreement shall continue in effect i) after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and ii) after the termination of the Franchise Agreement between Franchisee and the Company, regardless of the reason or reasons for termination and whether such termination is voluntary or involuntary. Company is entitled to communicate the Franchisee Parties' obligations under this Agreement to any future customer or employer to the extent deemed necessary by Company for protection of its rights hereunder and regardless of whether the Franchisee Parties or any of their respective affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Goldfish Swim School.

3. Non-Competition – Individual Owner

a) During the term of Individual's relationship with Franchisee and for a period of two (2) years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Company's service mark "Goldfish Swim School®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Company designates to be used in connection with Goldfish Swim Schools or Company's uniform standards, methods, procedures and specifications for the establishment and operation of Goldfish Swim Schools.

b) During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, operate, or own or share in the earnings of any Competitive Business anywhere within the United States without the express written consent of Company, and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, operate, or own or share in the earnings of any Competitive Business (a) within a twenty-five (25) mile radius of the location of Franchisee's Franchised Swim School or within Franchisee's territory as

provided in the Franchise Agreement (whichever is greater), or (b) within a twenty-five (25) mile radius of the location of any other Goldfish Swim School in existence at the time of termination or expiration, without the express written consent of Company.

c) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence business associate or customer of Franchisee, Company or any other Goldfish Swim School to compete against, or terminate or modify his, her or its business relationship with, Franchisee, Company or any other Goldfish Swim School.

4. <u>Non-Competition – Franchisee</u>

a) During the term of the Franchise Agreement and for a period of two (2) years after the expiration or termination of the Franchise Agreement, regardless of the cause of expiration or termination, Franchisee shall not, directly or indirectly, for itself or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Company's service mark "Goldfish Swim School®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Company designates to be used in connection with Goldfish Swim Schools or Company's uniform standards, methods, procedures and specifications for the establishment and operation of Goldfish Swim Schools.

b) During the term of the Franchise Agreement, Franchisee shall not, directly or indirectly, for itself or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, operate, or own or share in the earnings of any Competitive Business anywhere within the United States without the express written consent of Company, and for a period of two (2) years thereafter, regardless of the cause of termination, Franchisee shall not, directly or indirectly, for itself or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, operate, or own or share in the earnings of any Competitive Business (a) within a twenty-five (25) mile radius of the location of Franchisee's Franchised Swim School or within Franchisee's territory as provided in the Franchise Agreement (whichever is greater), or (b) within a twenty-five (25) mile radius of the location of any other Goldfish Swim School in existence at the time of termination or expiration, without the express written consent of Company.

c) During the term of the Franchise Agreement and for a period of two (2) years thereafter, regardless of the cause of termination, Franchisee shall not, directly or indirectly, solicit or otherwise attempt to induce or influence business associate or customer of Franchisee, Company or any other Goldfish Swim School to compete against, or terminate or modify his, her or its business relationship with, Franchisee, Company or any other Goldfish Swim School.

5. Reasonableness of Restrictions

The Franchisee Parties acknowledge that each of the terms set forth herein, including the restrictive covenants, are fair and reasonable and are reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and the Franchisee Parties waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then the Franchisee Parties shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

6. Relief for Breaches of Confidentiality and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

In addition, Franchisee acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Franchisee of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Company may have at law or in equity.

7. Miscellaneous

a) Except for the Franchise Agreement, this Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, and this Agreement supersedes any prior agreements, negotiations and discussions between the parties. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Michigan (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) Any action brought by any party, shall only be brought in the appropriate state or federal court located in or serving Oakland County, Michigan. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Company where any Franchisee Party is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

d) The Franchisee Parties agree if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to arbitration, appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

e) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of the parties and shall inure to the benefit of the parties and their respective subsidiaries, successors, and assigns.

f) The failure of any party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this

Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

j) The existence of any claim or cause of action a Franchisee Party might have against the Company will not constitute a defense to the enforcement by the Company of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Company pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

l) Pursuant to the Defend Trade Secrets Act of 2016, the undersigned has been notified and understand that the undersigned will not be held criminally or civilly liable under any federal or state trade secrets law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

THE FRANCHISEE PARTIES CERTIFY THAT THEY HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND AND ACCEPT THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PARTIES TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

COMPANY:

Dated:_____ By:_____
Christopher McCuiston
Its: President

FRANCHISEE:

Dated:_____ Signature:_____

Name Printed:_____
Its:_____

INDIVIDUAL:

Dated:_____ Signature:_____

Name Printed:_____

EXHIBIT 3 TO THE FRANCHISE AGREEMENT

UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____day of_____, 20___, by _____
_____
_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("Agreement") by Goldfish Swim School Franchising LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7 and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) 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 of the Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings,

negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Michigan (without giving effect to principles of conflicts of law).

Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the Courts of the State of Michigan and the United States District Court located in or serving Oakland County, Michigan and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guaranty or any of the other Franchising Agreements or in any way connected with or related or incidental to the dealings of Guarantor and Franchisor in respect of this Guaranty or any of the other Franchising Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Franchisee and Franchisor or the conduct of any such persons in connection with this Guaranty, the other Franchising Agreements or otherwise shall be heard only in the courts described above (except that Franchisor shall have the right to bring any action or proceeding against Guarantor or his or her property in the courts of any other jurisdiction which Franchisor deems necessary or appropriate in order to realize on any collateral at any time granted by Franchisee or Guarantor to Franchisor or to otherwise enforce its rights against Guarantor or his or her property).

[Signature Page to Follow]

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

Date:_____

HOME ADDRESS
_____
_____
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:___%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

Date:_____

HOME ADDRESS
_____
_____
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:___%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

Date:_____

HOME ADDRESS
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:___%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

Date:_____

HOME ADDRESS
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:___%

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Date:_____

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:___%

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Date:_____

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:___%

EXHIBIT 4 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS; DIRECTORS

Franchisee and its Owners

This form must be completed by Franchisee ("you") if you have multiple owners or if you or your Franchised Swim School is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on its truth and accuracy in awarding the franchise to you.

Form of Owner. You are a (check one):

(a)	General Partnership	[ ]
(b)	Corporation	[ ]
(c)	Limited Partnership	[ ]
(d)	Limited Liability Company	[ ]
(e)	Other	[ ]
	Specify:	

You are formed under the laws of _____.

Business Entity. You were incorporated or formed on _____, 20_____ under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company or partnership name. The following is a list of all persons and contact information who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions and the holders of legal or beneficial interest are listed below:

Holders of Legal or Beneficial Interest:

Name:_____
Position/Title:_____
Home Address:_____
_____

Telephone No.:_____
E-mail address:_____
Percentage of ownership: _____%

Name:_____
Position/Title:_____
Home Address:_____
_____

Telephone No.:_____
E-mail address:_____
Percentage of ownership _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership: _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership: _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership _____%

Officers and Directors:

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____

Name:_____
Position/Title:_____
Home Address:_____
_____
Telephone No.:_____
E-mail address:_____

Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of _____.

Designated Manager. Franchisee appoints _____ as the Designated Manager.

Control Person. Franchisee appoints _____ as the Control Person.

Marketing Lead. Franchisee appoints _____ as the Marketing Lead.

Franchise Fee. The Franchise Fee to be paid pursuant to Section 3.1 of the Agreement is $_____.

Real Estate Fee. The Real Estate Fee to be paid pursuant to Section 3.8 of this Agreement is $_____.

Assumed Name. You are authorized to operate your franchised swim school as "Goldfish Swim School of _____" and shall file all appropriate Certificates of Assumed names with the proper regulatory agency in your state.

This Appendix "4" is current and complete as of _____, 20____.

FRANCHISEE

_____
By:_____
Its:_____
Date:_____

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDA

FOR THE STATE OF CONNECTICUT

This Addendum to the Franchise Agreement is agreed to this _____ day of _____, _____, between. Goldfish Swim School Franchising LLC and _____ ("Franchisee") to amend and revise said Franchise Agreement as follows:

1. Section 3.1, "Franchise Fee," is amended to delete the following:

   - The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Sections 5.2. 5.5 and 8.3.

2. Section 8, "Training and Assistance," is amended by the addition of the following language to the original language that appears therein:

   - "The required training shall commence no more than sixty (60) days after execution of this Agreement."

3. The "Training and Assistance" Section is amended by the deletion of the following language to the original language that appears therein:

   - Franchisor shall return to Franchisee fifty percent (50%) of the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 1, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).

4. Section 9 "Confidential Brand Standards Manual" is amended by the addition of the following language to the original language that appears therein:

   - "Franchisor shall provide the Confidential Brand Standards Manual to the Franchisee no later than thirty (30) days after execution of this Agreement."

5. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Connecticut 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

FOR THE STATE OF HAWAII

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Goldfish Swim School Franchising LLC and _____ _____.

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement for Goldfish Swim School Franchising LLC is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 4.2, 16 and 18.2 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

- Sections 4.2.9, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise and Sections 5.2, 5.5 and 8.3 require Franchisee to sign a general release as a condition to receiving a refund of a portion of the Franchise Fee following a termination of the Franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

- Section 16.2.1.14, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20_____, is by and between Goldfish Swim School Franchising LLC and ___ _____.

1. The Franchise Agreement for Goldfish Swim School Franchising LLC is amended as follows:

- Sections 16, 17 and 23 are amended to add:

The conditions under which the Franchise Agreement can be terminated and Franchisee's rights upon termination or non-renewal, as well as the application by which Franchisee must bring any claims, are governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

- Sections 23.1 and 23.2 are amended to add:

The Franchise Agreement will be governed by Illinois law. Jurisdiction and venue for court litigations shall be in Illinois. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

- Section 23.6 is deleted in its entirety.

2. Any condition, stipulation, or provision purporting to bind any person acquiring any Franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee is connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF INDIANA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Goldfish Swim School Franchising LLC and _____ _____.

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for Goldfish Swim School Franchising LLC is amended as follows:

- Sections 4.2.9, 5.2, 5.5, 8.3, 18.2.3 and 18.2.6 do not provide for a prospective general release of claims against Franchisor that are be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.

- Section 16 is amended to prohibit unlawful unilateral termination of a Franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

- Section 17.2 is amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants shall have a geographical limitation of the territory granted to Franchisee.

- Section 21.3 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

- Section 23.1is amended to provide that, in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.

- Section 23.2 is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.

- Section 23.7 is amended to provide that arbitration between Franchisor and Franchisee, shall be conducted at a mutually agreed upon location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Goldfish Swim School Franchising LLC and ___ _____.

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:

- Sections 4 and 16 are amended to add that with respect to Franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law that requires, except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.

- Sections 4.2.9, 5.2, 5.5, 8.3, 18.2.3 and 18.2.6 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

- Section 6 is amended to add that as required by Minnesota Franchise Act, Goldfish Swim School Franchising LLC 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 Goldfish Swim School Franchising LLC, and so long as Goldfish Swim School Franchising LLC 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.

- Section 23.4 is amended to state that any claim concerning the Franchised Swim School or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration 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.

- Section 23.5 is deleted in its entirety.

- Section 23.6 is deleted in its entirety.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes,

Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court system with or without a bond as determined by a court. Minn. Rule Part 2860.4400J prohibits Franchisee from waving its rights to a jury trial or waiving its rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Franchise Agreement requires Franchisee to waive these rights, the Franchise Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.

2. 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 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Goldfish Swim School Franchising LLC and _____.

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- Under Sections 4.2.9, 5.2, 5.5, 8.3, 18.2.3 and 18.2.6, the execution of a general release upon renewal, transfer, or as a condition of receipt of a refund of a portion of the Franchise Fee following termination, shall be inapplicable to Franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.

- Section 7 is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

- Sections 17.1.5 and 17.1.6 are amended to state:

  If Franchisor or Franchisee is required to enforce this Agreement via judicial or arbitration proceedings, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and legal fees in connection with such proceeding.

- Section 17.2 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

- Section 17.6 is deleted.

- Section 23.1 is amended to state that in the event of a conflict of laws, North Dakota Law shall prevail.

- Section 23.2 is amended to add that any action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.

- Section 23.4 is amended to state that the statute of limitations under North Dakota Law shall apply.

- Sections 23.5 and 23.6 are deleted in their entireties.

- Section 23.7 is amended to state that arbitration involving a Franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Goldfish Swim School Franchising LLC and _____ _____.

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for Goldfish Swim School Franchising LLC is amended as follows:

- Sections 4.2.9, 5.2, 5.5, 8.3, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal, transfer, or receipt of a refund of a portion of the Franchise Fee following termination of the Franchise; such release shall exclude claims arising under The Rhode Island Franchise Investment Act.

- Sections 23.1, 23.2 and 23.7 are amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Goldfish Swim School Franchising LLC and _____ _____ to amend and revise said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership 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.

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

Goldfish Swim School Franchising LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

EXHIBIT 6 TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF LEASE AND LEASE RIDER

THIS AGREEMENT ("Agreement") is made and entered into between Goldfish Swim School Franchising, LLC, a Michigan corporation ("GOLDFISH"), located at 2701 Industrial Row Drive, Troy, MI 48084 and _____ located at _____, ("Franchisee").

WHEREAS, GOLDFISH and Franchisee have executed a Franchise Agreement on the ____ day of_____, 20_____ ("Franchise Agreement") for the establishment of a GOLDFISH Franchised Swim School to be operated pursuant to GOLDFISH's Marks as that term is defined in the Franchise Agreement.

WHEREAS, the Franchise Agreement requires the execution of this Conditional Assignment of Lease if the real estate for the facility through which a Franchised Swim School is operated is leased by the Franchisee;

WHEREAS, Franchisee proposes to enter into a real estate lease for the facility through which a Franchised Swim School is operated pursuant to the Franchise Agreement with _____ ("Landlord"), which lease is dated the ____ day of _____, 20_____, a copy of which is attached hereto (as Exhibit "A") and which is incorporated herein by reference (hereinafter referred to as the "Real Estate Lease"). The premises occupied by the Franchisee under the Real Estate Lease is referred to herein as the "Leased Premises". The overall property of which the Leased Premises is a portion of is referred to as the "Shopping Center."

NOW THEREFORE, it is hereby agreed as follows:

1. **Conditional Assignment**. Franchisee hereby assigns to GOLDFISH all of Franchisee's right, title, and interest in and to the Real Estate Lease, including any and all rights or options of Franchisee to extend, renew, or purchase the Leased Premises through a right of first refusal or otherwise, such assignment to become effective upon the occurrence of either of the following:

A. **Termination of Franchise Agreement**. Upon termination or expiration without renewal of the Franchise Agreement, GOLDFISH shall have the option to accept the assignment of the Real Estate Lease pursuant to this Agreement by giving the notice prescribed

by this Conditional Assignment of Lease, in which case it is agreed the Real Estate Lease shall remain in effect as to GOLDFISH.

B. **Termination of Real Estate Lease**. Upon termination of the Real Estate Lease as to Franchisee or termination of Franchisee's possession rights under the Real Estate Lease, whether by Franchisee's default under the Real Estate Lease or otherwise, GOLDFISH shall have the option to accept the assignment of the Real Estate Lease pursuant to this Agreement by giving the notice prescribed by this Conditional Assignment of Lease, in which case it is agreed the Real Estate Lease shall remain in effect as to GOLDFISH.

C. **Franchisee Right to Assign**. At Franchisee's discretion, Franchisee may assign the Real Estate Lease to GOLDFISH, and GOLDFISH may accept such assignment, at any time.

GOLDFISH has no liability whatsoever with respect to the Lease unless and until GOLDFISH exercises its option to take assignment of the Lease as described in this Agreement.

GOLDFISH may assign its rights hereunder to an affiliate of GOLDFISH, who may take assignment of such rights prior to any GOLDFISH's acceptance of assignment of the Real Estate Lease.

2. **Effect of Assignment**. Upon GOLDFISH's exercise of its option to take the above-described assignment:

A. Franchisee shall be relieved from any further liability under the provisions of the Real Estate Lease and the Real Estate Lease shall be terminated as to Franchisee; provided; however, that Franchisee shall remain liable for any amounts owing, or any other default occurring, prior to the effective date of assignment.

B. GOLDFISH shall succeed to all of Franchisee's rights, options, and obligations under the Real Estate Lease commencing with the effective date of the assignment and shall have the right to transfer or assign the Real Estate Lease to another GOLDFISH® Franchisee without the need to seek consent from the Landlord. GOLDFISH's transfer to another GOLDFISH® Franchisee relieves GOLDFISH from any further liability under the Real Estate Lease.

3. **Notice of Franchisee's Default**.

A. **Landlord's Notice**. Landlord shall provide GOLDFISH notice of any default under the Real Estate Lease. GOLDFISH shall have the option (but not obligation) to cure any default should Franchisee fail to cure the default within the period in which Franchisee has to cure the default. At the expiration of Franchisee's period in which Franchisee has to cure any default, GOLDFISH shall then have fifteen (15) days in which to make its decision to cure. GOLDFISH may cure Franchisee's default without exercising its option to accept assignment of the Real Estate Lease and, in such event, Landlord agrees to accept GOLDFISH's cure as if made timely by Franchisee. Landlord shall give GOLDFISH written notice at least thirty (30) days prior to the termination of the Real Estate Lease, expiration without renewal, or date of re-entry or repossession. GOLDFISH shall have thirty (30) days after written notice from Landlord to exercise this option to accept assignment of the Real Estate Lease. GOLDFISH may exercise its option to accept assignment of the Real Estate Lease by written notice to the Landlord, and the assignment shall be effective upon the termination of the Real Estate Lease as to Franchisee.

B. **GOLDFISH's Notice**. GOLDFISH shall give Landlord copies of any or all notices of termination given to Franchisee pursuant to the Franchise Agreement, and if GOLDFISH desires to exercise its option to accept the assignment of the Lease in the event of Franchisee's failure to cure the default of the Franchise Agreement, GOLDFISH shall provide Landlord with a written notice on or before the date of termination of the Franchise Agreement. It is hereby agreed that Landlord may rely solely upon the written notice received from GOLDFISH as to the termination or expiration without renewal of the Franchise Agreement, and Franchisee hereby releases the Landlord from any liability for relying upon such notice and shall hold the Landlord harmless from any and all liability to Lessee for any action Landlord may take in such reliance.

4. **Notice**. Notice required by this Agreement shall be sent by overnight, certified or registered mail to GOLDFISH at the following address:

Goldfish Swim School Franchising, LLC
2701 Industrial Row Drive
Troy, MI 48084

with a copy to (which shall not be deemed notice):

Mark J. Burzych
Fahey Schultz Burzych Rhodes PLC
4151 Okemos Road
Okemos, Michigan 48864

Notice required by this Agreement shall be sent to Franchisee at the following address:

_____
_____
_____

Notice required by this Agreement shall be sent to Landlord at the following address:

_____
_____
_____

Notice shall be deemed effective on the date received, and regardless of whether the notice is signed for by the recipient, notice shall be deemed received two (2) business days after mailing. Parties may change the notice address by providing written notice to the other parties of a change in such notice address.

5. **Execution of the Documents**. Franchisee hereby agrees to execute any and all documents requested by GOLDFISH in order to fully exercise any of the rights under the Real Estate Lease or this Agreement. If Franchisee shall not have executed any such document within the three (3) days after having been so requested by GOLDFISH, Franchisee hereby appoints any member or officer of GOLDFISH as its attorney-in-fact with the full right and power to execute any and all such documents.

6. **Additional Lease Provisions.** The following provisions are also incorporated into the Real Estate Lease. For purposes of this Section, the term "Tenant" shall mean the "Franchisee" or any successor tenant under the Real Estate Lease.

A. GOLDFISH and its agents, employees, contractors, representatives, and assigns shall also have the right to enter the Leased Premises at all reasonable times to examine the same, and to make any and all modifications or alterations deemed necessary or desirable, in the sole and absolute discretion of GOLDFISH, including without limitation, to protect GOLDFISH's franchise system, trademarks, or brand, all without incurring any liability or

otherwise being liable, guilty, or responsible to Tenant or Landlord for trespass or any other claim of civil or criminal liability.

B. If any of the events occur that could give rise to GOLDFISH's exercise of its option to exercise its right to accept assignment of the Real Estate Lease and GOLDFISH chooses not to exercise its option to accept assignment of the Real Estate Lease, GOLDFISH nevertheless has the authority at its discretion to enter the Leased Premises for the purpose of removing any GOLDFISH Marks, material containing GOLDFISH's Marks, inventory or other property owned by GOLDFISH customers and in the possession of or stored in the Leased Premises and remove such materials in order to protect the Marks, goodwill of the System, and customer relationships. Landlord shall make the Leased Premises through which a Franchised Swim School is operated available to GOLDFISH immediately upon notice from GOLDFISH.

C. Landlord further agrees to and acknowledges that the real estate subject to the Real Estate Lease shall be used solely for the Permitted Use (as defined below). Landlord agrees to notify GOLDFISH in the event that Franchisee begins to use real estate in any other manner and Landlord shall consider such use as an event of default. As used herein, the "Permitted Use" shall be only for the operation of a Goldfish Swim School pursuant to a Franchise Agreement or other license agreement with GOLDFISH and under a trade name approved by GOLDFISH as the same may change from time to time, specializing in providing swim lessons for babies and young children, as well as the sale of swim-related merchandise and offering a snack bar and retail area, and for ancillary office and storage space, all in accordance with the standards and procedures set forth from time to time in connection with the Goldfish Swim School franchise system. The Permitted Use may be additional uses if such uses are from time to time permitted under the Franchise Agreement between GOLDFISH and Tenant.

D. Tenant is permitted to display those certain trademarks and service marks used in connection with the Goldfish Swim School franchise system (the "Goldfish Marks") on signage and throughout the interior and exterior of the Leased Premises, without Landlord's consent. All such trademarks and service marks must be displayed in accordance with the standards, specifications, and quality control measures required by Franchisor. Landlord shall in no manner whatsoever restrict Tenant's rights to use the Goldfish Marks.

E. On or before the expiration or earlier termination of this Lease, Tenant's restoration of the Leased Premises shall be limited solely to the following, which shall be at Tenant's sole cost and expense: to (i) removal of the then existing pool coping, (i) filling the then existing in-ground pool to its original condition with compacted sand or granular backfill; (ii) removal of the then existing above-grade pool related equipment; and (iii) properly capping and sealing any below grade pipes related to the pool system (collectively, the "Pool Restoration Obligation"). In the event that Tenant fails to perform the Restoration Obligation, Landlord

grants to GOLDFISH the right at its sole discretion to enter Leased Premises, without being liable for trespass or other damages as to landlord, and perform such restoration described herein. If Franchisee fails to perform the Restoration Obligation, GOLDFISH may enter the Leased Premises without being liable for trespass or other damages as to Landlord, and perform such restoration actions to restore the leased premises to a "white box." [The Restoration Obligation shall not be required in the event of an assignment of the Real Estate Lease to GOLDFISH under this Agreement.]

F. Landlord agrees that it will not, directly lease space, permit or allow any other tenant or occupant in the Shopping Center to operate a "Competing Business", which is defined as any other business that will be the offering or providing of swimming lessons to babies or children, whether provided by another tenant of the Shopping Center or by a third party operating such business through an agreement with a tenant of the Shopping Center.

G. Provided Tenant stores and disposes of the following in a manner that complies with all applicable laws, ordinances, regulations, and best practices, the following items may be stored within the Leased Premises: Calcium, Hypochlorite, Trichloro-s-Triazinetrione, Sodium Dichor, Sodium Hypochlorite, Muriatic Acid, Paint, Paint Thinner and any other hazardous substances that may be used from time to time by the Tenant in connection with the Permitted Use

H. Landlord shall provide to GOLDFISH (at the same time Landlord provides to Tenant) a copy of all lease amendments and assignments, and a copy of all letters and notices Landlord sends to Tenant relating to the Leases Premises. Any renewal or extension of the Real Estate Lease, or any amendment to this Agreement or the Real Estate Lease of any type, can only be made by a writing executed by all three (3) parties to this Agreement.

I. Any renewal or extension of the Real Estate Lase, or any amendment to this Agreement, or the Real Estate Lease of any type, can only be made by a writing executed by all three (3) parties

J. The Real Estate Lease does not contain any provision or agreement that restricts the development, opening or operating of a Goldfish Swim School within any geographic radius or territory from the Leased Premises or Shopping Center

7. **Indemnification**. Franchisee shall indemnify and hold GOLDFISH harmless from any and all liability that GOLDFISH may incur after the effective date of the assignment of the Real Estate Lease arising under the terms of that Real Estate Lease from Franchisee's acts or omissions occurring prior to the effective date of the assignment, excluding only any liability

prior to the assignment that GOLDFISH agrees in writing to assume and from which GOLDFISH agrees to hold Franchisee harmless.

8. **Miscellaneous**.

A. **Applicable Law**. This Agreement shall be construed according to the laws of the state in which the premises are located. If any provision, or portion of a provision, of this Agreement is or shall become in conflict with any applicable law, then the applicable law shall govern and such provision or portion of a provision shall be automatically deleted and shall not be effective to the extent that it is not in accordance with applicable law. However, the remaining terms and conditions of this Agreement shall remain in full force and effect and no provision shall be deemed dependent upon any other provision unless otherwise expressed in this Agreement.

B. **Entire Agreement; Conflict**. This Agreement contains all of the terms and conditions agreed upon by the parties, except for: (i) the provisions of the Real Estate Lease which are incorporated herein, and (ii) as between GOLDFISH and Franchisee, the provisions of the Franchise Agreement and related agreements. The parties agree that all representations which have been made by other parties that in any way are to be given effect herein are set forth in this Agreement and the above-referenced documents. To the extent there is any conflict between any terms of the Real Estate Lease and this Agreement, the terms of this Agreement shall control.

C. **New Real Estate Lease**. It is hereby agreed that if the Real Estate Lease is terminated or expires without renewal, and the Franchisee and Landlord enter into a new lease arrangement, any such new real estate lease shall be deemed to be the Real Estate Lease for purposes of this Conditional Assignment of Lease thereby making it fully applicable to the new lease.

D. **Option to Purchase**. In the event Franchisee purchases the real estate, Franchisee agrees to execute the Real Estate Option to Purchase in the form then prescribed by GOLDFISH.

E. **Disputes**. Any dispute between the parties regarding this Conditional Assignment of Lease, and any claim by either party that cannot be amicably settled, shall be determined solely and exclusively by arbitration under the then applicable Commercial Arbitration Rules of the American Arbitration Association consistent with the Franchise Agreement.

F. **Counterparts; E-signatures**. This Agreement may be executed in multiple counterparts each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Agreement.

This Agreement is executed this ____ day of _____, 20___.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC

Date:_____ By: _____
Christopher McCuiston
Its: President

FRANCHISEE

Date:_____ By: _____
Its: _____

LANDLORD'S CONSENT

The undersigned Landlord hereby consents and agrees to the foregoing Conditional Assignment of Lease between Goldfish Swim School Franchising, LLC ("GOLDFISH") and ___ _____ ("Franchisee").

Dated: _____

LANDLORD

By: _____
Its: _____

STATE OF _____)
)ss
COUNTY OF _____)

Subscribed and sworn to by the above named _____ and _____ on this ____ day of _____, 20_____.

_____, Notary Public
_____ County
My Commission Expires: _____

EXHIBIT 7 TO THE FRANCHISE AGREEMENT

REAL ESTATE OPTION TO PURCHASE

THIS AGREEMENT is entered into between Goldfish Swim School Franchising, LLC, a Michigan limited liability company, located at 2701 Industrial Row Drive, Troy, MI 48084 (hereinafter referred to as "Goldfish") and _____ located at _____ (hereinafter referred to as "Franchisee").

WHEREAS, Franchisee and Goldfish have entered into a Franchise Agreement by which Franchisee acquired the right to establish and operate a "Goldfish Swim School®" using the Marks and Goldfish's System as those terms are defined in the Franchise Agreement, which Agreement is dated the ____ day of _____, 20___ (hereinafter referred to as the "Franchise Agreement");

WHEREAS, the Franchise Agreement requires that Goldfish approve the location for the Franchise Store to be established pursuant to the above referenced Franchise Agreement, that approval being conditioned upon the execution of this Real Estate Option to Purchase in the event Franchisee owns or controls the real estate;

WHEREAS, Franchisee seeks Goldfish's approval for particular real estate.

NOW THEREFORE, it is hereby agreed as follows:

1. **Option**. Franchisee hereby grants to Goldfish the option to purchase the real estate described in Exhibit "A" (and hereinafter referred to as the "Real Estate") upon the expiration without renewal or termination of the Franchise Agreement. Any transfer, renewal, extension, or amendment of the Franchise Agreement shall not affect this Option Agreement unless expressly provided. The terms of the Option rights are as follows:

A. **Exercise of Option**. Within fifteen (15) days following the termination or expiration without renewal of the Franchise Agreement as provided for in the Franchise Agreement, Goldfish may notify Franchisee in writing of its intention to exercise this option to purchase the Real Estate, and which notice shall constitute an agreement to purchase the Real Estate conditioned upon Goldfish obtaining any necessary financing and the Real Estate being inspected for environmental law compliance. The closing of the sale shall occur as soon as all documentation and other matters have been completed, including obtaining any necessary financing and environmental inspections, but in any event not later than one hundred twenty (120) days after the date upon which the fair market value of the Real Estate is established, as provided in Paragraph B below, unless the parties hereto agree to a later closing date.

B. **Fair Market Value**. The parties will attempt to agree upon a fair price for the purchase of the Real Estate, but upon failing to do so within thirty (30) days from the date of the exercise of this option by Goldfish, Goldfish shall select and pay for the services of a qualified appraiser to establish the fair market value of the Real Estate, and a copy of that appraisal shall be provided to Franchisee. Within ten (10) days after Franchisee receives the written appraisal, Franchisee shall advise Goldfish, in writing, as to whether Franchisee accepts the appraisal. If the appraisal is acceptable to both Goldfish and Franchisee, then the amount stated therein shall be the purchase price. If Franchisee rejects the value stated in the appraisal, then Franchisee must notify Goldfish of its rejection within the ten (10) day period (failing to so notify shall be deemed to be an acceptance) and thereafter Franchisee shall select and pay for the services of a qualified appraiser to appraise the value of the property within fifteen (15) days thereafter. Franchisee shall provide Goldfish with a copy of the appraisal so obtained, within thirty (30) days after its rejection of the appraisal obtained by Goldfish. If Goldfish accepts the value stated therein, then the amount stated therein shall be the purchase price. If Goldfish rejects the value stated in this appraisal, then two (2) appraisers shall select a third appraiser within the fifteen (15) days thereafter, whose determination of fair market value as to the property shall be final and binding on the parties. The cost of the third appraiser shall be paid equally by both Goldfish and the Franchisee.

C. **Possession**. Upon receipt of Goldfish's notice that it is exercising the option to purchase, Franchisee shall immediately vacate the premises and transfer possession of premises to Goldfish. From the date of possession to the date of closing, Goldfish shall pay on or before Friday of each week a per diem rate equal to .002 of the assessed value on the property, with the final adjustment to be made at closing at a per diem rate equal to .002 of the purchase price for the Real Estate. All utilities and taxes shall be prorated as of the date of possession. Taxes shall be deemed to cover the calendar year in which the taxes became a lien. Taxes that become a lien in years prior to the year of closing shall be paid by Franchisee without proration. Taxes that become a lien in the year of closing shall be prorated so that the Franchisee shall be charged with taxes from the first of the year to closing date and Goldfish shall be charged with taxes for the balance of the year. If any bill for taxes proratable under this provision has not yet been issued, the corresponding tax bill for the last previous year shall be substituted therefore and used in proration. Franchisee shall provide an owner's policy of title insurance without exceptions covering the Real Estate at Franchisee's expense, or at Goldfish's option, a complete abstract showing marketable title, together with a 10-year tax history, tax lien search, and financing statements search, all certified to the date of the transfer of possession to Goldfish, the cost of the abstract to be paid by Franchisee. Franchisee shall maintain insurance on the Real Estate to the date of closing, with Goldfish becoming responsible for insuring the property beginning with the date of closing.

2. **Miscellaneous**.

A. **Applicable Law**. This Agreement shall be construed according to the laws of the state in which the Real Estate is located.

B. **Integration**. This Agreement, together with the Franchise Agreement, and any addendums that are attached hereto and are executed on the date hereof which are hereby incorporated herein, contain all of the terms and conditions agreed upon by the parties. No promises or representations have been made by Goldfish other than herein set forth. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Goldfish and the Franchisee.

C. **Arbitration**. Any dispute between the parties, and any claim by either party that cannot be amicably settled, shall be determined solely and exclusively by arbitration as provided for in the Franchise Agreement.

This Agreement is executed this ____ day of _____, 20_____.

Signed in the presence of:

GOLDFISH SWIM SCHOOL FRANCHISING, LLC

_____ By: _____
_____ Its: _____
Date: _____

FRANCHISEE

_____ By: _____
_____ Its: _____
Date: _____

STATE OF _____)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20___ by _____ (if a corporation, to me known to be the _____ of that Corporation).

_____, Notary Public
_____ County
My Commission Expires: _____

When recorded, return to Goldfish Swim School Franchising, LLC at 2701 Industrial Row Drive, Troy, MI 48084.

Drafted by: Mark J. Burzych
Fahey Schultz Burzych Rhodes PLC
4151 Okemos Road
Okemos, Michigan 48864

EXHIBIT 8 TO THE FRANCHISE AGREEMENT

TELEPHONE NUMBER ASSIGNMENT

THIS ASSIGNMENT is made and entered into by and between Goldfish Swim School Franchising, LLC, ("Goldfish") a Michigan limited liability company with its principal place of business located at 2701 Industrial Row Drive, Troy, MI 48084, and _____ located at _____ hereinafter referred to as ("Franchisee").

WHEREAS, Franchisee has obtained a franchise from Goldfish for the operation of a "Goldfish®" Franchised Swim School using Goldfish's Marks and System as those terms are used in a Franchise Agreement dated the ____ day of _____, 20___ (hereinafter referred to as the "Franchise Agreement");

WHEREAS, in consideration of Goldfish granting the franchise to Franchisee, Franchisee agreed in the Franchise Agreement to execute an assignment to Goldfish of its telephone number upon the termination or expiration without renewal of the Franchise Agreement, or transfer of the Franchise Agreement;

NOW THEREFORE, it is hereby agreed as follows:

1. **Telephone Information**.

Franchisee represents and warrants that the telephone number(s) set forth in the attached Exhibit "A," from time to time, shall constitute all of the telephone numbers to be used in its advertising and marketing of its "Goldfish®" Franchised Swim School licensed by the above-referenced Franchise Agreement. It is hereby agreed that this assignment covers not only the telephone numbers set forth in Exhibit "A," but also any other telephone number used by Franchisee in its advertising or marketing of its "Goldfish®" Franchised Swim School.

2. **Assignment**.

Franchisee hereby assigns to Goldfish all of its right, title and interest in and to the telephone numbers described above in Paragraph 1 effective upon the expiration without renewal or termination of the Franchise Agreement.

3. **Consent**.

Franchisee hereby consents and authorizes any and all telephone companies, telephone directory services, and other public or private business containing, using, or authorizing any of the telephone numbers described above in Paragraph 1 to immediately recognize this assignment upon receipt of written notice from Goldfish. Such companies and services shall construe this Assignment as Franchisee's immediate cancellation and surrender of the numbers in Exhibit A, thereby permitting the immediate re-assignment of the numbers by said companies and services to Goldfish. A copy of this Assignment, certified by an officer of Goldfish, is agreed to be as valid and binding as the original.

4. **Notice**.

Goldfish shall give notice of its acceptance of the assignment of the telephone numbers pursuant to this agreement by either delivering them personally or sending them by first class, certified or registered mail with postage fully paid and depositing them in a depository of the United States Postal Service. Notices shall be given to Franchisee and to all other telephone companies and other businesses who are to recognize the assignment. All notices to Franchisee shall be addressed to the address indicated in this Agreement, or to any subsequent address of which Goldfish is notified in writing and shall be effective on the date sent by Goldfish. Any notice delivered by mail in the manner set forth above shall be deemed delivered and received two (2) days after mailing.

5. **Cooperation**.

Franchisee shall cooperate with Goldfish, including but not limited to, executing any and all documents reasonably necessary to effectuate this Assignment, and to cause the telephone company or companies to recognize this Assignment. Upon Franchisee's failure to sign any required documents within two (2) business days of Notice, Franchisee hereby appoints Goldfish as its lawful attorney-in-fact to sign on Franchisee's behalf any and all documents necessary to effectuate the assignment of the telephone numbers listed in Exhibit "A" to Goldfish. This power, coupled with an interest, is given as security for the rights and privileges given to Franchisee under the Franchise Agreement by Goldfish.

6. **Proration**.

All telephone charges, including charges for classified advertising in the telephone directory, shall be prorated as of the time of Assignment, with Franchisee paying for all charges prior to the effectiveness of the assignment, and Goldfish paying for all charges incurred thereafter.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the ____ day of _____, 20___.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC

_____
By: _____
Its: _____
Date:_____

[FRANCHISEE]

_____
By: _____
Its: _____
Date:_____

EXHIBIT A

_____

_____

_____

_____

EXHIBIT 9 TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

Goldfish Swim School Franchising, LLC
Automatic Debit of Amount Due to Franchisor

Franchised Swim School: _____

I, authorized officer of the Franchised Swim School, authorize Goldfish Swim School Franchising, LLC (referred to as "Franchisor") to debit every month from Franchised Swim School's bank account, the amount of Royalty and Brand Fund fees due to the Franchisor based on Gross Sales of the above referenced Franchised Swim School for the preceding month, and all other fees due to Franchisor at any time. I also authorize Goldfish Swim School Franchising, LLC to debit the Franchised Swim School's account for any other fees associated with the Franchised Swim School business, including without limitation, additional training expenses, additional assistance expenses, audit expenses, insurance, transfer fees, relocation assistance, customer service, background checks, substitute or new manager training, ongoing training, enforcement costs, temporary management assistance, or indemnification obligations. I authorize Franchisor to assign part or all of the rights to debit the account identified to a successor or assign.

Franchisee Bank Information

Bank Name	
Bank Address	
Account Name	
Account Number	
ABA Routing Number	

FRANCHISEE:

By:_____
(print name)_____
Its:_____
Date: _____

EXHIBIT 10 TO THE FRANCHISE AGREEMENT

LOCATION EXHIBIT

1. The street address (or detailed description of the premises) of the Approved Location is:

_____

_____

_____.

2. The Designated Area or Area of Primary Responsibility shall be defined as follows:

_____

_____

_____

_____.

3. The map of the Designated Area or Area of Primary Responsibility is attached to this Exhibit.

This Location Exhibit is executed this ____ day of _____, 20___.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC

Date:_____ By: _____
Christopher McCuiston
Its: President

FRANCHISEE

Date:_____ By: _____
Its: _____

EXHIBIT 11 TO THE FRANCHISE AGREEMENT

TERM OF THE FRANCHISE AGREEMENT

1. The Effective Date of the Franchise Agreement is: _____

2. The Date of Opening of the Franchised Swim School is: _____

3. The Expiration date of the Franchise Agreement is: _____

This Exhibit 11, Term of the Franchise Agreement is executed this ____ day of _____, 20___.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC

Date:_____ By: _____
Christopher McCuiston
Its: President

FRANCHISEE

Date:_____ By: _____

Its: _____

GOLDFISH SWIM SCHOOL FRANCHISING LLC

AREA DEVELOPMENT AGREEMENT

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

Goldfish Swim School Franchising, LLC
2701 Industrial Row Drive
Troy, Michigan 48084
(800) 856-5120
www.goldfishswimschool.com

AREA DEVELOPMENT AGREEMENT

Between

GOLDFISH SWIM SCHOOL FRANCHISING, LLC
("FRANCHISOR")

and

_____-
("DEVELOPER")

_____
_____, _____ _____

Telephone Number: (_____) - _____- _____

Date: _____

Email:_____

Effective Date

_____
(to be completed by Us)

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AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("Agreement") is entered into as of the _____ day of ____, 20___ ("Commencement Date"), by and between GOLDFISH SWIM SCHOOL FRANCHISING, LLC ("Franchisor," "us" or "we"), a Michigan limited liability company, with its principal place of business located at 2701 Industrial Row Drive, Troy, Michigan 48084, and _____ ("Developer") with its principal place of business located at _____ and its Principals (as defined herein below).

RECITALS

WHEREAS, Franchisor and its Affiliate* have developed, and are in the process of further developing, a System identified by the service mark "Goldfish Swim School®" and relating to the establishment and operation of a swim school that provides specialized quality swim instruction and superior customer service to its clients. The Franchise aims to service local markets by offering group and private swim lessons as well as birthday parties, open swim times, swim clinics and many other aquatic activities to children under the age of nine (9) years old in a fun and colorful environment. The Franchise will also service its clients by offering a snack bar and retail area, referred to as "Goldfish Swim Schools;" and

WHEREAS, in addition to the service mark "Goldfish Swim School®" and certain other Marks, the distinguishing characteristics of the System include: uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development, design and construction techniques; distinctive interior and exterior design, layout and décor; other strategies, techniques and Trade Secrets and other Confidential Information; and the Confidential Brand Standards Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to develop a number of Goldfish Swim School locations using the System and the Marks within a specified Territory and within a certain period of time or Development Schedule; and

WHEREAS, Developer desires to develop and operate the number of Goldfish Swim School franchises within the Territory pursuant to the Development Schedule, has applied for the rights to develop the Territory and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments set forth herein, agree as follows:

*Capitalized terms not otherwise defined are defined in Section 1.

1. DEFINITIONS

As used in this Agreement the following words and phrases shall have the meanings attributed to them in this Section:

Action - any cause of action, suit, proceeding, claim, demand, investigation or inquiry (whether a formal proceeding or otherwise) asserted or instituted by a third party with respect to which the indemnity described in Section 12 applies.

Affiliate – any business entity that controls, is controlled by, or is under common control with Franchisor.

Agreement - this Area Development Agreement.

Business Days - Each day except Saturday, Sunday and United States Government legal holidays.

Commencement Date – as specified in Attachment 1.

Competing Business - means any business that offers (or grants franchises or licenses to others to operate a business that offers) swim instruction to children the same as or similar to those provided by Goldfish Swim Schools or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Developer under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Developer owns less than a five percent (5%) legal or beneficial interest.

Confidential Information - means, without limitation, business practices; copyrighted materials; trademarks; patents; applications; trade secrets; trade dress; instructional materials; descriptions of Goldfish's products and services; proposed products and services; computer software and hardware utilized by the Franchise System and all information contained on such computer hardware and software; Customer Data; advertising materials; business plans; swim programs; swim curriculum and training manuals; employee compensation plans; identities of suppliers, customers and prospective customers; all specifications, sources of supply (or prospective sources) and all information pertaining to same (including wholesale pricing structures, contents of sourcing agreements and identity of suppliers), all procedures, systems, techniques and activities employed by Franchisor or Developer in the offer and sale of products and/or services at or from the Franchised Swim School; prices and pricing policies; financial data; computer programs and software; floor plans; development schedules; development plans; systems; operations and procedures; Confidential Brand Standards Manual; Developer's final plans for construction, build-out, design, renovation, décor, equipment, signage, furniture, fixtures, and trade dress of the Franchised Swim School; and all other information provided to Developer from Franchisor.

Development Fee - a fee equal to the sum of one hundred percent (100%) of the Initial Franchise Fee ($50,000) for the first franchised swim school to be developed under the Development

Schedule, plus one-half of the Initial Franchise Fee (reduced to $40,000) for each additional franchised swim school required to be developed thereafter pursuant to the Development Schedule.

Development Materials - a description of the Location, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Lease, and documentation indicating your prospects to acquire the Location) and such other information related to the development of the Location as we reasonably request.

Development Schedule - the schedule pursuant to which Developer must develop Franchised swim schools in the Territory (*see*, Section 3.A).

Event of Default - as defined in Section 10.

Franchise Agreement – an agreement pursuant to which Developer constructs and operates a Franchised swim school during the Development Schedule.

Franchised Swim school or Swim school – the Goldfish Swim Schools to be established, developed, and operated by Developer pursuant to this Agreement.

Franchise Fee - an initial per Franchised swim school fee (more fully defined in the Franchise Agreement) paid by Developer to us. The Initial Franchise Fee for the first franchised swim school to be developed under the Development Schedule shall be $50,000. The Initial Franchise Fee for each subsequent franchised swim school to be developed under the Development Schedule shall be $40,000.

Location - the proposed Location of the franchised swim school.

Location Consent - written communication from us to Developer notifying Developer that a proposed Location has received our consent.

Losses and Expenses - all claims, causes of action, fines, penalties, liabilities, losses, compensatory, exemplary, statutory or punitive damages, costs of investigation, charges, costs, expenses, lost profits, reasonable fees of attorneys and other engaged professionals including without limitation, experts' fees and disbursements, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, compensation for damage to our reputation and goodwill, costs of or resulting from delays, travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-government entities (including those incurred by Our Indemnittees' attorneys and/or experts), costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described in Section 13.

Material Event of Default - an Event of Default which constitutes a substantial deviation from the performance required.

New Opening Team - a "New Opening Team" consisting of our employees and certain of Developer's employees to whom we have consented which shall perform the functions described in Section 5.

Occupancy Contract - the proposed agreement or document (including, without limitation, any Lease, deed, contract for sale, contract for deed, land contract, management contract, license, or other agreement purporting to grant any right, title, or interest in or to the Location) pursuant to which Developer shall occupy or acquire rights in any Location.

Operator - an individual designated as described in Section 5.B. who shall devote his full time and best efforts to the management and supervision of (i) Developer's duties and obligations hereunder; and (ii) the operation of the Franchised swim schools.

Brand Standards Manuals – the Goldfish Swim School Confidential Brand Standards Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System and protection of the brand, including other Brand Standards Manuals and all books, computer programs, and password-protected portions of an Internet or intranet site, or other electronic medium on which the confidential Brand Standards Manual and brand protection standards are located.

Our Indemnities – Us, our directors, officers, employees, agents, members, managers, affiliates, successors and assigns, affiliates, subsidiaries, and the respective directors, officers, employees, agents, shareholders, members affiliates and successors and assigns of each.

Other Concepts - Retail, wholesale, or any other type of business involving the production, distribution or sale of products, services, merchandise or other items that do not use one, some or all of the Trademarks or other names or markets but may utilize some part of or similar components of the System pursuant to which a franchised swim school is operated.

Payments - all transfers of funds from you to us, including, without limitation, the Development Fee and reimbursement of expenses.

Permanent Disability - any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing his obligations hereunder for more than ninety (90) consecutive days as determined by a licensed physician selected by us.

Principal Owner(s) - the persons listed on Attachment 2, who are (and such other persons or entities to whom we shall consent from time to time) the record and beneficial owners of, and have the right to vote their respective interests (collectively one hundred percent (100%)) of your equity interests or the securities or partnership interest of any person or entity designated by us which owns or controls a direct or indirect interest in your equity interests of the Developer.

Project Manager – the person identified in Section 5.C who shall devote his full time and best efforts to the coordination and completion of Franchised swim school construction.

Publicly-Held Entity - a corporation or other entity whose equity securities are (i) registered pursuant to applicable law; (ii) widely held by the public; and (iii) traded on a public securities exchange or over the counter pursuant to applicable law.

Representative - an individual, designated as described in Attachment 1 who (i) owns an equity interest in the Developer and (ii) is authorized to act on behalf of, and bind, Developer with respect to this Agreement.

Security - the capital stock of, partner's interest in, or other equity or voting interest in Developer including such interests issued or created subsequent to the date hereof.

Standards and Specifications - our Standards and Specifications, as amended from time to time by us, in our sole discretion, contained in, and being a part of, the Confidential Information pursuant to which you shall develop and operate the Franchised swim school in the Designated Area.

System - the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of Goldfish Swim Schools.

Term - the duration of this Agreement commencing on the Commencement Date and continuing until the date specified on the Development Schedule for the last Franchised swim school to be opened.

Territorial Expenses - such costs and expenses incurred by or assessed with respect to our (or other described party's) employees, agents and/or Representatives in connection with activities in the Territory which Developer is obligated to pay pursuant to this Agreement including, without limitation, hotel/lodging, transportation and meals, and other related or incidental expenses.

Territory - the geographical area described in Attachment 1; provided, however, the Territory shall not include any enclosed malls, institutions (such as hospitals or schools), airports, airport properties, parks (including theme, entertainment or amusement parks), casinos, military bases and sports arenas otherwise located within the Territory, nor a specifically identified restricted area surrounding any Franchised swim school located within the Territory as of the date of this Agreement nor shall it be deemed to convey any exclusivity with respect to the use of the Trademarks.

Trademarks - certain Trademarks, trade names, trade dress, service marks, emblems and indicia of origin designated by us from time to time for use in connection with the operation of the franchised swim school pursuant to the System in the Designated Area, including, without limitation, "Goldfish Swim School®".

Training Center - the location(s) specified from time to time by us as the Training Center.

Transfer - the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect, of (i) this Agreement; (ii) any or all of your rights or obligations herein; or (iii) any interest in any equity interest, including the issuance of any new equity interests.

Transferee Owner(s) - the owner of any and all record or beneficial interest in the capital stock of, partner's interest in, or other equity or voting interest in any transferee of a Transfer occurring pursuant to the Terms of Section 8.

Wage Expenses - such wages and/or salaries (including a reasonable allocation of the cost of benefits) of, or with respect to, our (or other described party's) employees, agents and/or Representatives to be reimbursed to us or such party as described herein.

2. DESIGNATED RIGHTS; TERM

A. We grant to Developer the right, and Developer accepts the obligation, subject to the Terms and conditions herein, to develop and operate the number of Swim schools set forth in the Development Schedule (set forth in Attachment 1) as may be approved by us in accordance with its then-current site consent procedures. Developer, a subsidiary of Developer or an affiliate of Developer as determined by Franchisor in its sole discretion shall execute each Franchise Agreement for each Swim School to be developed and opened pursuant to said Franchise Agreement as required by this Agreement. If no event shall Developer relinquish control over any entity operating each Swim School. If Developer utilizes an operating entity to enter into the Franchise Agreements for the Approved Locations for each Swim School that is required to be developed under this Agreement, the principals of Developer (or Developer's affiliate) shall execute Franchisor's then-current form of Guaranty and other documents required by us for each Franchise Agreement. The Swim schools shall be developed and operated in the Territory pursuant to the System. For so long as no Event of Default has occurred and is continuing and no event has occurred which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, we will neither develop, nor authorize any other person to develop Swim schools in the Territory during the Term. You acknowledge and agree that we and our affiliates have the unrestricted right to operate and franchise others to operate swim schools outside the Territory.

B. We reserve the right to use some parts of or similar components of the System in connection with Other Concepts.

C. We expressly reserve the right, and Developer acknowledges that we have the exclusive unrestricted right, to engage, directly and indirectly, through its employees, developers, franchisees, licensees, agents and others within the Territory, in Other Concepts. Such Other Concepts may compete with Developer directly or indirectly. Developer shall have no rights with respect to Other Concepts.

D. Subject to Sections 3 and 4 hereof, Developer shall exercise the rights granted herein for each Swim school by executing, delivering and otherwise performing pursuant to a Franchise Agreement.

E. Unless sooner terminated as provided herein, this Agreement shall commence on the Commencement Date and continue until the expiration of the Term. This Agreement shall automatically expire on the date specified in Section 3.A. as the opening date for the last Swim school to be opened.

F. Upon any termination or expiration of this Agreement, (i) Developer shall not develop additional Swim schools in the Territory pursuant to this Agreement; provided, however, that Developer may complete development of and/or operate Swim schools under then-existing Franchise Agreements signed by us, subject to the Terms and conditions thereof; and (ii) we may develop, or authorize others to develop, Swim schools in the Territory.

G. The rights granted under this Agreement are limited to the right to develop and operate Swim schools located in the Territory, and do not include (i) any right to sell products or services identified by the Trademarks at any Location or through any other channel or method of distribution, including without limitation, the internet, world wide web or other existing or future form of electronic commerce, other than at Swim schools within the Territory; (ii) any right to sell products and services identified by the Trademarks to any person or entity for resale or further distribution; or (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate-owned Swim schools at any time or at any Location outside the Territory. You may not establish a presence on, or market using, the Internet or any social media, such as, without limitation, Facebook, Twitter, Four Square, etc., in connection with any Franchised Swim School without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator www.goldfishswimschool.com that provides information about the System and the products and services that Franchisor and its franchisees provide. Franchisor will include at the Goldfish Swim School website an interior page containing information about the Franchised Swim School. If Franchisor includes such information on the Goldfish Swim School website, Franchisor has the right to require you to prepare all or a portion of the page, at your expense, using a template that Franchisor provides. All such information shall be subject to Franchisor's approval prior to posting. Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting products, programs or services available at the franchised swim schools – also be devoted in part to offering franchises for sale and be utilized by Franchisor to exploit the electronic commerce rights we alone reserve in this Agreement. Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us as provided herein. Franchisor retains the sole right to

approve any linking to, or other use of, the Goldfish Swim School website. In ~~additions~~addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and system-wide communications (among other activities) can be effected. We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us as provided above.

H. This Agreement is not a Franchise Agreement and you have no right to use in any manner the Trademarks by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a business or Swim school or use the System or Trademarks.

3. DEVELOPMENT SCHEDULE; LOCATION SELECTION; OCCUPANCY CONTRACT; DEVELOPMENT MATERIALS

A. Developer shall develop, open, commence operation of and continuously operate pursuant to the respective Franchise Agreements the minimum number of Swim schools in the Territory, pursuant to the Development Schedule as described in Attachment 1 to the Area Development Agreement.

B. Each Swim school and the cumulative number of Swim schools indicated in the Development Schedule shall be **OPEN AND OPERATING** by the date(s) specified therein. Developer shall select a Location that we approve consistent with the applicable Franchise Agreement so that each and every Swim school is OPEN AND OPERATING pursuant to the Development Schedule. Our consent to any Location or execution of a Franchise Agreement shall not waive, extend or modify the Development Schedule. Unless otherwise agreed and approved by us, the Swim schools shall refer to Goldfish Swim School® Swim schools operating pursuant to the System.

If the Developer shall close any Location, whether voluntarily or involuntarily, and whether as a result of the loss of possession of the premises, by fire or other casualty, or otherwise, the Developer shall locate and secure a suitable alternative Location or premises approved by us within six (6) months from the loss of possession of the original site, and shall be open for business at the new Location not more than twelve (12) months following the closing of the prior Location, while at the same time maintaining the Development Schedule. If a suitable alternative Location is not secured and opened as hereinabove described or if Developer does not comply with the Development Schedule, this Agreement and the right of the Developer to develop additional Locations under this Agreement shall terminate. The opening of a Location in replacement of another Location under this paragraph shall not satisfy the Developer's obligation to open Locations under this Section 3 of this Agreement.

C. We make no representation or warranty as to the number of Swim schools that can be operated in the Territory. Developer assumes all cost, liability, expense, risk and responsibility for locating, obtaining, and developing Locations for Swim schools, and for constructing and equipping Swim schools at such Locations. Developer shall obtain our approval to each Location

(including, without limitation, the Trademarks which shall be used to identify the Swim school at the Location to the public) pursuant to the time frames set forth in the applicable Franchise Agreement so that Developer maintains compliance with the Development Schedule, including submission of our then-existing Location selection criteria and procedures including:

(1) selecting a real estate professional ("Real Estate Broker") that has been selected by Developer for site selection for the next Goldfish Swim School to be developed under this Agreement, which Real Estate Broker is subject to approval of Franchisor in its sole discretion no later than eight (8) months prior to the Occupancy Contract Date set forth in the Development Schedule (the "Broker Engagement Date"). Developer acknowledges and agrees that Franchisor reserves the right to designate to Developer a preferred Real Estate Broker to be used by Developer in connection with its location search for its next Goldfish Swim School location. After approval of said Real Estate Broker, the Developer covenants and agrees that the Developer shall, and shall cause its Real Estate Broker to, complete and actively participate in any and all site selection update requests of the Franchisor, including completing any and all forms or documents requested by Franchisor on the timelines requested by Franchisor and actively participating in any requested teleconference updates requested by Franchisor;

(2) timely submission of all Development Materials to us; and

(3) with respect to each Swim school to be developed hereunder, completion of one (1) Location visit by us at our sole cost and expense, if we require.

(4) You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you and any of your affiliates and us or any of our affiliates. You must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Swim schools.

Time is of the essence.

D. Within a reasonable time (usually fifteen [15] days) following receipt of all Development Materials and completion of any such visit, we shall consent to or reject such Location. Our failure to consent shall constitute rejection of such Location. Promptly after our consent is obtained, but prior to commencing construction at such Location, Developer shall execute a Franchise Agreement and pay the Franchise Fee.

E. Neither our (i) consent to, nor (ii) assistance in the selection of, any Location shall constitute our representation or warranty that a Swim school operated at such Site will be profitable or meet any financial projection.

F. We shall have the right to review and consent to the Occupancy Contract prior to the execution thereof, which consent shall not be unreasonably withheld. A copy of the proposed Occupancy Contract shall be provided to us within thirty (30) days of the date of our consent. The Occupancy Contract shall be executed by all necessary parties within thirty (30) days following our consent thereto. Developer shall furnish us a complete copy of the executed Occupancy

Contract within the (10) days after execution. Unless it conveys to Developer fee simple title to the Location, the landlord shall consent to the Conditional Assignment of Lease, attached as Exhibit 6 to the Franchise Agreement, consistent with the Terms of the Franchise Agreement. Landlord and Developer shall not amend the Occupancy Contract in any way which is inconsistent with the provisions of the Franchise Agreement or the Conditional Assignment of Lease.

G. Notwithstanding the Terms of Section 3.F, Developer shall:

(1) deliver to us, immediately after delivery to or by Developer, any notice of default under the Occupancy Contract which threatens or purports to terminate the Occupancy Contract or result in a foreclosure thereof; and

(2) permit us or our representative to enter the Swim school premises to protect the Trademarks or the System or to cure any Event of Default or default under the Occupancy Contract or the applicable Franchise Agreement, all at Developer's expense.

H. If Developer owns the Location in fee simple, Developer must grant to us the option to purchase the real estate upon which a Swim school is located (and hereinafter referred to as the "Real Estate") upon the expiration without renewal or termination of a Franchise Agreement or termination of the Agreement. Any Transfer, renewal, extension, or amendment of the Franchise Agreement shall not affect this Option Agreement unless expressly so provided. The Terms of the Option rights are detailed in Exhibit 7 to the Franchise Agreement included in the Franchise Disclosure Document.

I. Developer shall abide by the Terms of the Franchise Agreement executed in connection with each Swim school.

J. Franchisor shall make available to Developer, at no charge to Developer, specifications for the development of a Goldfish Swim School, including specifications for the exterior and interior design and layout, fixtures, equipment, décor and signs. Such specifications are subject to alteration as Franchisor deems necessary.

K. YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROSPECTS FOR THE ESTABLISHMENT OF SWIM SCHOOLS WITHIN THE TERRITORY AND RECOGNIZE THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS AND ECONOMIC RISKS AND THAT YOUR FINANCIAL AND BUSINESS SUCCESS WILL BE PRIMARILY DEPENDENT UPON THE PERSONAL EFFORTS OF YOU AND YOUR MANANGEMENT AND EMPLOYEES. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY ESTIMATES, PROJECTIONS, WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, REGARDING THE POTENTIAL GROSS SALES, PROFITS, EARNINGS OR THE FINANCIAL SUCCESS OF THE SWIM SCHOOLS YOU DEVELOP WITHIN THE TERRITORY, OTHER THAN AS PROVIDED IN THE FRANCHISE DISCLOSURE DOCUMENT.

L. You recognize and acknowledge that this Agreement requires you to open Swim schools in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Swim schools likely will involve greater initial investment and operating capital requirements than those stated in this Franchise Disclosure Document provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all of the Swim schools on the dates set forth in the Development Schedule, regardless of: (i) the requirement of a greater investment; (ii) the financial condition or performance of your prior Swim schools; or (iii) any other circumstances, financial or otherwise. The foregoing shall not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Swim schools.

4. FEES AND PAYMENTS

A. In consideration of the development rights granted herein, Developer shall pay to us upon execution of this Agreement the Development Fee. Under no circumstances shall Developer be entitled to any refund of any portion of the Development Fee.

B. The Development Fee to be paid by Developer is calculated based upon the number of Swim Schools to be developed under the Development Schedule set forth in Section 3.A hereof. The initial franchise fee for each Swim School to be developed under this Agreement shall be Fifty Thousand and 00/100 Dollars ($50,000.00) for the first Swim school to be developed under the Development Schedule and Forty Thousand and 00/100 Dollars ($40,000) for each subsequent Swim School to be developed under the Development Schedule. The Development Fee shall be equal to Fifty Thousand and 00/100 Dollars ($50,000.00) for the first Swim school to be developed under the Development Schedule plus one-half of the initial franchise fee of Forty Thousand and 00/100 Dollars ($40,000) for each subsequent Swim school to be developed under the Development Schedule. The Development Fee shall be payable upon execution of this Development Agreement. The remaining portion of the initial franchise fee for each subsequent Swim School to be developed under the Development Schedule shall be paid at the time that the Developer signs each subsequent Franchise Agreement. Developer shall receive a credit against the payment of the Initial Franchise Fee due for each Swim school developed pursuant to the Development Schedule for the proportionate share of the Development Fee ($20,000).

C. (1) All Payments shall be submitted to us at the address provided in Section 14 hereof, in care of the "Vice President of Franchising," or such other address as we shall designate in writing.

(2) Payments shall be received by us (i) upon execution hereof in the case of the Development Fee; and (ii) not more than thirty (30) days after date of invoice for all other Payments. Delinquent Payments shall bear interest from the due date until received by us at one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less.

D. Developer shall not withhold or off-set any portion of any Payment due to our alleged non-performance under this Agreement or any other agreement by and between us and Developer or their respective parents, subsidiaries or affiliates.

5. REPRESENTATIVE; OPERATOR; TRAINING

A. Developer hereby designates the person identified in Attachment 1 as the Representative. Any replacement Representative shall be designated within ten (10) days of the prior Representatives' resignation or termination. Each Representative shall attend and successfully complete to our satisfaction, all of our required training programs, including, without limitation, the management training program and the staff training program. The Representative shall be the same individual under each Franchise Agreement.

B. Developer hereby designates the person identified in Attachment 1 as the Operator. Any replacement Operator shall be designated within ten (10) days of the prior Operator's resignation or termination. Each Operator shall attend and successfully complete at the Training Center within six (6) months of appointment our management training program and staff training program (see Section 5.D.).

C. Not less than sixty (60) days prior to the commencement of Swim school construction, Developer shall identify the identity of the person who shall act as the Project Manager to assist you in the development and construction of the Franchised Swim School.

D. Each Operator and Project Manager shall have satisfactorily completed the training required by us. Developer shall bear all costs and expenses related to the required training for each Operator and Project Manager. Our determination that any Operator or Project Manager has successfully completed the training shall not be construed as our endorsement of same and shall not be construed by Developer as a representation or warranty by us that any person so trained can or will perform the functions of the job for which the person is hired; Developer shall remain solely liable and responsible for all hiring decisions, regardless of our training of any Operator and Project Manager.

E. We shall provide instructors, facilities and materials for training at the Training Center, and may provide, at our option, other training programs at non-Training Center Locations as we may designate from time to time in the Brand Standards Manuals or otherwise in writing. Developer shall reimburse us for any Territorial Expenses or other direct expenses incurred by us for such other training programs.

F. We are not obligated to perform our training services to Developer's particular level of satisfaction, but as a function of our experience, knowledge and judgment. We make no representation or warranty that the person trained can adequately perform the job function to which the person is assigned. Developer acknowledges and accepts all responsibility for the proper job performance of each and every employee.

G. Except as provided herein, Developer shall bear all costs and expenses relating to any Representative, Project Manager, and Operator training.

H. The New Swim school Team shall assist in (i) training Developer's employees at each Swim school; and (ii) the opening of each Swim school. The New Swim school Team for a Swim school typically consists of a combined total of approximately three (3) employees of ours and Developer (the actual number of members shall be determined by us in our sole discretion, depending upon the number of Swim school Locations already open and operating by Developer and such other criteria as we deem reasonable). The members of the New Swim school Team shall be subject to our consent. The number of our employees selected to serve on the New Swim school Team for a Swim school is determined according to the following schedule, provided however, we may elect to modify this schedule in the event the total number of people on the New Swim school Team is greater or less than three (3):

Swim school No. Operated By Developer	No. of Our Employees on the New Swim school Team	No. of Team Members Paid for by Us	Team Members Paid for by Developer
1 & 2	1	1	2
3 or more	0	0	3

In the event we determine that more than three (3) New Swim school Team members are necessary for an opening, a Developer with three (3) or more Swim schools open (inclusive of the new Swim school) shall be responsible for the costs associated with the team members in excess of three (3). For Developers with less than three (3) Swim schools open, we will bear the costs of the additional team members.

If Developer fails or is unable to timely provide such employees, we may, but shall not be obligated to, staff the New Swim school Team with our employees. We and Developer shall each be responsible for: (a) making all travel, per diem food and lodging arrangements, and (b) the wage and other expenses of the New Swim school Team members provided by each; provided, however, that Developer shall reimburse us for the Territorial Expenses and the Wage Expenses of our employees who are provided as a result of Developer's failure or inability to provide Developer employees for participation on the New Swim school Team.

6. CONFIDENTIAL INFORMATION

A. Developer acknowledges that Franchisor shall disclose Trade Secrets and other Confidential Information to Developer during the training program, through the Confidential Brand Standards Manual, and as a result of guidance furnished to Developer during the term of this Agreement. Developer shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development, construction and operation of the Franchised Swim school and in performing its duties during the term of this Agreement. Developer acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Developer acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Developer solely on the condition that Developer (and all holders of a legal or beneficial interest in Developer and all officers, directors, executives, managers and members of the professional staff of Developer): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. For clarity, neither Developer nor any party acting on behalf of Developer shall input, upload, submit, disclose, transmit, describe, reference, or otherwise expose any of Franchisor's Trade Secrets or other Confidential Information to any artificial intelligence system, platform, tool, application, model, algorithm, chatbot, or similar technology ("AI"), whether or not the AI claims to restrict training, retain confidentiality, or limit data use, except as authorized by us in the Brand Standards Manual or otherwise by us in writing. Any such unauthorized use constitutes unauthorized disclosure of Trade Secrets or other Confidential Information. Developer shall take all necessary precautions to insure that any employee to whom Developer discloses Confidential Information only to the extent necessary for such employee to carry out the employee's job duties maintains the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Developer shall obtain from all persons to whom Confidential Information is disclosed an executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete in the form as provided in the Confidential Brand Standards Manual. Developer shall enforce this Section as to its owners, officers, directors, members, managers, employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them. Developer shall vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete executed by any of the individuals to whom Developer has disclosed Confidential Information. Developer acknowledges Franchisor's right, to be exercised as Franchisor alone determines, to enforce for itself the terms of such executed Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete. If the substantive provisions of the Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete have been breached by an individual employed, engaged or otherwise serving the Developer who has not executed a Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Developer shall nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent

permitted by law. If Franchisor prosecutes such Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Developer shall indemnify and hold Franchisor harmless from any and all losses and expenses as provided in this Agreement.

B. All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Developer or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Developer or its owners or employees therefore, and Developer hereby agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Developer shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Developer concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Developer shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Developer or not.

C. Developer acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Goldfish Swim School franchisees if owners of Goldfish Swim Schools and members of their immediate families or households were permitted to hold an interest in or perform services for any Competing Business. Therefore, during the term of this Agreement, neither Developer nor any holder of a legal or beneficial interest in Developer (or any member of their immediate families or households), nor any officer, director, executive, manager or member of the professional staff of Developer, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

(1) Divert or attempt to divert any business or customer of the Franchised Swim School to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

(2) Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

D. Franchisor has the right to require any holder of a legal or beneficial interest in Developer (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Developer to execute a nondisclosure and non-competition agreement, in a form as required by Franchisor, upon execution of this Agreement or prior to each such person's affiliation with Developer. Upon

Franchisor's request, Developer shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Developer and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third party beneficiary with the right to enforce covenants contained in such agreements. In the event that you or your employees, agents, consultants or contractors receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, you shall immediately notify us thereof, and shall fully cooperate with and assist us in prohibiting or denying any such transfer or disclosure. Should such transfer or disclosure be required by a valid, final, non-appealable court order, you shall fully cooperate with and assist us in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

E. Developer acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Developer acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Developer waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

7. DEVELOPER'S REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE AND NEGATIVE COVENANTS

A. In the event Developer is a corporation, limited liability company or partnership, Developer represents and warrants to us as follows:

(1) Developer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with all requisite power and authority to own, operate and lease its assets (real or personal), to carry on its business, to enter into this Agreement and perform its obligations hereunder. Developer is duly qualified to do business and is in good standing in each jurisdiction in which its business or the ownership of its assets requires.

(2) The execution, delivery and performance by Developer of this Agreement, any Franchise Agreement and all other agreements contemplated herein has been duly authorized by all requisite action and no further action is necessary to make this Agreement, any Franchise Agreement or such other agreements valid and binding upon it and enforceable against it in accordance with their respective Terms. Neither the execution, delivery nor performance by Developer of this Agreement, any Franchise Agreement or any other agreements contemplated hereby will conflict with, or result in a breach of any Term or provision of Developer's articles of incorporation, by-laws, partnership agreement or other governing documents or under any mortgage, deed of trust or other contract or agreement to which Developer is a party or by which it or any of its assets are bound, or breach any order, writ, injunction or decree of any court, administrative agency or governmental body.

(3) Developer's articles of incorporation, by-laws, partnership agreement and other governing documents expressly limit Developer's business activities solely to the

development and operation (pursuant to this Agreement and the Franchise Agreements) of the Swim schools.

(4) Certified copies of Developer's articles of incorporation, by-laws, partnership agreement, other governing documents and any amendments thereto, including board of director's or partner's resolutions authorizing this Agreement are attached hereto as Attachment 2.

(5) A certified current list of all Principals is attached hereto as Attachment 2.

(6) Developer's articles of incorporation or other governing documents, or partnership agreement limit Transfers as described in Sections 8.B.(2) and 8.C.

(7) Each Security shall bear a legend (in a form to which we shall consent) indicating that any Transfer is subject to Sections 8.B and 8.C.

(8) Developer represents, warrants and covenants to us that (1) neither Developer, nor any individual or entity owning directly or indirectly any interest of Developer (if Developer is a business entity) or their respective affiliates or the funding sources for any of the foregoing is an individual or entity whose property or interests are subject to being blocked under Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 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), and the Cuban Assets Control Regulations (Title 31 Part 515 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities ("OFAC Laws and Regulations") or is otherwise in violation of any of the OFAC Laws and Regulations; (2) neither Developer nor any individual or entity owning directly or indirectly any interest of Developer or their respective affiliates or the funding sources for any of the foregoing, (a) is under investigation by any government authority form, or has been charged with, or convicted of, OFAC Laws and Regulations, (b) has been assessed any penalties under these laws, or (c) has had any of its funds seized or forfeited in any Action under these laws; (3) neither Developer nor any individual or entity owning directly or indirectly any interest of Developer or their respective affiliates or the funding sources for the foregoing is directly or indirectly owned or controlled by the government of a county that is subject to an embargo imposed by the United States Government, nor acting on behalf of a government; (4) has taken all reasonable measures to ensure compliance with all OFAC Laws and Regulations ; and (5) Developer shall take all

reasonable measures to continue compliance with all OFAC Laws and Regulations during the Term of this Agreement.

(9) Developer and Principal Owners, and Developer's officers, directors, shareholders, partners, members and managers, (if any) acknowledge that their respective entire knowledge of the operation of a Goldfish Swim School® Swim school and the System, including without limitation the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential, and constitutes our trade secrets. The Term "trade secrets" refers to information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Goldfish Swim Schools that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. You and your Principal Owners, officers, directors, shareholders, partners, members, and managers (if any), jointly and severally, agree that at all times during and after the Term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We require that you obtain nondisclosure and confidentiality agreements and covenants not to compete in a form satisfactory to us from the individuals listed in the first sentence of this paragraph and other key employees.

(10) You must comply with all requirements of all applicable federal, state and local laws, rules, regulations, and ordinances, including without limitation, any and all applicable health and sanitary standards prescribed by any governmental authority, all building, zoning, or other property limitations, Americans with Disabilities Act, Fair Labor Standards Act, Family and Medical Leave Act, Affordable Care Act, Occupational Safety and Health Act, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, and Employee Retirement Income Security Act.

(11) You shall maintain competent and conscientious personnel to operate the business of Developer in accordance with this Agreement, any relevant Franchise Agreement, and the Confidential Brand Standards Manual. You shall train or cause the training of all personnel as and when required by prudent business practices, System standards or this Agreement. You must conduct criminal background checks and child abuse registry checks on all of its employees or independent contractors who will provide swim instruction to students or work anywhere children may be present. You shall hire all of your employees and be exclusively responsible for the terms of their employment and compensation and the proper training of such employees in the operation of the business of Developer and human resources. You are exclusively and solely responsible for determining the essential terms and conditions of employment for each of your employees. You will be exclusively and solely responsible for recruiting and hiring the personnel that you employ to operate the business of Developer. You shall be responsible for the employees' training, wages,

taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination, and for compliance with all workplace related laws. At no time will you or your employees be deemed to be employees of ours or our affiliates. We will have no right or obligation to direct your employees or to operate the business of Developer. We do not have direct or indirect control of – or the right or authority to control – your day-to-day operations or employment related decisions. In order to protect the System, you shall endeavor to employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of the Franchise System and, while on duty, comply with the dress attire, personal appearance and standards set forth in the Confidential Brand Standards Manual. In order to protect the System, you shall use its best efforts to ensure that its employees maintain a neat and clean appearance and render competent and courteous service to all customers and fellow employees of yours.

(12) Developer represents, warrants and covenants to us that neither Developer, nor any individual or entity owning directly or indirectly any interest of Developer (if Developer is a business entity) has been convicted of any crime, including without limitation, child abuse or neglect, criminal sexual conduct, or any other crime involving the well-being of children, embezzlement or other crimes of fraud, a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith (whether in the Territory or elsewhere) or our interest therein.

B. Developer affirmatively covenants with us as follows:

(1) Developer shall perform its duties and obligations hereunder and under any Franchise Agreement and shall require each Operator, and Project Manager to dedicate their respective full time and best efforts to the development, construction, management, operation, supervision and promotion of the Swim schools in accordance with the Terms and conditions hereof.

(2) Developer shall promptly provide us with all information concerning any new process or improvements in the development, construction, management, operation, supervision or promotion of the Swim schools developed by Developer or any Principal without compensation. Developer and the Principals shall each execute such agreements and other documentation as shall be deemed necessary by us, granting us exclusive ownership thereof.

(3) Developer shall comply with all requirements of applicable rules, regulations, statutes, laws and ordinances.

(4) Developer shall maintain a current list of all Principals and deliver a certified copy thereof to us upon (i) any Transfer; or (ii) request.

(5) Each Security issued subsequent to the date hereof shall be in compliance with Section 7.A.(7).

C. Developer acknowledges and/or negatively covenants with us as follows:

(1) Developer shall not amend its articles of incorporation, by-laws, partnership agreement or other governing documents in a manner which is inconsistent with Sections 7.A.(3), 8.B.(2) and 8.C.

(2) Developer shall not, remove or permit removal from any Security or its partnership agreement, or issue any Security that does not have endorsed upon it, the legend described in Section 7.A.(7).

(3) Developer and each Principal shall receive valuable, unique training, trade secrets and the Confidential Information which are beyond the present skills, experience and knowledge of Developer, any Principal and Developer's employees. Developer and each Principal acknowledge that (i) such training, trade secrets and the Confidential Information (a) are essential to the development of the Swim school and (b) provide a competitive advantage to Developer; and (ii) access to such training, trade secrets and the Confidential Information is a primary reason for their execution of this Agreement. In consideration thereof, Developer and each Principal covenant that, during the Term and for a period of two (2) years after the expiration or termination hereof, neither Developer nor any Principal shall, directly or indirectly:

(a) own, maintain, operate or have any interest in any Competing Business;

(b) own, maintain, operate or have any interest in any Competing Business which business is, or is intended to be, located in the Territory; or

(c) own, maintain, operate or have any interest in any Competing Business which business is, or is intended to be, located within a twenty five (25) mile radius of any Swim school which is a part of a concept or System owned, operated, or franchised by us or any Affiliate.

(4) Sections 7.C.(3)(b), and (c) and shall not apply to an interest for investment only of five percent (5%) or less of the capital stock of a Publicly-Held Entity provided, however, that such owner is not a director, officer ,or manager of, or consultant to such Publicly-Held Entity or to businesses operated pursuant to a Franchise Agreement with us.

D. Each of the foregoing covenants is independent of each other covenant or agreement contained in this Agreement or in any Franchise Agreement.

E. We may, in our sole discretion, reduce the area, duration or scope of any covenant contained in Section 7.C. without Developer's or any Principal's consent, effective upon notice to Developer. Developer and each Principal shall comply with any covenant as so modified.

F. Developer's representations, warranties, covenants and agreements herein are continuing representations, warranties, covenants and agreements each of which shall survive the expiration or termination hereof.

8. TRANSFER

A. We may assign this Agreement, or any of its rights or obligations herein, to any person or entity without Developer's or any Principal's consent; provided, however, that our obligations which are assigned shall be fully assumed by the party to whom we assign such obligations.

B. The rights and duties of Developer as set forth in this Agreement are personal to Developer (or its owners), and Franchisor has entered into this Agreement in reliance upon Developer's personal or collective skill and financial ability. Accordingly, neither Developer nor any holder of a legal or beneficial interest in Developer may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the development rights provided hereunder, its assets or any part or all of the ownership interest in Developer without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Developer is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(1) Developer has complied with the requirements set forth in this Section;

(2) all obligations owed to Franchisor, and all other outstanding obligations relating to this Agreement, are fully paid and satisfied;

(3) Developer (and any transferring owners, if Developer is a business entity) has executed a general release, in a form as required by Franchisor, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Developer's interest herein or to the transfer of Developer's ownership of all or any part of the development rights; provided, however, that if a general release is prohibited, Developer shall give the maximum release allowed by law;

(4) the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Swim School;

(5) the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current area development agreement for new developers;

(6) the transferee has executed a general release, in a form as required by Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the business conducted pursuant the Area Development Agreement or any other matter that may have been made to the transferee by Developer;

(7) Developer has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Developer and the prospective transferee relating to the intended sale or transfer of the Area Development Agreement;

(8) Developer, or the transferee, has paid to Franchisor a transfer fee in the amount of TEN THOUSAND DOLLARS ($10,000.00);

(9) the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;

(10) Developer has agreed to be bound to the obligations of the new area development agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;

(11) the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied; and

(12) Developer has, and if Developer is an entity, all of the holders of a legal and beneficial interest in Developer have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in this Agreement;

C. If Developer wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Developer ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Developer, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(1) the Controlled Entity is newly organized and its charter or articles of formation provides that its activities are confined exclusively to the operation of the Franchised Swim School;

(2) Developer or all holders of a legal or beneficial interest in Developer own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

(3) all obligations of Developer to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Developer nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 8B(10), above;

(4) the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the development and operation of the Franchised Swim School. If the consent of any other party to any such other agreement is required, Developer has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

(5) all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

(6) each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

(7) copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

(8) The term of the transferred Area Development Agreement shall be the unexpired term of this Agreement, including all rights, duties, and obligations.

(9) Franchisor's consent to a transfer of any interest in this Agreement shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

D. Franchisor has the right, without liability of any kind or nature whatsoever to Developer, to make available for inspection by any intended transferee of Developer all or any part of Franchisor's records relating to this Agreement, the Franchised Swim Schools developed

under this Agreement, or to the history of the relationship of the parties hereto. Developer hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to this Agreement or the Franchised Swim Schools developed by Developer, by an intended transferee identified by Developer.

E. Developer shall not, without prior written consent of Franchisor which shall not be unreasonably withheld, place in, on or upon the location of any of the Franchised Swim Schools developed under this Agreement, or in any communication media, any form of advertising relating to the sale of the Developer's rights granted hereunder.

F. Upon the death or Incapacity of Developer (if Developer is an individual) or any holder of a legal or beneficial interest in Developer (if Developer is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Developer to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Developer resided, with such choice of law provision being applicable only for this Section 8F.

G. Following such a death or Incapacity of such person as described in this Section 8F, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Developer or any Franchised Swim School developed by Developer until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Confidential Brand Standards Manual from time to time, currently equal to SIX HUNDRED DOLLARS ($600.00) per day per Swim school, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Swim School.

9. CONSENT AND WAIVER

A. When required, Developer or any Principal shall make a written request for our consent in advance and such consent shall be obtained in writing. Our consent shall not be unreasonably withheld. The foregoing notwithstanding, where either party's consent is expressly reserved to such party's sole discretion, the exercise of such discretion shall not be subject to contest. In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim, or defense. Your sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions.

B. WE MAKE NO REPRESENTATIONS OR WARRANTIES UPON WHICH DEVELOPER OR ANY PRINCIPAL MAY RELY AND ASSUME NO LIABILITY OR OBLIGATION TO DEVELOPER, ANY PRINCIPAL OR ANY THIRD PARTY BY PROVIDING ANY WAIVER, ADVICE, CONSENT OR SERVICES TO DEVELOPER OR DUE TO ANY DELAY OR DENIAL THEREOF.

10. DEFAULT AND REMEDIES

10.01 A. The following shall constitute Events of Default by Developer or any Principal for which there shall be no opportunity to cure and for which notice of termination is not required: (i) failure to comply with the Development Schedule; (ii) the breach or falsity of any representation or warranty herein; (iii) failure to deliver executed covenants as required in Section 6.C; (iv) failure to comply with or perform its covenants, obligations and agreements herein; (v) any Transfer that (a) occurs other than as provided in Section 8 or (b) fails to occur within the time periods described in Section 8 (notwithstanding any lack of, or limits upon, the enforceability of any Term or provision of Sections 7 or 8); (vi) Developer (a) is adjudicated, or is, bankrupt or insolvent, (b) makes an assignment for the benefit of creditors, or (c) seeks protection from creditors by petition in bankruptcy or otherwise or there is filed against Developer a similar petition which is not dismissed within thirty (30) days; (vii) the appointment of a liquidator or receiver for (a) all or substantially all of Developer's assets or (b) any Swim school is sought which is not dismissed within thirty (30) days; (viii) except as provided in Section 10.01B, breach or failure to perform any other term or condition of this Agreement; (ix) an Event of Default shall arise under any Franchise Agreement under which Developer or affiliate of Developer has no opportunity to cure; (x) Developer or any Principal pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith (whether in the Territory or elsewhere) or our interest therein; or (xi) any (a) two (2) or more Events of Default shall arise under any single subsection of Section 10.0l.B or (b) three (3) or more Events of Default shall arise under this Section 10.0l.B in any continuous twelve (12) month period notwithstanding the previous cure of such Events of Default.

B. The following shall constitute Events of Default by Developer or any Principal for which there shall be a cure period of fifteen (15) days after written notification from us: (i) failure

to make any Payment on or before the date payable; (ii) failure to meet and/or maintain the Standards; (iii) an Event of Default shall arise under any Franchise Agreement under which Developer or affiliate of Developer has an opportunity to cure, in which case, the cure period under this Agreement shall be extended to coincide with the cure period of the Franchise Agreement.

10.02 Among the remedies we have for breach of this Agreement, upon the occurrences of any Event of Default under Section 10.01, we may: (a) terminate this Agreement and all rights granted hereunder without waiving, (i) any claim for damages suffered by us, or (ii) other rights, remedies or claims; (b) assert any and all other rights or remedies available to us.

10.03 Subject to the provisions of Section 10.06, all rights and remedies of either party shall be cumulative, and not exclusive of any other right or remedy described herein or available at law or in equity. The expiration or termination of this Agreement shall not release any party from any liability or obligation then accrued or any liability or obligation continuing beyond, or arising from, such expiration or termination. Nothing in this Agreement shall impair either party's right to obtain injunctive or other equitable relief.

10.04 The failure of any party to exercise any right or remedy or to enforce any obligation, covenant or agreement herein shall not constitute a waiver by, or estoppel of, that party's right to any of the remedies described herein including, without limitation, to enforce strict compliance with any such obligation, covenant or agreement. No custom or practice shall modify or amend this Agreement. The waiver of, or failure or inability of any party to enforce, any right or remedy shall not impair that party's rights or remedies with respect to subsequent Events of Default of the same, similar or different nature. The delay, forbearance or failure of any party to exercise any right or remedy in connection with any Event of Default or default by any other developers shall not affect, impair or constitute a waiver of such party's rights or remedies herein. Acceptance of any Payment shall not waive any Event of Default.

10.05 Developer and each Principal shall, jointly and severally, pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, or obtaining any remedy arising from the breach of this Agreement. The existence of any claims, demands or Actions which Developer or any Principal may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of Developer's or any Principal's representations, warranties, covenants, obligations or agreements herein.

10.06 IN THE EVENT OF A DISPUTE BETWEEN THEM WHICH IS NOT SUBJECT TO, NOR ARISES UNDER, SECTION 13, WE, DEVELOPER AND PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, BUT SPECIFICALLY EXCLUDING, HOWEVER, DAMAGES TO THE REPUTATION AND GOODWILL ASSOCIATED WITH AND/OR SYMBOLIZED BY THE TRADEMARKS) AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT,

NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT.

10.07 Developer and each Principal agree that our exercise of the rights and remedies set forth herein are reasonable. We may, in addition to pursuing any other remedies, specifically enforce such obligations, covenants and agreements or obtain injunctive or other equitable relief in connection with the violation or anticipated violation of such obligations, covenants and agreements.

11. RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Swim schools under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us. We will be entitled to develop and operate, or to franchise others to develop and operate, Swim schools in the Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains our name or any of the words Goldfish™ or Goldfish Swim School® or any other Trademark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. You must assign to us or our designee all your right, title and interest in and to your telephone number(s) and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listing associated with the Trademarks and to authorize Transfer of same at our discretion. If you fail to sign any required documents within two (2) Business Days of Notice, you hereby appoint us as your lawful attorney-in-fact to sign on your behalf any and all

documents necessary to effectuate the assignment of the telephone numbers listed to us. This power, coupled with an interest, is given as Security for the rights and privileges given to you under this Agreement.

E. You must within thirty (30) days of the termination or expiration of this Agreement, pay all sums owing to us and our affiliates, including without limitation, the balance of the Initial Franchise Fees that we would have received had you developed all of the Swim schools set forth in the Development Schedule. In addition to the Initial Franchise Fee for undeveloped Swim schools, you agree to pay us, as fair and reasonable liquidated damages (but not as a penalty~~))~~, an amount equal to Eighty Thousand Dollars ($80,000) for each undeveloped Swim school. You agree that this amount is for lost revenue from Royalty Fees and other amounts payable to us, including the fact that you were holding the development rights for those Swim schools and precluding the development of certain Swim schools in the Territory, and that it would be difficult to calculate with certainty the amount of damages we will incur. Notwithstanding your agreement, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including without limitation, consequential damages.

All unpaid amounts will bear interest at the rate of eighteen percent (18%) per annum or the maximum contact rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs and expenses, including reasonable attorney fees and expenses, incurred by us as a result of your default. You also must pay to us all damages, costs and expenses, including reasonable attorney fees and expenses that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. You must comply with all other applicable provisions of this Agreement.

G. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

12. INSURANCE

A. Developer shall obtain within thirty (30) days from the date hereof and maintain throughout the Term, such insurance coverage (including, without limitation, auto liability coverage and workers compensation insurance) as may be (i) required by law; or (ii) prescribed by us from time to time as to types of coverage and amounts of coverage. We may require more coverage or additional coverages from time to time in our sole and absolute discretion. Such insurance shall:

(1) name Our Indemnitees as additional named insured parties and provide that coverage applies separately to each insured and additional insured party against whom a claim is brought as though a separate policy had been issued to each of Our Indemnitees;

(2) contain no provision which limits or reduces coverage in the event of a claim by any one (1) or more of the insured or additional insured parties;

(3) provide that policy limits shall not be reduced, coverage restricted, canceled, allowed to lapse or otherwise altered or such policy(ies) amended without our consent, but in no event upon less than thirty (30) days prior written notice to us; and

(4) be obtained from reputable insurance companies with an A.M. Best Rating of "A" and an A.M. Best Class Rating of VIII or better (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered), authorized to do business in the jurisdiction in which the Swim school is located.

B. Such insurance may provide for reasonable deductible amounts not to exceed Ten Thousand Dollars ($10,000) per occurrence with our consent.

C. A certificate of insurance shall be submitted for our consent within ten (10) days following commencement of such coverage, and additional certificates of insurance shall be submitted to us thereafter, evidencing uninterrupted coverage. Developer shall deliver a complete copy of such policy(ies) within ten (10) days of request.

D. In the event of a claim of any one or more of Our Indemnitees against Developer, Developer shall, on our request, assign to us any and all rights which Developer then has or thereafter may have with respect to such claim against the insurer(s) providing the coverage described in this Section.

E. Developer's obligation to obtain and maintain insurance or to indemnify any of Our Indemnitees shall not be limited by reason of any insurance which may be maintained by Our Indemnitee, nor shall such insurance relieve Developer of any liability under this Agreement. Developer's insurance shall be primary to any policies maintained by any of Our Indemnitees.

F. If Developer fails to obtain or maintain the insurance required by this Agreement, as such requirements may be revised from time to time, we may acquire such insurance, and the cost thereof, together with a reasonable fee for our expenses in so acting and interest at one and one-half percent (1.5%) per month from the date acquired, shall be payable by Developer upon notice.

13. INDEMNIFICATION

A. Developer and each Principal will, at all times and at your sole cost and expense, indemnify and hold harmless, to the fullest extent permitted by law, Our Indemnitees from all "Losses and Expenses" incurred in connection with any Action, suit, proceeding, claim, demand,

investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or Action has been instituted or reduced to judgment) which actually or allegedly, directly or indirectly, arises out of, is a result of, is based upon, is a result of, or is related in any way to any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Developer or any Principal of any patent, mark or copyright or other proprietary right owned or controlled by third parties.

(2) The violation, breach or asserted violation or breach by Developer or any Principal of any contract, federal, state or local law, regulation, ruling, standard or directive or any industry standard.

(3) Libel, slander or any other form of defamation of us or the System, by Developer or any Principal.

(4) The violation or breach by Developer or any Principal of any warranty, representation, agreement or obligation in this Agreement.

(5) Acts, errors or omissions of Developer or any of its agents, servants, employees, contractors, partners, affiliates or Representatives, Operators, or Program Managers.

(6) Any and all liability that may arise as a result of your development, establishment, construction, opening, or operation of the Swim schools.

(7) Any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the Swim schools or construction site; crimes committed on or near any of the premises, facilities of the Swim schools or vehicles used in the operation of your Swim school; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Swim schools, whether or not any of the foregoing was approved by us; defects in any Swim schools you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the Swim school and/or the Principal Owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you or the Swim schools (or any third party acting on your behalf or at your direction), whether in connection with the Swim schools or otherwise, including without limitation, any property damage, injury or death suffered or caused by any delivery person or vehicle serving your Swim schools; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and any action by any customer of yours or visitor to your Swim schools or any other facility of your business.

(8) Any violation of any federal, state, or local labor and employment law for acts or omissions of Developer or Developer's employees.

(9) Any cybersecurity breaches or violations of Privacy Laws.

B. Developer and each Principal agree to give us written notice of any such Action, suit, proceeding, claim, demand, inquiry or investigation immediately upon your actual or constructive knowledge of it.

C. We shall at all times have the absolute right to retain counsel of our own choosing in connection with any Action, suit, proceeding, claim, demand, inquiry or investigation. We shall at all times have the absolute right to investigate any Action, suit proceeding, claim or demand itself.

D. Developer and each Principal shall indemnify Our Indemnitees for attorney fees, expenses, and costs incurred in connection with the enforcement of our rights under this Section 13. This provision shall not be construed so as to limit or in any way affect Developer's indemnity obligations pursuant to the other provisions of this Section 13.

E. In the event that our exercise of our rights under Section 13 actually results in Developer's insurer with respect to insurance required to be maintained by Developer pursuant to Section 12 (hereinafter, the "Insurer") refusing to pay on a third-party claim, all causes of Action and legal remedies which Developer might have against the Insurer shall be automatically assigned to us without the need for any further action on our or Developer's part. For the purposes of Section 13, "actually results" means that, but for our exercise of our rights under Section 13, the Insurer would not have refused to pay on said third-party claim.

F. In the event that our exercise of our rights under Section 13 actually results in the Insurer refusing to pay on a third-party claim, Developer shall be required to indemnify us for the our attorney fees, expenses and costs incurred in connection with that claim.

G. In the event that Developer encourages, requests, or suggests that the Insurer deny a claim, Developer shall indemnify us for our attorney fees, expenses and costs in connection with that claim.

H. In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as in our judgment we deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the Action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 13.A. above have occurred; or

(2) any act, error, or omission of Developer or any Principal may result directly or indirectly in damage, injury or harm to any person or any property.

I. In addition to their other indemnity obligations, Developer and each Principal shall indemnify us for any and all losses, compensatory damages, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described, which result from any of the items set forth in Section 13.

J. We do not assume any liability whatsoever for acts, errors, or omissions of those with whom Developer or any Principal may contract, regardless of the purpose. Developer and each Principal shall hold harmless and indemnify us for all Losses and Expenses which may arise out of any acts, errors or omissions of these third parties.

K. Under no circumstances shall we be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against Developer or any Principal. Developer and each Principal agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by us from Developer or any Principal. The indemnification obligations of this section will survive the expiration or sooner termination of this Agreement.

L. All such Losses and Expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

14. NOTICES

All notices required or desired to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, facsimile or certified mail, return receipt requested to the addresses identified in Attachment 1 to this Area Development Agreement (or such other addresses as designated pursuant to this Section 14).

Notices posted by personal delivery, next day or same day expedited service or given by facsimile shall be deemed given the next Business Day after transmission. Notices posted by certified mail shall be deemed received three (3) Business Days after the date of posting. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other party.

15. FORCE MAJEURE

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. Notwithstanding the foregoing, if any force majeure event extends for a duration of more than three (3) months, then Developer's obligations under this Agreement will be extended by such duration of the force majeure event.

16. SEVERABILITY

A. Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

B. Notwithstanding the above, each of the covenants contained in Sections 6 and 11 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

C. Captions in this Agreement are for convenience only and shall not affect the meaning or construction of any provision hereof.

17. INDEPENDENT CONTRACTOR

A. This Agreement is purely a contractual relationship between the parties and does not appoint or make Developer an agent, fiduciary, legal representative, joint venturer, partner, employee, servant, independent contractor, joint employer of Developer, or other special relationship between the parties for any reason whatsoever. No agency, employment, or partnership is created or implied by the terms of this Agreement and Developer may not represent or imply or hold itself out to third parties that Developer is an agent, fiduciary, legal representative, joint venture, partner, employee, servant, independent contractor, joint employer, or other special relationship of or with of us, and Developer is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state of imply that we are Developer's employer or the employer of Developer's employees and or independent contractors, nor vice versa. During the term of this Agreement, and any extension or renewal hereof, Developer shall hold itself out to the public only as a developer, franchisee, and an owner of the Franchised Swim Schools developed and operating pursuant to a franchise agreement and/or this Agreement. Developer shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on Developer's location, if any, and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Developer. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the development or operation of the Franchised Swim Schools developed hereunder. Any third-party contractors and vendors

retained by Developer to convert or construct the premises are independent contractors of Developer alone. None of Developer's employees will be considered Franchisor's employees. Neither Developer nor any of its employees whose compensation Developer pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any local, state, or federal government agency. Franchisor shall not have the power to hire or fire Developer's employees. Developer expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Developer's employees for qualification to perform certain functions for Developer does not directly or indirectly vest in Franchisor the power to hire, fire, or control such employee. Developer acknowledges and agrees, and will never contend otherwise, that Developer alone will exercise day-to-day control over all operations, activities and elements of the development and operation of the Franchised Swim Schools developed hereunder and that under no circumstance shall Franchisor do so or be deemed to do so. Developer further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise System which Developer is required to comply with under this Agreement, whether set forth in the Confidential Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day development and operations of the Franchised Swim Schools developed hereunder, which Developer alone controls, but only constitute standards Developer must adhere to when exercising its control of the day-to-day development and operations of the Franchised Swim Schools developed hereunder. Except as expressly provided in this Agreement, Franchisor may not control or have access to Developer's funds or the expenditure of Developer's funds or in any other way exercise dominion or control over any of the Franchised Swim Schools developed hereunder. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or in behalf of the other party, or represent that the relationship between Franchisor and Developer is other than that of franchisor and developer/franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Developer which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Developer's development or operation of the Franchised Swim Schools developed hereunder.

B. This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Developer to obtain Franchisor's written consent or permits Developer to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Developer or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

18. DUE DILIGENCE AND ASSUMPTION OF RISK

A. Developer and each Principal (i) have conducted such due diligence and investigation as each desires; (ii) recognize that the business venture described herein involves risks; and (iii) acknowledge that the success of such business venture is dependent upon the abilities of Developer and Principals. **WE, INCLUDING OUR SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, DEVELOPERS AND FRANCHISEES EXPRESSLY DISCLAIM THE MAKING OF, AND DEVELOPER AND EACH PRINCIPAL ACKNOWLEDGE THAT THEY HAVE NOT RECEIVED OR RELIED UPON, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL PERFORMANCE OR VIABILITY OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT OR OTHERWISE ARE CONTRARY TO THE TERMS SET FORTH IN THIS AGREEMENT OR ANY FRANCHISE DISCLOSURE DOCUMENT REQUIRED OR PERMITTED TO BE GIVEN TO YOU PURSUANT TO APPLICABLE LAW.**

B. Developer and each Principal have received, read and understand this Agreement, the documents referred to herein and the Exhibits and Schedules hereto. Developer and each Principal have had ample time and opportunity to consult with their advisors concerning the potential benefits and risks of entering into this Agreement.

19. ENFORCEMENT

A. Enforcement by Judicial Process. We shall have the right to enforce by judicial process our right to terminate this Agreement for the causes enumerated in Section 10, to prevent or remedy a material breach of this Agreement by Developer or Principal if such breach could materially impair the goodwill associated with the System or our Trademarks (including actions with respect to the servicing of wholesale accounts), to collect unpaid fees due to us, to enforce the confidentiality provisions of this Agreement, and to enforce the Non-Competition provisions of this Agreement. We shall be entitled without bond to the entry of temporary restraining orders and temporary and permanent injunctions enforcing the aforementioned provisions. If a court determines a bond is necessary, Developer or Principal agrees that the bond shall be limited to not more than Five Thousand Dollars ($5,000). If we are successful in obtaining an injunction or any other relief against Developer or Principal, Developer or Principal shall pay us an amount equal to the aggregate of our costs of commencing and prosecuting the Action, including, without limitation, reasonable attorney fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

B. Choice of Law. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Michigan (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency. The parties agree, however, that if Developer's Approved Location is not in Michigan and if you are not a resident of the state of

Michigan, the Michigan Franchise Investment Law shall not apply to this transaction, the relationship between Franchisor and Developer or this Agreement.

C. Consent to Jurisdiction. Any action brought by either party, including any claim for injunctive relief, except those claims required to be submitted to arbitration, shall only be brought in the appropriate state court located in or serving Oakland County, Michigan. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

D. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

E. Limitations of Claims. Any claim concerning the Franchised Swim School or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

F. Limitation of Damages. Developer and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Developer waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Developer against Franchisor concerning this Agreement, Developer's contract damages shall not exceed and shall be limited to refund of Developer's Franchise Fee and Royalty Fees.

G. Waiver of Jury Trial.

DEVELOPER AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

H. Arbitration. This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. Except for controversies or claims relating to the ownership of any and all intellectual property rights, including, but not limited to, Franchisor's Marks, copyrights or the unauthorized use or disclosure of Franchisor's Confidential Information, covenants against competition and other claims for injunctive relief, or amounts owed by Developer to Franchisor, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between

the parties, shall be settled by binding arbitration conducted in Oakland County, Michigan, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the District Court for the State of Michigan and located in Oakland County, Michigan. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

Developer agrees that it will not file any arbitration claim as a class action, seek class action status, or permit its claim to be joined or made part of any class action filed by another. Developer further agrees that it will not file or join in any consolidated arbitration.

Developer acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

I. Waiver of Collateral Estoppel. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between us and Developer or Principal. We and Developer or Principal therefore each agree that a decision of an arbitrator or court of law in litigation to which one of them is not a party shall not in any manner prevent the person that was a party to such Action from making similar arguments, or taking similar positions, in any Action between us and Developer or Principal. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an Action between them as a result of such party having lost a similar claim or defense in another Action.

20. MISCELLANEOUS

A. Time is of the essence to this Agreement.

B. There are no third-party beneficiaries to this Agreement except for the remedy provided for breach of Developer's or any Principal's covenant contained in Section 7.C.(3)(a).

C. This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument.

D. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, unless otherwise suggested by the text.

E. This Agreement will become effective only upon execution hereof by our President or authorized officer.

F. This Agreement is not a Franchise Agreement and does not grant Developer or any Principal any rights in or to the (i) System (except as expressly provided herein); or (ii) Trademarks.

G. Developer shall not use the words "Goldfish™" or "Goldfish Swim School®," or any part thereof, as part of its corporate or other name.

H. Developer and each Principal acknowledge that each has received a complete copy of this Agreement, the documents referred to herein and the Exhibits hereto at least seven (7) days prior to the date on which this Agreement was executed. Developer and each Principal further acknowledge that each has received our Franchise Disclosure Document at least fourteen (14) days prior to the date on which this Agreement was executed.

I. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

J. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppels to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

K. You and each of your Principal Owners shall execute the form of guaranty at the end of this Agreement.

L. You further acknowledge that you have conducted an independent investigation of the business franchised pursuant to this Agreement and recognize the business venture contemplated by this Agreement involves the normal business risks associated with beginning a new business. As part of such investigation, you acknowledge that you had ample opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this agreement. You acknowledge that you are entering into this Agreement based upon your own investigation and not as a result of any representations about us made by shareholders, members, officers, directors, employees, agents, representatives, independent contractors, or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to Franchise Owner pursuant to applicable law.

M. You acknowledge that the only financial performance information we furnished is set forth in Item 19 of the Franchise Disclosure Document; that no, officer, director, member, employee, agent, representative or independent contractor of ours is authorized to furnish you with any other financial performance information; that if they nevertheless do, you will not rely on any such financial performance information given to you by any such individual; and that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us.

N. You represent that you have been urged to consult with your own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. You represent that you have either consulted with such advisors or has deliberately declined to do so.

O. You represent that all information set forth in any and all applications, financial statements and submissions to us is true, complete and accurate in all respects, and you acknowledge that we are relying upon the truthfulness, completeness and accuracy of such information.

P. You acknowledge that before executing this Agreement, you had the opportunity to contact all of our existing franchisees.

Q. You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement (including without limitation, the covenants not to compete, confidentiality restrictions and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us and the System; (c) are fully required to protect our legitimate business interests; and (d) do not confer benefits upon us that are disproportionate to your detriment. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors.

R. Each party represents it has the authority to execute this agreement. You acknowledge only officers or individuals designated by officers of us have the authority to make

binding commitments on behalf of us. In particular, field support personnel employed by us cannot contractually bind us by making any verbal or written representations. You acknowledge that we intend to enter into agreements with other developers and franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other developers or franchisees may have different rights and obligations do not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

S. Each party further acknowledges this agreement can be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each party agrees to execute such other instruments and documents as needed to carry out the intent of the parties, all of which shall be incorporated herein by reference as if set forth herein.

T. Developer represents that its execution of this Agreement will not violate any other agreement or commitment to which Developer or any holder of a legal or beneficial interest in Developer is a party.

U. Developer acknowledges that Franchisor intends to enter into agreements with other developers that may contain certain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and other developers may have different rights and obligations do not affect the duties of the parties to this Agreement to comply with the terms of this Agreement. Developer further acknowledges that because uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right to materially vary our standards or area development agreement for any Franchised Swim Schools developed by other developers, based upon the timing of the grant of the development rights, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which Franchisor considers important to the successful operation of the Franchise System. Developer has no right to require Franchisor to disclose any variation or to grant the same or a similar variation to Developer.

V. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Agreement.

21. ENTIRE AGREEMENT

This Agreement and the contemporaneously executed Exhibits, Addenda and Schedules hereto and the Franchise Disclosure Document constitute the entire agreement between us, Developer and the Principals concerning the subject matter hereof. All prior agreements, discussions, negotiations, understandings, inducements, representations, warranties, and covenants are merged herein and are superseded by this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT THOSE PERMITTED TO BE MADE UNILATERALLY BY US HEREUNDER, NO AMENDMENT, CHANGE OR VARIANCE FROM THIS AGREEMENT SHALL BE BINDING ON EITHER PARTY UNLESS MUTUALLY AGREED TO BY US AND DEVELOPER AND EXECUTED IN WRITING.

You specifically acknowledge that the only financial performance information we furnished is set forth in Item 19 of the Franchise Disclosure Document; that no, officer, director, member, employee, agent, representative or independent contractor of ours is authorized to furnish you Owner with any other financial performance information; that if they nevertheless do, you will not rely on any such financial performance information given to you by any such individual; and that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or non-franchised Swim schools.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first above written.

DEVELOPER	GOLDFISH SWIM SCHOOL FRANCHISING, LLC
_____	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT 1
~~**ATTACHMENT 1**~~

To the Area Development Agreement between
Goldfish Swim School Franchising, LLC and

_____("Developer")

1. Description of Developer's Territory. Developer's Territory shall be defined as that area within the following borders or designated in the map attached:

_____
_____
_____

2. Development Schedule:

A. Developer shall develop, open, commence operation of and continuously operate pursuant to the respective Franchise Agreements a minimum of _____ (___) Swim schools in the Territory, pursuant to the Development Schedule as follows:

Swim school No.	Broker Engagement Date	Date of Location Approval and Fully Executed Occupancy Contract	Date Franchise Agreement Signed & Franchise Fees Paid	Date Open & Operating

(1). The Franchise Agreement for each Swim school Location must be fully executed and all Franchise Fees paid within the time frames set forth in the foregoing Development Schedule.

(2). Time is of the essence, with respect to each of the development obligations specified in this Attachment.

B. Each Swim school and the cumulative number of Swim schools indicated in the Development Schedule shall be **OPEN AND OPERATING** by the date(s) specified therein.

3. Development Fee. The Development Fee for this Area Development Agreement is _____ Dollars ($_____) comprised of the following: (a) Fifty Thousand and No/100 Dollars ($50,000) as the Franchise Fee for Swim School No.1, and (b) _____ ($_____), being one-half (1/2) of the Franchise Fee of Forty-Thousand and No/100 Dollars ($40,000) for each of Swim School in the Development Schedule after Swim School No. 1 ($20,000 x ____) for a total of _____($_____). The remaining Twenty-Thousand and No/100 Dollars ($20,000) for each Swim School after Swim School No. 1 shall be due and payable on the date set forth on Schedule set forth above.

4. Notice: Notices pursuant to Section 14 of the Area Development Agreement shall be sent to the following addresses:

if to Developer or any Principal:

_____
_____
_____
Facsimile No.: _____

if to us:

Goldfish Swim School Franchising, LLC
2701 Industrial Row Drive
Troy, Michigan 48084

with a copy to:
(does not constitute notice)

Mark J. Burzych
Fahey Schultz Burzych Rhodes PLC
4151 Okemos Road
Okemos, MI 48864
Facsimile No.: (517) 381-5051

5. Commencement Date. The Commencement Date of the Area Development Agreement is _____, 20____.

6. Representative. Developer's Representative and contact information for purposes of this Area Development Agreement is:

Name	
Address	
City, State, Zip code	
Phone Number	
Email Address	

7. Operator. Developer's Operator and contact information for purposes of this Area Development Agreement is:

Name	
Address	
City, State, Zip code	
Phone Number	
Email Address	

8. Project Manager. Developer's Project Manager and contact information for purposes of this Area Development Agreement is:

Name	
Address	
City, State, Zip code	
Phone Number	
Email Address	

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first above written.

DEVELOPER

_____

By: _____

Name: _____

Title: _____

Date: _____

GOLDFISH SWIM SCHOOL FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT 2

TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN GOLDFISH SWIM SCHOOL FRANCHISING, LLC
AND _____

DATED _____, 20___

Developer and its Principal Owners

This form must be completed by you, if you have multiple owners or if Developer is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on its truth and accuracy in awarding the franchise to you.

1. Form of Owner. You are a (check one):

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐

Specify:

_____

You are formed under the laws of

_____

2. Business Entity. You were incorporated or formed on _____, 20___ under the laws of the State of_____. You have not conducted business under any name other than your corporate, limited liability company or partnership name. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held

3. Owners. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Name	Address	Description and Quantity of Ownership Interest	Office Held

4. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of_____.

This Attachment 2 is current and complete as of _____, 20___.

Developer

_____

By:_____

_____
(print name)

Its:_____

Date:_____

ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC

FOR THE STATE OF HAWAII

The Goldfish Swim School Franchising, LLC Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated _____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et. seq*, the Area Development Agreement for Goldfish Swim School Franchising, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides you rights concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 10 and 19 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

- Section 8 requires Developer to sign a general release as a condition of renewal or transfer of the Franchise. Such release shall exclude claims arising under the Hawaii Franchise Investment Law.

- Section 10, which terminates the Area Development Agreement upon the bankruptcy of Developer, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

3. 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 in connection with the franchise.

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

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC
FOR THE STATE OF ILLINOIS

The Goldfish Swim School Franchising, LLC Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated _____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 - 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

c. The law of the state of Illinois will control.

d. If the Agreement requires a person to waive compliance with any provision Illinois law, that provision shall be deemed void.

e. Section 19E of the Agreement is amended as follows: "No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Developer becomes aware of facts or circumstances reasonably indicating that the Developer may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Developer of a written notice disclosing the violation, whichever shall first expire."

f. 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.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee is connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance 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 Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its Principals acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC
FOR THE STATE OF INDIANA

The Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated _____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1-51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Indiana Deceptive Franchise Practices Act provides rights to You concerning nonrenewal and termination of the Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If the Developer is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Practices Act and the Indiana Franchises Act, and such acknowledgments shall be void with respect to claims under the Acts.

c. If the Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.

d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by us requires written consent of the Developer. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.

e. If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act §23-2-2.7(10).

f. If the Agreement requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, with respect to such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its principals, officers, directors, employees and agents acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, _____.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC

FOR THE STATE OF MINNESOTA

The Goldfish Swim School Franchising, LLC Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated _____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

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:

- Section 10 is amended to comply with the Minnesota Franchise Law that requires, except in certain specified cases, that Developer be given ninety (90)-days notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days notice of non-renewal of the Agreement.

- Section 8 provides for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a Developer to assent to a general release.

- Section 13 is amended to add that as required by Minnesota Franchise Act, we will reimburse you for any costs incurred by you in the defense of your right to use the Trademarks, so long as you were using the Trademarks in the manner authorized by us, and so long as we are 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.

- Minn Stat §80C.21 and Minn Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Area Development 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. However, Franchisor may seek such relief through

the court System with or without a bond as determined by a court. Minn Rule Part 2860.4400J prohibits you from waiving your rights to a jury trial or waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Area Development Agreement requires you to waive these rights, the Area Development Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.

2. 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 independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC

FOR THE STATE OF NORTH DAKOTA

The Goldfish Swim School Franchising, LLC Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated _____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et. seq.* Such provisions in the Agreement are hereby amended as follows:

- Section 8 requires the execution of a general release upon renewal or transfer. Such requirement shall be inapplicable to Developers operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.

- Section 19 is amended to add that any Action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.

- Section 19 is amended to state that arbitration involving a Territory purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota 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 Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC

FOR THE STATE OF RHODE ISLAND

The Goldfish Swim School Franchising, LLC Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated_____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Area Development Agreement for Goldfish Swim School Franchising, LLC is amended as follows:

- Section 8 requires you to sign a general release as a condition of renewal, or transfer. Such release shall exclude claims arising under The Rhode Island Franchise Investment Act.

- Sections 19 is amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island 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 Area Development Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT FOR GOLDFISH SWIM SCHOOL FRANCHISING, LLC
FOR THE STATE OF WISCONSIN

The Goldfish Swim School Franchising, LLC Area Development Agreement between _____ ("Developer" or "You") and Goldfish Swim School Franchising, LLC, a Michigan Limited liability company ("Franchisor," "we" or "us") dated _____, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WISCONSIN MODIFICATIONS

The Securities commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 ("Fair Dealership Law"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. The Wisconsin Fair Dealership Law, among other things, grants You the right, in most circumstances, to ninety (90) days' prior written notice of non-renewal and sixty (60) days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with the Wisconsin Fair Dealership Law, the provisions of the Agreement shall be superseded by the Law's requirements and shall have no force or effect.

2. The Wisconsin Fair Dealership Law, among other things, grants You the right, in most circumstances, to ninety (90) days' prior written notice of termination and sixty (60) days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with the Wisconsin Fair Dealership Law, the provisions of the Agreement shall be superseded by the Law's requirements and shall have no force or effect.

3. If the Agreement requires that it be governed by a state's law, other than the State of Wisconsin, to the extent that any provision of the Agreement conflicts with the Wisconsin Fair Dealership Law such provision shall be superseded by the law's requirements.

Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Developer on behalf of itself and its Principals acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20_____.

GOLDFISH SWIM SCHOOL FRANCHISING, LLC	YOU
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

GOLDFISH SWIM SCHOOL FRANCHISING LLC
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GOLDFISH SWIM SCHOOL FRANCHISING LLC

FINANCIAL STATEMENTS

EXHIBIT F TO THE DISCLOSURE DOCUMENT

Goldfish Swim School Franchising, LLC and Subsidiary

Consolidated Financial Report

December 31, 2025

Goldfish Swim School Franchising, LLC and Subsidiary

Contents

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Independent Auditor's Report

To the Members
Goldfish Swim School Franchising, LLC
and Subsidiary

Opinion

We have audited the consolidated financial statements of Goldfish Swim School Franchising, LLC and Subsidiary (the "Company"), which comprise the consolidated balance sheet as of December 31, 2025, 2024, and 2023 and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 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 Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 audits 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 consolidated financial statements.

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To the Members
Goldfish Swim School Franchising, LLC
and Subsidiary

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 consolidated 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

March 2, 2026

Goldfish Swim School Franchising, LLC and Subsidiary

Consolidated Balance Sheet

December 31, 2025, 2024, and 2023

	2025	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	$ 6,107,733	$ 6,357,248	$ 3,660,501
Restricted cash	40,054	228,445	394,607
Accounts receivable:			
Royalty	2,475,866	2,399,126	2,097,285
Other receivables	47,641	46,752	61,502
Due from affiliates (Note 5)	297,306	573,001	776,205
Prepaid expenses and other assets	916,698	951,305	332,280
Total current assets	9,885,298	10,555,877	7,322,380
Leased Asset - Operating lease (Note 4)	1,480,870	1,580,792	1,678,796
Property and Equipment - Net (Note 3)	278,865	311,749	396,967
Intangible Assets - Net	180,546	-	-
Total assets	**$ 11,825,579**	**$ 12,448,418**	**$ 9,398,143**
Liabilities and Members' Equity			
Current Liabilities			
Trade accounts payable	$ 635,352	$ 726,109	$ 203,107
Current portion of lease liability - Operating (Note 4)	101,878	99,922	98,004
Due to affiliates (Note 5)	159,864	34,562	75,003
Deferred revenue	840,000	840,000	760,000
Advertising funds on deposit	40,054	-	-
Accrued and other current liabilities:			
Accrued compensation	76,509	95,826	53,312
Other accrued liabilities	-	-	53,143
Total current liabilities	1,853,657	1,796,419	1,242,569
Lease Liability - Operating - Net of current portion (Note 4)	1,378,992	1,480,870	1,580,792
Other Long-term Liabilities - Deferred revenue - Net of current portion	3,966,889	4,223,528	4,107,028
Total liabilities	7,199,538	7,500,817	6,930,389
Members' Equity	4,626,041	4,947,601	2,467,754
Total liabilities and members' equity	**$ 11,825,579**	**$ 12,448,418**	**$ 9,398,143**

See notes to consolidated financial statements.

Goldfish Swim School Franchising, LLC and Subsidiary

Consolidated Statement of Operations

Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Net Revenue			
Revenue	$ 21,414,023	$ 20,638,520	$ 18,293,597
Initial franchise fees	1,114,139	973,500	751,111
Brand fund fees	7,426,635	7,107,549	6,322,770
Management fees (Note 5)	140,998	302,617	154,904
Other charges	1,642,200	1,456,000	1,301,300
Total net revenue	31,737,995	30,478,186	26,823,682
Operating Expenses	19,301,422	18,572,520	16,349,082
Operating Income	12,436,573	11,905,666	10,474,600
Nonoperating Income - Other income	132,515	23,633	60,857
Consolidated Net Income	**$ 12,569,088**	**$ 11,929,299**	**$ 10,535,457**

See notes to consolidated financial statements.

Goldfish Swim School Franchising, LLC and Subsidiary

Consolidated Statement of Members' Equity

Years Ended December 31, 2025, 2024, and 2023

Balance - January 1, 2023	$ 1,434,430
Consolidated net income	10,535,457
Distributions	(9,502,133)
Balance - December 31, 2023	2,467,754
Consolidated net income	11,929,299
Distributions	(9,449,452)
Balance - December 31, 2024	4,947,601
Consolidated net income	12,569,088
Distributions	(12,890,648)
Balance - December 31, 2025	**$ 4,626,041**

See notes to consolidated financial statements.

Goldfish Swim School Franchising, LLC and Subsidiary

Consolidated Statement of Cash Flows

Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash Flows from Operating Activities			
Consolidated net income	$ 12,569,088	$ 11,929,299	$ 10,535,457
Adjustments to reconcile consolidated net income to net cash, cash equivalents, and restricted cash from operating activities:			
Depreciation	47,716	85,217	127,091
Bad debt expense	53,923	-	-
Amortization of leased asset - Operating lease	99,922	98,004	96,122
Amortization of intangible asset	19,454	-	-
Changes in operating assets and liabilities that (used) provided cash, cash equivalents, and restricted cash:			
Accounts receivable	(131,552)	(287,091)	(326,236)
Prepaid expenses and other assets	358,877	(383,218)	(78,688)
Accounts payable	34,545	482,562	(129,700)
Accrued and other liabilities	(79,263)	42,514	(16,249)
Deferred revenue	(256,639)	196,500	408,889
Lease liability	(99,922)	(98,004)	(96,122)
Net cash, cash equivalents, and restricted cash provided by operating activities	12,616,149	12,065,783	10,520,564
Cash Flows from Investing Activities			
Purchase of property and equipment	(14,832)	-	(11,018)
Cash paid for intangible asset	(100,000)	-	-
Collections from (advances to) related parties	123,743	39,982	(517,954)
Net cash, cash equivalents, and restricted cash provided by (used in) investing activities	8,911	39,982	(528,972)
Cash Flows Used in Financing Activities - Distributions paid	(13,062,966)	(9,575,180)	(9,268,393)
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(437,906)	2,530,585	723,199
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	6,585,693	4,055,108	3,331,909
Cash, Cash Equivalents, and Restricted Cash - End of year	**$ 6,147,787**	**$ 6,585,693**	**$ 4,055,108**

See notes to consolidated financial statements.

Note 1 - Nature of Business

Goldfish Swim School Franchising, LLC and Subsidiary (the "Company") is engaged in franchising and support of franchisees in the establishment and operations of Goldfish Swim Schools. Franchise schools are located throughout the United States.

The Company executes franchise agreements that establish the terms of its arrangement with franchisees. The franchise agreements require the franchisee to pay an initial fee of $50,000, with a reduction in the franchise fee for opening additional franchises. In addition to the initial investment fee, the franchisee pays the Company a monthly royalty fee of 6 percent of gross sales and a brand fund contribution of up to 2 percent of gross sales.

At December 31, 2025, there were 232 signed franchise agreements and 60 signed area development agreements, with 199 swim schools open and operating. At December 31, 2024, there were 215 signed franchise agreements and 56 signed area development agreements, with 177 swim schools open and operating. At December 31, 2023, there were 197 signed franchise agreements and 52 signed area development agreements, with 159 swim schools open and operating.

Note 2 - Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the accounting alternative for variable interest entities. Under this accounting alternative, the Company is not required to apply the variable interest entity guidance when determining whether it is required to consolidate legal entities that are under common control that meet certain criteria. Instead, the determination of whether these legal entities under common control are consolidated is based on whether the Company controls the legal entities based on its direct voting rights in those entities.

Principles of Consolidation

The consolidated financial statements include the accounts of Goldfish Swim School Franchising, LLC and its wholly owned subsidiary, Goldfish Swim School Franchise Marketing, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Restricted Cash

The Company has restricted cash equal to the amount of unspent advertising funds on deposit. At December 31, 2025, 2024, and 2023, $40,054, $228,445, and $394,607, respectively, of cash is restricted for this purpose.

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

The Company earns revenue from its franchised schools, which includes royalties, franchise fees, brand 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 15 years, with an option to renew or transfer the franchise agreement to a new or existing franchisee.

The Company has obligations to provide franchisees with the franchise rights to operate a school, training, and site selection, as well as technology and advertising for which fees are charged. The Company has concluded that management training and site selection are separate performance obligations due to the nature of these services being nonbrand specific and capable of being used by the franchisee in other businesses. The remaining items represent a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to the management training, site selection, and franchise right for each individual franchise. The management training and site selection revenue is recognized at the time the obligations have been satisfied. The franchise right revenue is recognized over the term of the respective franchise agreement beginning on the date the school is opened. Income for royalties, technology fees, and advertising fees is recognized over the term of the respective franchise agreement as the underlying sales occur.

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 nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. Initial franchise 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. Royalties and brand fund fees are invoiced on a monthly basis based upon a percentage of franchisee gross sales and paid in the following month by the franchisee. Additional monthly fees are also charged for technology support provided to the franchisees. Deferred revenue at January 1, 2023 was $4,458,139.

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 the 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. Variable consideration includes revenue related to royalties and brand fund fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

The Company allocates consideration to the training program based on the observable stand-alone selling price of the training charged when additional management training program participation is requested by the franchisees. The Company allocates consideration to site selection based on the observable stand-alone selling price, which approximates the fair value of the service using the cost-plus-margin approach. The remaining consideration is allocated to the franchise right.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for expected credit losses is considered by the Company on an ongoing basis. At December 31, 2025, 2024, and 2023, the Company did not record an allowance for credit losses, as the Company determined that there is minimal risk of credit losses based on historical losses, as well as current and expected future conditions, and that any such credit losses would be insignificant to these consolidated financial statements. For the year ended December 31, 2025, there were write-offs of trade accounts receivable equal to $53,923. For the years ended 2024 and 2023, there were no write-offs of trade accounts receivable.

Property and Equipment

Property and equipment are recorded at cost. Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives, which range from 3 to 15 years. Management annually reviews these assets to determine whether carrying values have been impaired.

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

Intangible assets of the Company at December 31, 2025 include a gross carrying amount of $201,890, along with accumulated amortization of $21,344. Amortization expense for intangible assets totaled $19,454 for the year ended December 31, 2025. As of December 31, 2024 and 2023, net intangible assets were zero, and no amortization expense was recognized during the years then ended. Estimated amortization expense for the year ending December 31, 2026 is $39,467; for the year ending December 31, 2027 is $39,821; for the years ending December 31, 2028 and December 31, 2029 is $39,800 each year; for December 31, 2030 is $20,800; and $858 thereafter.

Leases

The Company has an operating lease with a related party under common ownership, which is disclosed in Note 4.

The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all leases. As such, the Company considers the U.S. Daily Treasury Par Yield Curve issued by the U.S. Department of the Treasury to be a risk-free rate.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

Note 2 - Significant Accounting Policies (Continued)

Advertising Expense

In accordance with the franchise agreement, franchisees pay a percentage of monthly sales to a brand fund to be used for advertising, marketing, and other promotional purposes. The contribution received from franchisees for the brand fund is segregated into a separate bank account maintained by Goldfish Swim School Franchise Marketing, LLC. Any excess amounts remaining in the brand fund at the end of the year are used for marketing and promotion in the following year. The Company accrues all brand fund fees collected in excess of advertising expended, resulting in a liability equal to $40,054 as of December 31, 2025 on the accompanying consolidated balance sheet. As of December 31, 2024 and 2023, cumulative advertising expended exceeded brand fund fees collected, and no liability was recognized.

Brand fund fees from the franchisees of $7,426,635, $7,107,549, and $6,322,770 for 2025, 2024, and 2023, respectively, are included in net revenue in the accompanying consolidated statement of operations, and brand fund expenses of $7,346,971, $7,133,073, and $6,313,920 for 2025, 2024, and 2023, respectively, are included in operating expenses in the accompanying consolidated statement of operations.

The costs of advertising not paid from the brand funds are expensed as incurred. The Company incurred no direct advertising costs during the years ended December 31, 2025, 2024, or 2023.

Government Grants

The Company elected to account for the retroactive Employee Retention Credit (ERC) as in-substance government grants. Accounting principles generally accepted in the United States of America do not include guidance on the accounting for government grants by for-profit entities. As a result, the Company elected to analogize the guidance in International Accounting Standards (IAS) Statement 20, *Accounting for Government Grants and Disclosure of Government Assistance* (IAS 20). While IAS 20 does not represent authoritative guidance for entities preparing U.S. GAAP financial statements, use of this guidance by analogy is permitted.

Under IAS 20, government grants are recognized as income when it is probable that an entity will comply with the conditions of the grant and that the grant will be received. The Company recognizes proceeds under grant programs on a systematic basis over the period in which the Company recognizes as expenses the related costs for which the grant is intended to compensate. The Company elected to record the PPP loan forgiveness as grant income separately from the related expenses in nonoperating income and the ERC as a reduction of operating expenses.

Management has determined it is probable the Company met the eligibility conditions for the ERC, including having operations suspended to comply with a government order related to COVID-19 and incurring eligible payroll expenses. For the year ended December 31, 2025, the Company recognized approximately $245,000 under the ERC as a reduction of expenses. The ERC did not have any impact on the consolidated statement of operations for the years ended December 31, 2024 and 2023.

The Company's ERC claim is subject to review by the Internal Revenue Service (IRS) within the applicable statute of limitations. If a portion or all of the ERC is determined to be ineligible upon IRS review, the Company would be required to return the ineligible portion on demand and could potentially be subject to penalties and interest on unpaid employment taxes.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 2, 2026, which is the date the consolidated financial statements were available to be issued.

Note 3 - Property and Equipment

Property and equipment are summarized as follows:

	2025	2024	2023	Depreciable Life - Years
Furniture and equipment	$ 699,964	$ 685,132	$ 685,132	5-10
Software	448,684	448,684	448,684	3
Building improvements	443,206	443,206	443,206	15
Total cost	1,591,854	1,577,022	1,577,022	
Accumulated depreciation	1,312,989	1,265,273	1,180,055	
Net property and equipment	$ 278,865	$ 311,749	$ 396,967	

Depreciation expense was $47,716, $85,217, and $127,091 in 2025, 2024, and 2023, respectively.

Note 4 - Leases

The Company entered into a lease agreement for an administrative office from an entity related through common ownership. The lease agreement was signed during 2016 and commenced upon occupancy in December 2017. The lease has an initial noncancelable term of 21 years, with the option to extend on a yearly basis indefinitely after the initial noncancelable term.

The leased asset and related lease liability have been calculated using a discount rate of 1.94 percent. The lease requires the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense and cash paid under this lease was $129,704 each for 2025, 2024, and 2023.

Future minimum annual commitments under the administrative office operating lease are as follows:

Years Ending December 31	Amount
2026	$ 129,704
2027	129,704
2028	129,704
2029	129,704
2030	129,704
Thereafter	1,026,822
Total	1,675,342
Less amount representing interest	194,472
Present value of net minimum lease payments	1,480,870
Less current obligations	101,878
Long-term obligations under operating lease	$ 1,378,992

Note 5 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

Accounts Receivable and Other Fees

At December 31, 2025, 2024, and 2023, the Company had accounts receivable from a swim school related through common ownership totaling $76,074, $50,678, and $39,794, respectively. The Company collected brand fund fees from this related party totaling $43,545, $41,734, and $44,811 during the years ended December 31, 2025, 2024, and 2023, respectively. The Company collected software fees from this related party totaling $8,400, $8,400, and $8,100 during the years ended December 31, 2025, 2024, and 2023, respectively.

At December 31, 2025, 2024, and 2023, the Company had accounts receivable from swim schools owned by McCuiston Family Operations LLC (MFO), an entity related through common ownership, of $20,005, $11,931, and $12,361, respectively. The Company collected brand fund and technology fees from these swim schools of $158,083 and $4,200, respectively, during the year ended December 31, 2025; $96,022 and $26,600, respectively, during the year ended December 31, 2024; and $82,424 and $24,500, respectively, during the year ended December 31, 2023.

Advances to/from Related Parties

At December 31, 2025, 2024, and 2023, the Company had a non-interest-bearing cash advance due to MFP Industrial Drive, LLC (MFP) of $54,734, $8,530, and $12,326, respectively, which is due on demand.

At December 31, 2025, 2024, and 2023, the Company had a non-interest-bearing cash advance to McCuiston Family Enterprises, Inc. (MFE), an entity related through common ownership, of $297,306, $573,001, and $776,205, respectively, which is due on demand.

Advances Due from/Distributions Payable to Member

At December 31, 2025 and 2024, the Company was owed $324,270 and $235,807, respectively, from a member for advances paid to that member. These have been included in prepaid expenses and other assets on the accompanying consolidated balance sheet. There were no advances receivable from members at December 31, 2023.

At December 31, 2023, the Company owed $53,143 to a member for unpaid distributions. These have been included in other accrued liabilities on the accompanying consolidated balance sheet.

Management Fees

For the years ended December 31, 2025, 2024, and 2023, the Company incurred expenses related to payroll administrative fees and other shared services from MFE of $600,000. These fees resulted in payables of $105,130, $26,032, and $62,677 at December 31, 2025, 2024, and 2023, respectively.

For the years ended December 31, 2025, 2024, and 2023, the Company charged management fees to MFO and a subsidiary of MFE related to shared services provided to these related parties of $140,998, $302,617, and $154,904, respectively. The related amount due from the subsidiary of MFE is included in the balance due from MFE disclosed above.

Building Lease

As disclosed in Note 4, the Company entered into a lease agreement during 2016 for an administrative office from an entity related through common ownership.

Note 6 - Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a required matching contribution. Contributions to the plan totaled $237,993, $195,598, and $177,873 for the years ended December 31, 2025, 2024, and 2023, respectively.

Note 7 - Commitments

Buy-sell Agreement

The Company has an agreement with one of its members that limits the disposition or transfer of the membership interest and provides for the purchase of the membership interest by the Company in the case of death, disability, or termination of employment of the member. The redemption price is to be based on fair value, as determined at the discretion of the manager of the Company, at the time of such event.

Services Agreement

The Company entered into a services agreement with the aforementioned member. The agreement provides for base compensation and a bonus at the discretion of the manager of the Company. Either party may terminate the agreement at any time.

Note 8 - Cash Flows

Cash paid for income taxes was as follows:

	2025	2024	2023
State income taxes	$ 298,614	$ 268,934	$ 264,960

Significant noncash investing and financing activities are as follows:

	2025	2024	2023
Accrued member distributions	$ -	$ -	$ 41,052
Advances to member	324,270	235,807	-
Member distributions used to settle related party advance	151,952	163,222	192,688

Note 9 - Unconsolidated Entities Under Common Control

The Company receives management services from MFE and pays a contractual monthly management fee. The risks and impacts to the financial position, financial performance, and cash flows of the Company are limited to this management fee, and the related balances are disclosed in Note 5.

The Company leases a building from MFP for a contractual rental rate. The risks and impacts to the financial position, financial performance, and cash flows of the Company are limited to lease payments and the related balances disclosed in Note 5.

The Company processes and disburses payroll on behalf of and provides management services to MFO. Beginning in 2022, the Company guaranteed certain bank loans to MFO. In the event of a default by MFO, the Company could be obligated to repay the full amount outstanding on these loans. As of December 31, 2025, 2024, and 2023, the balance outstanding on the guaranteed loans was $4,277,083, $5,155,833, and $5,365,833, respectively. The maximum potential future obligation under this guarantee was $8,325,000, $8,325,000, and $6,300,000 at December 31, 2025, 2024, and 2023, respectively, and is payable through August 10, 2028. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from MFO; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee. As of December 31, 2025, 2024, and 2023, the Company is unaware of any circumstances that would require performance under this guarantee. The risks and impacts to the financial position, financial performance, and cash flows of the Company are limited to the amount receivable from MFO to reimburse the Company for payroll expenses, the related balances disclosed in Note 5, and the balance of the bank loans being guaranteed by the Company.

EXHIBIT G TO THE DISCLOSURE DOCUMENT
GOLDFISH SWIM SCHOOL FRANCHISING LLC
LIST OF CURRENT AND TERMINATED FRANCHISEES
AS OF DECEMBER 31, ~~2024~~2025

CURRENT FRANCHISEES

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Alabama					
Hoover, AL	05/15/22	Hoover Swim School, LLC 1442 W. Roxbury Place Littleton, CO 70127	N/A	Dan Gilbride	Dan.Gilbride@goldfishss.com
Madison, AL	1/27/23	Madison Swim School, LLC 1442 W. Roxbury Place Littleton, CO 70127	N/A	Dan Gilbride	Dan.Gilbride@goldfishss.com
Montgomery AL	11/28/23	Montgomery Swim School 1442 W. Roxbury Place Littleton CO 70127	N/A	Dan Gilbride	Dan.Gilbride@goldfishss.com
Arizona					
~~Ahwatukee, AZ~~	~~05/23/23~~	~~New Age Aquatics, LLC 20422 W. Springfield Street, Buckeye, AZ 85396~~	~~(602) 819-9066~~	~~Kurt Watkins~~	~~Kurt.Watkins@goldfishss.com~~
Gilbert, AZ	6/15/21	Schuchardt Swim School, LLC 418 Root Street Park Ridge, IL 60608	(248) 762-9790	Dana Christ	Dana.christ@goldfishss.com
~~Scottsdale, AZ~~	~~08/05/20~~	~~Super Swim School, LLC 37427 N. 97th Way, Scottsdale, AZ 85262~~	~~(480) 258-1876~~	~~Sherry Scott~~	~~Sherry.Scott@goldfishss.com~~
Arkansas					
Rogers, AR	06/16/20	NWA Swim School, LLC 3820 Victoria Court, Troy, MI 48084	(714)-263-5470	Wade Fleming	Wade.Fleming@goldfishss.com
California					
Laguna Woods, CA	1/2019	JP Swim School , LLC 24381 El Toro Road Laguna Woods, CA	(714) 263-5470	Jesal Metha	Jmetha7@gmail.com
LaDera Ranch, CA	05/19/25	JP Swim School 2, LLC 24381 El Toro Road Laguna Woods, CA		Jesal Mehta	**JMehta7@gmail.com**
Santa Ana	08/17/25	Swimergy 4, LLC 5457 Gateway Drive Chino Hills, CA	(909) 896-1151	Parag Mehta	**Parag.Mehta@goldfishss.com**

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
		91709			
Colorado					
Centennial, CO	5/28/21	Michigan Operating Partners, LLC 1010 E. Layton Avenue Englewood, CO 80113		John Lloyd	John.lloyd@goldfishss.com
Stapleton – Central Park, CO	8/2017	Turner Investment Holdings, LLC 9119 E. 50th Avenue Denver, CO 80238	(303) 971-7001	Patrick Turner	~~Patrick.Turner@goldfishss.com~~ Patrick.Turner@goldfishss.com
Superior, CO	11/2019	Mile High Swim School, LLC 301 Marshall Road Superior, CO 80027	(412) 983-2272	Scott Payne	Scott.payne@goldfishss.com
Washington Park, CO	08/07/24	Washington Park Swim School, LLC 160 Lake Drive, Wexford, PA 15090-8405	(412) 983-2272	Scott Payne	Scott.Payne@goldfishss.com
Connecticut					
Cromwell, CT	01/02/24	Cromwell Swim School, LLC 4893 Knollwood Court Clarkston, MI 48348	(248) 672-9640	Tracey McCaghy	Tracey.McCaghy@goldfishss.co
Hamden, CT	03/05/24	Hamden Swim School, LLC 1442 W. Roxbury Place Littleton, Colorado 80127		Dan Gilbride	Dan.Gilbride@goldfishss.com
Manchester, CT	9/10/21	Manchester Swim School, LLC 4893 Knollwood Court Clarkston, MI 48348	(248) 672-9640	Tracy McCaghy	Tracy.mccaghy@goldfishss.com
Norwalk, CT	11/6/2018	Norwalk Swim School, LLC 112 N. Main Street Norwalk, CT	(248) 672-9640	Tracey McCaghy	Tracy.mccaghy@goldfishss.com
Stamford, CT	5/4/21	Stamford Swim School, LLC 4893 Knollwood Court Clarkston, MI 48348	(248) 672-9640	Tracy McCaghy	Tracy.mccaghy@goldfishss.com
Delaware					
Pike Peak DE		Swim School of Wilmington West, LLC 309 Lancaster Avenue, Malvern PA 19355	(914)-475-2040	Greg DeRise	Greg.DeRise@goldfishss.com
Florida					
Bonita Springs/	3/10/20	Davis Family Swim School, Inc. 14843 Edgewater Circle	(724) 816-6787	Robert J. Davis	Davisjr1023@gmail.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Naples, FL*		Naples, FL 34114			
Lakewood Ranch, FL	2/11/20	ABGT Investment Group, LLC 4120 Ridge Side Road Rochester, MI 48306	(248)-321-0340	Bret Edwards	Bret.Edwards@goldfishss.com
Margate, FL*	5/11/21	BHB Investment Holdings Margate, LLC 5400 W. Sample Road Margate, FL 33073	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Winter Garden, FL*	1/23/24	Orlando Swim School, LLC 230 Cortland Avenue Winter Park, FL 32789	(614) 507-6607	Jon Thomas	Jon.thomas@goldfishss.com
Pembroke Pines, FL	10/2018	BHB Investment Holdings Pembroke Pines, LLC 9821 Pines Blvd. Pembroke Pines, FL 33024	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Royal Palm Beach, FL*	5/11/21	BHB Investment Holdings Royal Palm Beach, LLC 6400 Telegraph Road Suite 2000 Bloomfield Hills, MI 48301	(248) 752-4268	Jeff Levine	jlevine@306fireflood.com
St.John's, FL	10/15/24	RFM Swim Schools I, LLC 2420 County Rd 210 St. John's FL 32259		Pat Murphy	Pat. Murphy@goldfishss.com
Winter Park, FL	6/2017	Thomas Family Swim School, Inc. 5454 Lake Howell Road Winter Park, FL 32792	(614) 507-6607	Jon Thomas	Jon.Thomas@goldfishss.com
Georgia					
Decatur, GA		G3 Partners, LLC 117 Mount Vernon Drive Wilmington, NC 28403	(904) 710-0875	Casey James Thompson	Cj.thompson@goldfishss.com
Hamilton Mill GA	1/14/25	G3 Partners Hamilton Mill, LLC 117 Mount Vernon Dr. Wilmington, NC 28403	(904) 710-0875	Casey James Thompson	CJ.thompson@goldfishss.com
Johns Creek, GA	1/2017	GSC-Johns Creek, LLC 6000 Medlock Bridge Parkway Suite C-200 Johns Creek, GA 30022	(770) 744-0250	Mark Sheppell	Mark.Sheppell@goldfishss.com
Roswell, GA	7/2019	GSC-Roswell, LLC 633 Holcomb Road Roswell, GA 30076	(248) 766-5595	Andy Chamberlain	abchamberlain@earthlink.net
Sandy Springs, GA	9/10/2018	GSC-Sandy Springs, LLC 6335 Roswell Road Sandy Springs, GA 30328	(248) 766-5595	Andy Chamberlain	abchamberlain@earthlink.net

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Idaho					
Boise, ID	12/1/20	Boise Swim School, LLC 545 Heatherstone Drive Boise, ID 83702	(917)-838-8884.	Andrew Wycoff	Andrew.Wycoff@goldfishss.com
Nampa, ID	10/1/24	Nampa Swim School, LLC 545 Heatherstone Drive Boise, ID 83702	(917) 838-8884	Andrew Wycoff	Andrew.Wycoff@goldfishss.com
Illinois					
Algonquin, IL	~~11/15/220~~ 5/01/2025	~~Soggy Doggies~~A-Train Algonquin, LLC ~~1316 Hall Street~~ ~~Sugar Grove~~718 S. Randall Road Algonquin, IL 60102	(630) ~~538-9539~~659-6595	~~Carrie Chin~~Alex Tyler	~~Carrie.Chin@goldfishss.com~~Alex.Tyler@goldfishss.com
Arlington Heights, IL	11/2017	Jeet Swim School, LLC 63 W. Rand Road Arlington Heights, IL 60004	(630) 440-1696	Devang Kethari	Devang.Kethari@goldfishss.com
Burr Ridge, IL	9/2014	Three Fish, LLC 7055 High Grove Blvd. Suite 200 Burr Ridge, IL 60527	(630) 485-7300	Steve Karapetian	Steve.karapetian@goldfishss.com
Chicago, IL	1/2013	Lincoln Park Swim School, LLC 2630 West Bradley Road Chicago, Illinois 60618	(773) 588-7946	Bob Ryan	Bob.Ryan@goldfishss.com
Elmhurst, IL	1/2017	Elmhurst Swim School, LLC 614 N. Michigan Ave. Elmhurst, IL 60126	(248) 981-3666	Richard Simtob	Richard.Simtob@goldfishss.com
Evanston, IL	5/2015	Evanston Swim School, Inc. 2008 Dempster Street Evanston, IL 60202	(847) 777-3474	Richard Simtob	Richard.Simtob@goldfishss.com
Glen Ellyn, IL	5/2017	A-Train Glen Ellyn, LLC 565 Roosevelt Road Glen Ellyn, IL 60137	(630) 659-6595	Alex Tyler	Alex.Tyler@goldfishss.com
Lincoln Park, IL	1/17/23	Dayton Street Aquatics, LLC 2636 N. Dayton Street Chicago, OL 60610		Bob Ryan	Bob.Ryan@goldfishss.com
Mundelein, IL	6/2015	Mundelein Swim School, LLC 1531 S. Lake Street Mundelein, IL 60060	(847) 371-9000	Richard Simtob	Richard.Simtob@goldfishss.com
Naperville, IL	9/2013	Naperville Swim School, LLC 1688 Quincy Avenue Naperville, Illinois 60540	(630) 305-9775	Randall Barba	Rand.Barba@goldfishss.com
Northbrook, IL	8/2017	Northbrook Swim School, LLC 3101 Dundee Road Northbrook, IL 60062	N/A	Richard Simtob	Richard.Simtob@goldfishss.com
Park Ridge, IL	7/24/2018	DMC Park Ridge Waves, LLC 678 N. Northwest Hwy. Park Ridge, IL 60068	(248) 762-9790	Dana Christ	Dana.m.christ@gmail.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Plainfield, IL	11/2015	Plainfield Swim School, LLC 12315 Rhea Drive Plainfield, IL 60585	(815) 267-9600	Randall Barba	Rand.barba@goldfishss.com
St. Charles, IL	8/2013	A-Train Swimming Co. 3455/3515 Legacy Blvd. St. Charles, Illinois 60174	(630) 584-3474	Alex Tyler	Alex.Tyler@goldfishss.com
Wicker Park, IL	1/2017	Hubbard Street Partners, LLC 1930 W. Hubbard Chicago, IL 60622		Bob Ryan	Bob.Ryan@goldfishss.com
Indiana					
Carmel, IN	4/2013	BHB Investment Holdings Carmel, LLC 22710 Haggerty Road, #200 Farmington Hills, MI 48335	(317) 810-0790	Brian Bayer	Brian.Bayer@goldfishss.com
Fishers, IN	1/2015	BHB Investment Holdings Fishers, LLC 11581 Geist Pavilion Drive Suite 114 Fishers, IN 46037	(317) 810-0790	Brian Bayer	Brian.Bayer@goldfishss.com
Greenwood, IN	1/15/20	BHB Investment Holdings Indiana, LLC 40300 Fairway III Road Northville, MI 48167	(586)-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Iowa					
Des Moines, IA	2/11/20	Des Moines Swim School, LLC Two Town Square Suite 905 Southfield, MI 48076	(248) 563-7600	Brian Aaron	brianhaaron@gmail.com
Kansas					
Lenexa, KS	10/25/22	Lenexa Swim School, LLC 915 E. Maple Road Birmingham, MI 48008		Robert George	Robert.George@gmail.com
Overland Park, KS*	5/30/2018	Overland Park Swim Schools, LLC 7541 W. 119th Street Overland Park, KS 66213	(248) 705-8680	Robert George	Robert.georgejr@gmail.com
Kentucky					
Lexington, KY	01/16/24	GSS Lexington, LLC 9218 Trentham Lane Louisville, KY 40242		Theresa Carnes	Theresa.Carnes@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Louisville – St. Matthews, KY	08/22/23	Spotted Bass LLC 9218 Trentham Lane Louisville, KY 40242		Theresa Carnes	Theresa.Carnes@goldfishss.com
Louisiana					
Covington, LA	04/02/24	Breakthrough Swim School LLC 108 Tall Trail Missouri, Texas 77459	(832)-443-2505	Rachelle Nurse	Rachelle.Nurse@goldfishss.com
Maine					
Portland, ME	12/12/23	Back Shore Aquatics, LLC 274 Gramercy Glen Rock, New Jersey 07452	(917)-790-1313	Tim Casper	Tim.Casper@goldfishss.com
Maryland					
Columbia, MD	10/2015	Columbia Swim School, LLC 9315 Snowden River Parkway Columbia, MD 21046	(410) 983-3003	Scott Payne	Scott.Payne@goldfishss.com
Frederick, MD	8/11/2025	Frederick Swim School, LLC 353 Ballenger Center Dr, Frederick, MD 21703	(410) 983-3003	Scott Payne	Scott.Payne@goldfishss.com
Gaithersburg, MD	1/5/21	Kentlands Swim, LLC 915 E. Maple Road Birmingham, MI 48009	(248) 939-3666	Jason Yono	Jason.yono@goldfishss.com
Owings Mills, MD*	7/8/21	BHB Investment Holdings Owings Mills, LLC 11460 Cronridge Drive Suite 130 Owings Mills, MD 21117	(586)-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Rockville, MD*	2/11/20	Rockville Swim, LLC 7442 Paddle Wheel Court Bloomfield Hills, MI 48301	(248) 761-7588	Branden Yono	brandenyono@yahoo.com
Silver Spring, MD	4/2019	Silver Spring Swim School, LLC 11800 Tech Road Silver Spring, MD 20904	(248) 737-1115	Keith Lublin	Keith.lublin@goldfishss.com
Timonium, MD	12/16/2024	BHB Investment Holdings Timonium, LLC 11460 Cronridge Drive Suite 130 Owings Mills, MD 21117	(586)-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Waugh Chapel, MD (previously known as Gambrills, MD)	11.21.22	Waugh Chapel Swim School, LLC 991 Waugh Chapel Way Gambrills, MD 21054	(412) 983-2272	Scott Payne	Scott.Payne@goldfishss.com
Massachusetts					

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Braintree, MA	1/2016	BH Swim, LLC 579 Granite Street Braintree, MA 02184	(781) 519-6363	Scott Hedges	Scott.Hedges@goldfishss.com
Brookline, MA	1/30/2018	Boston Swim School, LLC 20 Webster Place Brookline, MA	(248) 330-5464	Peter Kepic	Peter.kepic@colliers.com
Burlington, MA*	4/2016	Burlington Swim School, LLC 10 B Street Burlington, MA 01803	(871) 881-2108	Pete Kepic	Pete.Kepic@goldfishss.com
Danvers, MA	1/4/22	Danvers Swim School, LLC 747 Puritan Avenue Birmingham, MI 48009	(248) 760-8860	Sarah Kepic	Sarah.Kepic@goldfishss.com
Marlborough MA	11/2017	OGTOO, LLC 43 Apex Drive Marlborough, MA 01752	(978) 692-4175	John Schwab	John.Schwab@goldfishss.com
Milford, MA	11/2018	Milford Swim School Corporation 350 Main Street Milford, MA 01757	(781) 929-2606	Tobey Kelly	Tobey.kelly@comcast.net
Needham, MA	5/2015	Boston Swim School, LLC 45 Fourth Ave. Needham, MA 02494	(781) 881-2108	Pete Kepic	Peter.Kepic@goldfishss.com
North Attleboro, MA*	12/6/22	TenFish, LLC 1354 N. Glengarry Road Bloomfield Hills, MI 48301	(248) 342-2276	John Higgins	John.Higgins@goldfishss.com
Norwood, MA	1/6/2018	Norwood Swim School, LLC 128 Carnegie Row Norwood, MA 02062	(248) 672-9640	Tracy McCaghy	Tracy.McCaghy@goldfishss.com
Rockland, MA	6/2017	South Shore Swim School, LLC 160 W. Waymouth Rockland, MA	(248) 672-9640	Tracy McCaghy	Tracy.McCaghy@goldfishss.com
Westford, MA	1/2016	OGQ, LLC 5(A) Liberty Way Westford, MA 01886	(978) 799-2700	John Schwab	John.Schwab@goldfishss.com
Minnesota					
Eagan, MN*	5/3/2022	DSH Group II, LLC 702 Churchill Street, NW Stillwater, MN 55082	(651) 334-2233	David Handley	David.Handley@goldfishss.com
Lakeville, MN	06/04/24	DSH Group III, LLC 4715 Ordell Trail N. Stillwater, MN 55082	(651) 334-2233	David Handley	David.Handley@goldfishss.com
Minnetonka, MN*	06/27/23	Parrish Swim School, LLC 1445 LaSalle Road Canton, MI 48187	(734) 904-5104	Sarah Parrish	separrish@gmail.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Oakdale, MN	7/2017	DSH Group, LLC 7055 10th Street North Suite 100 Oakdale, MN 55128	(651) 472-5180	David Handley	David.Handley@goldfishss.com
Rochester MN	08/19/25	Shamu LLC 5185 Millie Road SW Rochester, MN 55902	507-358-7903-	Murtaza Musajee	Murtaza.Musajee@goldfishss.com
Michigan					
Ann Arbor, MI	8/2011	Ann Arbor Swim School, LLC 2107 West Stadium Blvd Ann Arbor, MI 48103	(734) 864-5555	Richard Simtob	Richard.Simtob@goldfishss.com
Canton, MI	5/2015	BHB Investment Holdings Canton, LLC 225 Sheldon Road Canton Township, MI 48187	(248) 596-1914	Brian Bayer	Brian.Bayer@goldfishss.com
Clarkston, MI	6/2013	Clarkston Swim Academy, Inc. 6340 Waldon Center Drive Clarkston, MI 48346	(248) 795-2252	Mike Mast	Mike.Mast@goldfishss.com
Farmington Hills, MI	10/2009	BHB Investment Holdings, LLC 22710 Haggerty Road, #200 Farmington Hills, MI 48335	(248) 596-1914	Brian Bayer	Brian.Bayer@goldfishss.com
Grand Rapids, MI	7/2012	GR Swim Fish, LLC 2845 Thornhills Avenue Suite S Grand Rapids, MI 49546	(616) _____ —	Sarah Alberts	Sarah.Alberts@goldfishss.com
Macomb, MI	4/2014	BHB Investment Holdings III, LLC 18377 Hall Road Macomb, MI 48044	(248) 596-1914	Brian Bayer	Brian.Bayer@goldfishss.com
Okemos, MI	12/2012	Lansing Swim School, LLC 5135 Times Square Drive, Ste B Okemos, MI 48864	(517) 458-5555	Richard Simtob	Richard.Simtob@goldfihss.com
Rochester, MI	3/2012	BHB Investments II, LLC 550 South Street Rochester, MI 48307	(248) 596-1914	Brian Bayer	Brian.Bayer@goldfishss.com
Missouri					
Warson Woods, MO	12/2019	Kirkwood Swim School, LLC 419 Woodview Manor Lane Kirkwood, MO 63122		Brad Kocher	bradkocher@yahoo.com
Nebraska					
Omaha, NE	3/2019	Omaha Swim School, LLC 2502 S, 133rd Plaza Suite 102 Omaha, NE 68144		RJ Meade	Rjm78@yahoo.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Omaha, NE	12/14/22	Omaha Swim School, LLC 2502 S, 133rd Plaza Suite 102 Omaha, NE 68144		RJ Meade	Rjm78@yahoo.com
Nevada					
Summerlin, NV	08/12/25	Summerlin Aquatics, LLC 124 Broadway Avenue Wilmette, Illinois 60091	(773) 588-7946	Bob Ryan	Bob.Ryan@goldfishss.com
New Hampshire					
Bedford, NH	5/20/25	White Mountain Swim School Corp. 350 Main Street Milford, MA 01757	(781) 929-2606	Tobey Kelly	Tobey.Kelly@goldfishss.com
New Jersey					
Closter, NJ*	9/6/2018	Timothy M. Casper Jennifer Casper 91 Ruckman Rd. Closter, NJ 07624	(917) 710-1313	Tim Casper	Tcasper13@icloud.com
Denville, NJ	12/13/2018	Parsippany Swim School, LLC 3130 NJ 10 Denville, NJ	(626) 644-6568	Randy Burba	Rand.burba@goldfishss.com
Edison, NJ	11/17/23	Edison Swim School, LLC 1267 Muirwood Court, Rochester, MI 48306	(626)644 -6568	Randy Barba	Rand.Barba@goldfishss.com
Livingston, NJ	11/2017	Myrosh, LLC 277 Eisenhower Parkway Livingston, NJ	(917) 838-8884	Jeffrey Posner	Jeffrey.Posner@goldfishss.com
Manalpan, NJ	5/15/2018	Marlboro Swim School, LLC 357 Route 9 South Manalpan, NJ 07726	(626) 644-6568	Randy Burba	Rand.burba@goldfishss.com
Middletown, NJ*	12/2017	RC Swim Holdings, LLC 582 Route 35 Middletown, NJ 07748	(248) 644-6568	Randy Barba	Randy.Barba@goldfishss.com
Mount Laurel, NJ	2/2016	Kevane Swim School NJ, LLC 2036 Briggs Road Mount Laurel, NJ 08054	(248) 470-0506	Greg Kevane	Greg.Kevane@goldfishss.com
Princeton, NJ	03/05/24	Princeton Swim School, LLC 311 Nassau Park Blvd Unit #5 Princeton NJ 08540	(248) 470-0506	Greg Kevane	Greg.Kevane@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Springfield, NJ	11/2/21	Zolotaya, LLC 69 ~~Lake~~lake Road Short Hills, NJ 07078	(917) 838-8884	Jeff Posner	Jeff.posner@goldfishss.com
Wayne NJ	02/18/25	BHB Investment Holdings Wayne, LLC 40300 Fairway III Road Northville, Michigan 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Wycoff, NJ	10/2015	Gramercy Place Partners, LLC 327 Franklin Avenue Suite 20 Wycoff, New Jersey 07481	(201) 254-3474	Tim Casper	Tim.Casper@goldfishss.com
New York					
Astoria, NY	06/09/23	BHB Holding Company NY, LLC 40300 Fairway III Road Northville, MI 48167	(586)-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Brooklyn/ Park Slope, NY	10/23/20	Bob Ryan 2636 N. Dayton Chicago, IL 60614	(773)-404-1310	Bob Ryan	Bob.Ryan@goldfishss.com
Centereach, NY*	1/2019	Centereach Swim, LLC 149 Centereach Mall Centereach, NY 11720	(773) 404-1310	Branden Yono	Branden.yono@yahoo.com
Clifton, Park, NY	06/21/23	Clifton Park Aquatics, LLC 1442 W. Roxbury Place Littleton, CO 80127		Dan Gilbride	Dan.Gilbride@goldfishss.com
Colonie, NY	8/2019	Colonie Aquatics, LLC 21967 Parkdale Avenue Fairview Park, OH		Jim Gilbride	Jim.gilbride@goldfishss.com
Commack, NY	08/04/25	BHB Investment Holdings Commack, LLC 40300 Fairway III Road Northville, Michigan 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Farmingdale, NY	1/9/2018	BHB Investment Holdings Farmingdale, LLC 450 E. Main Street Farmingdale, NY 11735-3598	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Flushing, NY	02/28/23	BHB Investment Holdings Flushing, LLC 40300 Fairway Drive Northville, MI 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Garden City, NY	2/2016	BHB Investment Holdings Garden City, LLC 650 Stewart Avenue Garden City, NY 11530	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Glendale, NY	10/6/22	Glendale Swim School, LLC 1267 Muirwood Court Rochester, MI 48306	(248)-276-9123	Randal Barba	Rand.Barba@goldfishss.com
Glen Oaks, NY	05/12/23	BHB Investment Holdings Glenn Oaks, LLC 40300 Fairway III Road Northville, MI 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Manhattan, NY* (Upper East Side)	11/18/23	BHB Holding Company NY, LLC 40300 Fairway III Road Northville, MI 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
New Rochelle, NY	11/2/21	Whager Two LLC 92 Triangle Center Route 202 and Route 35 Yorktown Heights, NY 10598	(415) 710-1813	Will Graves	Will.graves@goldfishss.com
Orchard Park, NY	11/17/25	Orchard Park Swim School, LLC 11442 W. Roxbury Place Littleton, CO 80127	(330) 814-1059	Dan Gilbride	Dan.Gilbride@goldfishss.com
Pittsford, NY	07-07-20	Rochester Aquatics, LLC 11442 W. Roxbury Place Littleton, CO 80127	(330)-814-1059	Dan Gilbride	Dan.Gilbride@goldfishss.com
Williamsville NY*	1/2019	Buffalo Aquatics, LLC 11400 Lake Road Cleveland, OH 44102	(440) 665-0614	Brian Gilbride	Brian.gilbride@goldfishss.com
Yorktown Heights, NY*	12/10/2018	Whager One, LLC 92 Triangle Center Route 202 and Route 35 Yorktown Heights, NY 10598	(646) 358-4180	William Graves	Will.graves@goldfishss.com
Yonkers, NY	04/01/25 124	Whager Three, LLC 92 Triangle Center Route 202 and Route 35 Yorktown Heights, NY 10598	(646) 358-4180	William Graves	Will.graves@goldfishss.com
North Carolina					
Cary, NC	11/2017	MJED North Carolina, LLC 2980 Kildaire Farm Road Cary, NC 27518	(614) 753-7000	Michael Meilleur	Michael.Meilleur@goldfishss.com
Chapel Hill, NC	12/2019	Chapel Hill Swim School, LLC 1951 Woodland Hall Drive Delaware, OH 43015	(614) 753-7000	Michael Meilear	Michael.Meilleur@goldfishss.com
Charlotte, NC	8/7/2018	GF Investment Holdings I, LLC 13403 S. Ridge Drive Charlotte, NC 28273	(248) 225-5464	Charles Harlan	zipharlan@yahoo.com
Greensboro, NC	12/14/24	Greensboro Swim School LLC 1442 W. Roxbury Place Littleton, Colorado 80127	N/A	Brian Gilbride	Brian.Gilbride@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Wake Forest, NC*	1/24/2018	MJE North Carolina, LLC 4460 Falls of Neuse Rd Raleigh, NC 27614	(614) 753-7000	Michael Meilleur	Michael.Meilleur@goldfishss.com
Ohio					
Anderson, OH (formerly Cincinnati, OH)	5/2019	Red Bank Swim School, LLC 4725 Tully Road Bloomfield Hills, MI 48302	(248) 931-8984	Harry Parr	Harry.Parr@goldfishss.com
Dayton, OH	3/2016	Dayton Swim School, LLC 671 Lyons Road Dayton, OH 45459	(937) 972-0177	Michael Meilleur	Mike.meilleur@goldfishss.com
Dublin, OH	3/2014	KCB Investment Holdings, LLC 6175 Shamrock Court, Suite G Dublin, OH 43016	(614) 407-3474	Lisa Armitage	Steve.Armitage@goldfishss.com
Fairview Park, OH	1/2016	Pura Vida Swim School, LLC 21599 Lorain Road Fairview Park, OH 44126	(440) 333-5393	Michael Morris	Michael.morris@goldfishss.com
Hudson, OH	7/2017	64th Street Swim School, LLC 25 W. Streetsboro Street Suite C Hudson, OH 44236	(440) 665-0614	Brian Gilbride	Brian.Gilbride@goldfishss.com
Kenwood, OH	11/9/23	Red Bank Swim School, LLC 4725 Tully Road Bloomfield Hills, MI 48302		Richard ~~Simtob~~Stimtob	Richard.Simtob@goldfishss.com
Lewis Center, OH*	7/9/2018	KCBBHB Holdings Lewis Center, LLC 7838 Green Meadow Drive Lewis Center, OH 43035	(248) 318-7887	Lisa Armitage	Lisa.armitage@goldfishss.com
North Canton, OH	1/2019	Stark County Swim School, LLC 7245 N. Whipple Ave. North Canton, OH 44720	(440) 665-0614	Brian Gilbride	Brian.gilbride@goldfishss.com
Strongsville, OH*	2/8/20	Strongsville Swim School, LLC 7245 N. Whipple Avenue North Canton, OH 44720	(440) 665-0614	Brian Gilbride	Brian.gilbride@goldfishss.com
Sylvania, Ohio	07/28/22	Sylvania Swim School, LLC 1442 W. Roxbury Place Littleton, CO 80127		Dan Gilbride	Dan..Gilbride@goldfishss.com
Upper Arlington, OH[8]		BHB Investment Holdings Upper Arlington, LLC 40300 Fairway III Road Northville, Michigan 48167	(586)-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Warrensville OH	11/2012	Northeast Ohio Swim School, LLC 4670 Richmond Road, Ste 100 Warrensville, OH 44128	(216) 364-9090	Michael Morris	Michael.Morris@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
West Chester, OH	9/2016	Red Bank Swim School, LLC 7058 Ridgetop West Chester Township, OH 45069	(513) 857-1700	Harry Parr	Harry.Parr@goldfishss.com
Westerville, OH	4/2016	KICSB Holdings, LLC 765 Brooksedge Blvd. Westerville, OH 43081	(614) 407-3474	Steve Armitage	Steve.Armitage@goldfishss.com
Oklahoma					
Edmond, OK	10/2017	BHB Investment Holdings of Edmond, LLC 10 NW 146th Street Edmond, OK 73013	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Moore OK	1/6/25	BHB Investment Holdings Moore, LLC 40300 Fairway III Road Northville, MI 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Oregon					
Sherwood, OR	09/25	A-Train Sherwood, LLC 1685 West Lincoln Birmingham, Michigan 48009	(630) 659-6595	Alex Tyler	Alex.Tyler@goldfishss.com
West Linn, OR	2/3/25	A-Train West Linn, LLC 1685 West Lincoln Birmingham, Michigan 48009	(630) 659-6595	Alex Tyler	Alex.Tyler@goldfishss.com
Pennsylvania					
Bethlehem, PA	07/21/20	Alexandria Swim School, LLC 3045-3057 Linden Street Bethlehem, PA 18017	(484)-239-4062	Joe Negrao	Joe.Negrao@goldfishss.com
Fort Washington, PA	5/2015	Kevane Swim School, LLC 185 Commerce Drive Fort Washington, PA 19034	(215) 220-3828	Greg Kevane	Greg.Kevan@goldfishss.com
Fox Chapel, PA	6/23/21	Fox Chapel Swim School, LLC 518 Spruce Lane Bradford Woods, PA 15015	(412) 983-2272	Scott Payne	Scott.payne@goldfishss.com
Langhorne, PA	07/15/25	Langhorne Swim School, LLC 735 Middletown Blvd Langhorne, PA 19047	(248) 470-0506	Greg Kevane	Greg.Kevane@goldfishss.com
Malvern, PA*	6/7/2018	Swim School of Malvern, LLC 309 Lancaster Avenue Malvern, PA 19355	(914) 475-2040	Gregory J. DeRise	Gregory_DeRise@yahoo.com
Media, PA	2/21/21	Media Swim School, LLC 309 Lancaster Avenue Suite B-1 Malvern, PA 19355	(914) 475-2040	Gregory J. DeRise	Gregory.derise@goldfishss.com
Oaks, PA*	3/6/2018	Flyers Swim School, LLC 180 East Mills Road	(248) 470-0506	Greg Kevane	Greg.Kevane@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
		Oaks, PA 19456			
Peters Township, PA	4/2017	South Hills Swim School, LLC 690 Crosswinds Drive McMurray, PA 15317	N/A	Scott Payne	Scott.payne@goldfishss.com
Warrington, PA	07/14/20	Lakeshore Swim School, LLC 1340 Puritan Avenue, Birmingham, MI 48009	(248)-470-0506	Greg Kevane	Greg.Kevane@goldfishss.com
Wexford, PA	11/2014	Wexford Swim School, LLC 160 Lake Drive Wexford, PA 15090	(724) 799-8850	Scott Payne	Scott.Payne@goldfishss.com
Rhode Island					
Warwick, RI	12/17/24	MichFish, LLC 1354 N. Glengarry Road Bloomfield Hills, Michigan 48301	(248) 342-2276	John Higgins	Jhiggins72@yahoo.com
South Carolina					
Greenville, SC	5/18/21	Greenville Swim School, LLC 435 W. Moreland Ave. Philadelphia, PA 19118	(415) 690-6465	Bill Baker	Bill.Baker@goldfishss.com
Lexington SC	02/18/25	Lexington Swim School, LLC 435 W. Moreland Ave Philadelphia, PA 19118	(415) 690-6565	Bill Baker	Bill.Baker@goldfishss.com
Tennessee					
Franklin, TN*	5/2019	Walden Investment Holdings, LLC 3760 N. Freemont Street #1 Chicago, IL 60613	(773) 562-5463	Lincoln Walden	LNC1203@yahoo.com
Memphis/ Germantown, TN*	7/19/2022	Gilbride Management Group, LLC 1442 W. Roxbury Place Littleton, CO 80127	N/A	Dan Gilbride	Dan.Gilbride@goldfishss.com
Texas					
Austin/ Northwest Hills, TX	6/14/2022	RRGP GSS Location #2, LLC 14 Old Lyme Road Scarsdale, NY 10583	(917) 613-9651	Michael Novoseller	Michael.Novoseller@goldfishss.com
Carrolton, TX*	9/27/2018	Dallas Swimming, LLC 4240 International Pkwy, Suite 130 Carrollton, TX 75007	(248) 840-3231	Brooke Geisz	brookeeshaw@hotmail.com
Cypress TX	04/01/25	GSSH 2, LLC 19411 Mexican Buckeye Court Cypress Texas 77433	(832)-731-7214	Alex Mesa	Alex.Mesa@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Houston, TX	12/2016	Sink or Swim, LLC 302 Greenpark Drive Houston, TX 77079	(832) 856-7946	Robert Chow	Robert.Chow@goldfishss.com
Houston, TX (Heights)	05/06/25	Swim For Life Heights, LLC 4623 Pawlett Court Sugarland, TX 77479	(713) 775-4868	Sudhir Parihar	Sudhir.Parihar@goldfishss.com
Katy, TX	11/2018	Izzo, Inc. 26440 Farm to Market 1093 Richmond, TX 77406	(832) 729-0123	Brad Pozzi	Brpozzi@hotmail.com
Spring, TX	1/28/25	GSSH 1, LLC 19411 Mexican Buckeye Court, Cypress, Texas 77433	(832)-731-7214	Alex Mesa	Alex.Mesa@goldfishss.com
Sugarland, TX	07/07/20	BAMFA, LLC 4623 Pawlett Court Sugarland, TX 77479	(713) 775-4868	Sudhir Parihar	sparihar@att.net
S. Austin, TX	5/20/24	RRGP GSS Location #6, LLC 4 Old Lyme Road Scarsdale, NY 10583	(917) 613-9651	Michael Novoseller	Michael.Novoseller@goldfishss.com
San Antonio, TX	10/18/22	RRGP GSS Location #3, LLC 14 Old Lyme Road Scarsdale, NY 10583	(917) 613-9651	Michael Novoseller	Michael.Novoseller@goldfishss.com
Webster, TX*	1/18/2022	Webster Swim School, LLC 5608 Spelman Houston, TX 77005	(713)-302-5044	Kevin Coffman	Kevin.Coffman7@gmail.com
Utah					
American Fork, UT	03/14/23	HL Swim Club III, LLC 1350 West South Jordan Pkway South Jordan, UT 84095	N/A	Lars Grisley	Lars.Grisley@goldfishss.com
Salt Lake City, UT*	8/17/21	HL Swim Club II, LLC 1350 West South Jordan Pkwy South Jordan, UT 84095	N/A	Lars Grisley	Lars.grisley@goldfishss.com
South Jordan, UT	5/2017	HL Swim Club, LLC 1350 West South Jordan Pkwy South Jordan, UT 84095	N/A	Lars Grisley	Lars.grisley@goldfishss.com
Virginia					
Alexandria, VA	1/2019	RGB Holdings III, LLC 3233 Duke Street Alexandria, VA 22314	(734) 718-6515	Ryan Bewersdorf	Ryan.bewersdorf@goldfishss.com
Ashburn, VA	3/27/2018	Swim Fish DC, LLC 21140 Ashburn Crossing Drive, Suite 115 Ashburn, VA 20147	(248) 561-6052	Matt Watson	Matt.Watson@goldfishss.com
Chesapeake, VA	8/12/2025	Driscoll Developments, LLC 3609 Sandpiper Road Virginia Beach, VA 23456	737-839-9053	MaryAnn Driscoll	MaryAnn.Driscoll@goldfishss.com

City, State	Date Opened	Franchisee And Address	Phone Number	Primary Contact	Email Address
Falls Church, VA	9/2017	RGB Holdings II, LLC 7396 Lee Highway Falls Church, VA 22042	(734) 718-6515	Ryan Bewersdorf	Ryan.Bewersdorf@goldfishss.com
Lake Ridge, VA*	3/8/2022	RRGP GSS Location #1, LLC 14 Old Lyme Road Scarsdale, NY 10583	(917) 613-9651	Michael Novoseller	Michael.Novoseller@goldfishss.com
Reston, VA	11/2014	RGB Holdings, LLC 12340 Pinecrest Road, Suite 150 Reston, VA 20191	(703) 348-3261	Ryan Bewersdorf	Ryan.Bewersdorf@goldfihss.com
Richmond, VA*	3/8/2022	RRGP GSS Location #1, LLC 9782 Gayton Road Richmond, VA 23238	(917) 613-9651	Michael Novoseller	Michael.Novoseller@goldfishss.com
Washington					
Bellevue, WA	09/09/23	Bellevue Swim School, LLC 7525 166th Avenue NE Redmond, WA 98052	(425) 625-4647	JJ Dalton	jj.dalton@goldfishss.com
Mill Creek, WA	07/17/24	Mill Creek Swimming LLC 140 15th Avenue, Kirkland Washington 98033	(425)-625-4647	JJ Dalton	jj.dalton@goldfishss.com
Puyallup, WA	09/26/23	H&H Swim School Puyallup, LLC P.O.Box 1581 Port Orchard, WA 98366	(661) 699-5184	Corrine Hastings	Corrine.Hastings@golfishss.com
Redmond, WA*	8/2019	JEB Management, LLC 7525 166th Avenue, NE Redmond, WA 98052		Ethan Altaratz	Altaratz@hotmail.com
Seattle (Shoreline), WA*	10/2019	GSS Seattle ADA, LLC 2559 Hounds Chase Drive Troy, MI 48098	(248) 766-5595	Andy Chamberlain	Abchamberlain@earthlink.com
Vancouver, WA		A-Train Vancouver, LLC 1685 West Lincoln Birmingham, Michigan 48009	(630) 659-6595	Alex Tyler	Alex.Tyler@goldfishss.com
Wisconsin					
Bayshore/ Glendale, WI	03/22/22	KIC Glendale, LLC 3536 N. Shepard Avenue Sherwood, WI 53211	(650) 704-3944	Rose Casper	Rose.Casper@goldfishss.com
Brookfield, WI*	11/2017	KIC Group, LLC 12565 W. Feerick Brookfield, WI 53005	(650) 743-7768	Rosanna Casper	rosannapr@gmail.com
Oak Creek Wisconsin*	8/26/2025	KIC Group South, LLC 140 East Rawson Ave. Oak Creek, Wisconsin	(650) 743-7768	Rosanna Casper	Rose.Casper@goldfishss.com

* Area Developer or Area Developer Affiliate

FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS BUT NOT YET OPENED

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
California					
Corte Madera* (ADA without and Outlet Open)		Marin Swim School. LLC 5 Cedar Street San Anselmo, CA 94960	415-385-0885	Josh Ferenc	Josh.Ferenc@gmail.com
Chino Hills, CA* (ADA without an outlet open)	9/23	Shivshakti Corporation 3610 Calmbrook Lane Diamond Bar, California 91765	949-281-9191	Khyati Thakker	reachkhyati@gmail.com
~~Irvine~~Fullerton, CA* (ADA without an outlet open)	~~6/15/2019~~08/25	~~JP Swim School,~~DM SS LLC ~~24381 El Toro Road Laguna Woods~~7145 E. Crown Parkway Orange, CA 92867	~~(714) 263-5470~~ Rishi Dalal	~~Jesal Mehta~~ Rishi Dalal	~~Jesal.Mehta@goldfishss.com~~ rishi.dalal@gmail.com
Los Angeles, CA* (ADA without an outlet open)	06/25	GSS Los Angeles, LLC 725 Arizona Avenue, Suite 206 Santa Monica, CA 90401	212-659-3838	Jason Adler	Jason.Adler@goldfishss.com
Rocklin/ Sacramento, CA* (ADA without an outlet open)	08/25	Blue Wawa, Inc. 3188 Quail Ravine Court Rocklin, CA 95765	916-792-2599	Dipna DeSai	Dipna.k@gmail.com

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
San Diego, CA*	10/25	Happy Fins LLC 51 Monte Vista Laguna Hills, CA 92653	610-203-1337	Dhara Thakkar	dharathakkar5@gmail.com
~~Santa Ana, CA* (ADA without an outlet open)~~Temecula, CA	~~09/05/23~~12/25	Swimergy 4Temecula, LLC 5457 Gateway Drive Chino Hills, CA 91709	(909) 896-1151	Parag Mehta	Parag.S.Mehta@outlook.com
~~Colorado~~					
~~Fort Collins, CO~~Yorba Linda, CA*	~~8/15/21~~ 06/25	~~Fort Collins Swim School~~Swimergy 4 Yorba Linda, LLC ~~690 Crosswinds~~5457 Gateway Drive ~~McMurray, PA 15317~~Chino Hills, CA 91709	~~(714) 263-5470~~(909) 896-1151	~~Scott Payne~~ Parag Mehta	~~Scott.payne@goldfishss~~Parag.S.Mehta@outlook.com
Connecticut					
Avon, CT	08/24	Avon Swim School, LLC 4893 Knollwood Court Clarkston, MI 48348	(248) 672-9640	Tracey McCaghy	Tracey.McCaghy@goldfishss.com
Danbury, CT	10/25	Danbury Swim School, LLC 11442 W. Roxbury Place Littleton, CO 80127	(330)-814-1059	Dan Gilbride	Dan.Gilbride@goldfishss.com
Farmington, CT	05/12/25	Farmington Swim School, LLC 2725 Nakota Road Royal Oak, Michigan 48073	N/A	Tracey McCaghy	Tracey.McCaghy@goldfishss.com

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
Orange, CT	05/24	Orange Swim School, LLC 1442 W. Roxbury Place Littleton, Colorado 80127	N/A	Brian Gilbride	Brian.Gilbride@goldfishss.com
Delaware					
Wilmington, DE	04/11~~/~~/22	Swim School of Wilmington LLC 309 Lancaster Avenue Malvern, PA 19355	(914) 475-2040	Greg DeRise	Greg.DeRise@goldfihss.com
Florida					
Gainesville, Florida	08/24	Cranbrook Investment Partners CA, LLC 1316 Indian Mound West Bloomfield Hills, Michigan 48301	(248) 227-7263	Erik Stamell	Erikstamell@yahoo.com
Plantation, Florida	09/10/25	BHB Investment Holdings Plantation, LLC 8171 W. Sunrise Blvd Plantation, FLorida 33322	(586)-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Tampa, Florida	07/_/25	Carassius Swim Holdings Corp. 309 Lancaster Avenue Malvern, PA 19355	(914) 475-2040	Greg DeRise	Greg.DeRise@goldfishss.com
Georgia					
~~Dacula, GA~~	~~01/24~~	~~G3 Partners Hamilton Mill, LLC 117 Mount Vernon Dr. Wilmington, NC 28403~~	~~(904) 710-0875~~	~~CJ Thompaon~~	~~CJ.Thompson@goldfishss.com~~

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
Kennesaw. GA* (ADA without outlet open)	09/24	Shelata Swim Holdings Corp. 2216 Pine Street Bloomfield Hills, MI 48301	(248) 330-3907	Amy Shelata	Ashelata@comcast.net
~~Kansas~~					
~~Wichita, KS~~	~~02/20/23~~	~~ICT GSSF East, LLC 2 North Sandpiper Drive Wichita, KS 67230~~	~~(316) 300-6176~~	~~Jon Becker~~	~~Jon.Becker@goldfishss.com~~
Maryland					
Annapolis, MD* (ADA without open outlet)	08/_/23	Maryland Swim School 1, LLC 29 Hackberry Lane Glenview, Illinois 60625	(440) 382-0489	Gregory Gerba	ggerba@gmail.com
~~Mt. Airy/Olney MD* (ADA without open outlet)~~	~~07/01/2023~~	~~Silver Spring Swim School, MD 1800 Tech Road Silver Spring, MD~~	~~(412) 983-2272~~	~~Scott Payne~~	~~Scott.Payne@goldfishss.com~~
Massachusetts					
Marshfield, MA	02/24	South Shore Swim School, LLC 160 W. Waymouth Rockland, MA	586-907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
~~Michigan~~					
~~Brighton, MI~~	~~11/23~~	~~Brighton Swim School LLC 7499 Middlebelt Road West Bloomfield, Michigan 48322~~		~~Richard Simtob~~	~~Richard.Simtob@goldfishss.com~~
~~Minnesota~~					
~~Rochester, MN~~	~~04/24~~	~~Shamu LLC~~	~~507-358-~~	~~Murtaza~~	~~Murtaza.Musajee@goldfishss.com~~

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
		5185 Millie Road SW Rochester, MN 55902	7903	Musajee	
Nevada					
Las Vegas, NV	10/4/22	Robert Ryan 124 Broadway Avenue Wilmette, Illinois 60091	(773) 844-1683	Robert Ryan	Bob.Ryan@goldfishss.com
New Hampshire					
Bedford, NH	05/24	Bedford Swim School Corporation 4 Blackhorse Terrace Winchester Massachusetts 01890	(781) 929-2606	Tobey Kelly	Tobey.Kelly@goldfishss.com
New Jersey					
Bridge Township, NJ * (ADA without an outlet open)	08/25	Jersey Shore Swim Schools, LLC 20 Pine Crest Drive Oakland New Jersey 07436	(201) 693-8411	Miriam Rivela	MiriamRivela@gmail.com
WayneFlanders, NJ	02/2412/25	Wayne Swim School 1267 Muirwood Court Rochester, Michigan 48306Hatty 11 LLC 69 Lake Road Short Hills, NJ 07078	626-644-6568 (917) 838-8884	Rand BarbaJeff Posner	Rand.BarbaJeff.Posner@goldfishss.com
New York					
Commack, NY	12/12/23	BHB Investments Holdings	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
		~~Commack,LLC 40300 Fairway III Road Northville, Michigan 48167~~			
Manhattan, NY (74 Hudson Street)	10/10/23	BHB Investment Holdings 74 Hudson Street, LLC 40300 Fairway III Road Northville, Michigan 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Manhattan NY (1871 Broadway)	06/30/24	BHB Investment Holdings 1871 Broadway, LLC 40300 Fairway III Road Northville, Michigan 48167	(586) 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
Staten, Island NY	10/1/2022	BHB Investment Holdings Staten Island, LLC 40300 Fairway III Road Northville, MI 48167	(586)- 907-7771	Brian Bayer	Brian.Bayer@goldfishss.com
~~Yonkers, NY~~	~~07/01/2023~~	~~Whager Three LLC 92 Triangle Center Route 202 and Route 35 Yorktown Heights, NY 10598~~	~~(415) 710-1813~~	~~William Graves~~	~~Will.Graves@goldfishss.com~~
North Carolina					
Morrisville, NC	12/31/22	WCC Swim School, LLC 1951 Woodland Hall Drive Delaware, OH 43015	(614) 753-7000	Michel Meilleur	Michel. Meilleur@goldfishss.com
Oklahoma					

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
~~Moore, OK* (ADA without an outlet open)~~Broken Arrow, OK	~~10/8/21~~ 04/25/25	~~BHB Investment Holdings Edmond~~Broken Arrow Swim School, LLC ~~40300 Fairway III Road Northville, MI 48167~~1316 Indian Mound West Bloomfield Hills, Michigan 48301	(208) 731-7076	~~Brian Bayer~~Nate Kelsey	~~Brian.bayer~~Nate.Kelsey@goldfishss.com
Tulsa, OK* (ADA without an outlet open)	06/24	Indian Mound Consultants, LLC 1316 Indian Mound West Bloomfield Hills, Michigan 48301	(208) 731-7076	Nate Kelsey	Nate.Kelsey@goldfishss.com
~~Oregon~~					
~~Portland, OR* (ADA without an outlet open)~~	~~04/23~~	~~Alex Tyler 1685 W. Lincoln Street Birmingham, Michigan 48009~~	~~(630) 659-6595~~	~~Alex Tyler~~	~~Alex.Tyler@goldfishss.com~~
~~Portland-Sherwood OR* (ADA without an outlet open)~~	~~06/24~~	~~A-Train Sherwood LLC 1685 W. Lincoln Street Birmingham, Michigan 48009~~	~~(630)-659-6595~~	~~Alex Tyler~~	~~Alex.Tyler@goldfishss.com~~
Pennsylvania					
Allentown, PA	11/23	Alexandra Swim School LLC 3045-3057 Linden Street Bethlehem, PA 18017	(484)-239-4062	Joe Negrao	Joe.Negrao@goldfishss.com
~~Langhorne, PA~~	~~05/24~~	~~Langhorne Swim School LLC 1340 Puritan Avenue, Birmingham, MI 48009~~	~~(248) 470-0506~~	~~Greg Kevane~~	~~Greg.Kevane@goldfishss.com~~
~~South Carolina~~					

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
~~Charleston, SC* (ADA without an outlet open)~~	~~11/19/20~~	~~Fishbowl Development Group, LLC 435 W. Moreland Avenue Philadelphia, PA 19118~~	~~(415) 690-6465~~	~~William Baker~~	~~Bill.Baker@goldfishsss.com~~
~~Tennessee~~					
~~Nashville, TN* (ADA without an outlet open)~~	~~06/17/2022~~	~~Channel Catfish LLC 514 Sydenham Drive Franklin, Tennessee 37064~~		~~Ryan Dukes~~	~~Ryan.Dukes@goldfishsss.com~~
Texas					
~~Cypress, TX~~	~~10/31/23~~	~~GSSH 2, LLC 19411 Mexican Buckeye Court, Cypress Texas 77433~~	~~(832) 731-7214~~	~~Alex Mesa~~	~~Alex.Mesa@goldfishsss.com~~
Frisco, TX* (ADA without an outlet open)	03/4/24	NorthStar Group Holdings LLC 17213 Rush Pea Circle Austin, Texas 78738	(248) 247-0504	Elizabeth Bandstra	Liz.Bandstra@goldfishss.com
~~Houston, TX~~	~~04/30/22~~	~~Swim 4 Life Heights, LLC 4623 Pawlett Court Sugarland, TX 77479~~	~~(713) 775-4868~~	~~Sudhir Parihar~~	~~Sparihar@att.net~~
~~Spring, TX~~	~~03/1/22~~	~~GSSH 1 LLC 19411 Mexican Buckeye Court, Cypress, Texas 77433~~	~~(832) 731-7214~~	~~Alex mesa~~	~~Alex.Mesa@goldfishss.com~~
~~Virginia~~					
~~Virginia Beach, VA* (ADA~~	~~06/25/24~~	~~Driscoll Developments, LLC~~	~~(737) 839-9053~~	~~MaryAnn Driscoll~~	~~mach23456@yahoo.com~~

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
~~without an outlet open)~~		~~3609 Sandpiper Road Virginia Beach, VA 23456~~			
Washington					
Auburn, WA	03/03/23	H&H Swim School Puyallup, LLC P.O. Box 1581 Port Orchard, WA 98366	(661) 699-5184	Corrine Hastings	Corrine.Hasting@goldfishss.com
~~Mill Creek~~Lacey, WA	~~09/12/22~~05/_/25	~~Mill Creek SwimmingH&H~~ Swim School LLC ~~140 15th Avenue, Kirkland Washington 98033~~ Lacey LLC	~~(425) 625-4647~~ (616) 699-5184	~~JJ Dalton~~ Corrine Hastings	~~jj.dalton~~Corrine.Hastings@goldfishss.com
Marysville, WA (ADA without an outlet open)	08/05/25	Seattle ADA, LLC 2559 Hounds Chase Drive Troy, MI 48098	(248)-766-5590	Andy Chamberlain	andy.chamberlain@goldfishss.com
Spokane, WA* (Ada without outlet open)	05/28/25	Jasmin Patel and Jacob Nelson 1500 E. Katella Ave Suite 5 Orange, CA 92867	(206) 250-1662	Jacob Nelson	Jacob.Nelson@goldfishss.com
Wisconsin					
Green Bay, WI* (ADA without an outlet open)	08/24	Indian Mound Consulting, LLC 1316 Indian Mound West Bloomfield Hills, Michigan 48301	(248)-227-7263	Erik Stamell	ErikStamell@yahoo.com
~~Oak Creek, WI~~	~~09/24~~	~~KIC Group South, LLC 140 East Rawson Ave.~~	~~(630) 743-7768~~	~~Rose Casper~~	~~Rose.Casper@goldfishss.com~~

City, State	Date Signed	Franchisee And Address	Phone Number	Primary Contact	Email Address
		~~Oak Creek, Wisconsin~~			

* Area Developer or Area Developer Affiliate

FORMER FRANCHISEES

~~Colorado~~Arizona				
Ahwatukee, AZ*	New Age Aquatics, LLC 20422 W. Springfield Street, Buckeye, AZ 85396	(602)-819-9066	Kurt Watkins	watkinsk44@yahoo.com
North Scottsdale, AZ*	Super Swim School, LLC 37427 N. 97th Way, Scottsdale, AZ 85262	(480) 258-1876	Sherry Scott	Sherry.Scott@goldfishss.com
Colorado				
~~Stapleton~~Fort Collins, CO~~*~~***	~~Turner Investment Holdings~~Fort Collins Swim School, LLC ~~9119 E. 50th Avenue~~ ~~Denver, CO 80238~~ 690 Crosswinds Drive McMurray, PA 15317	~~(303) 971-7001~~(714) 263-5470	~~Patrick Turner~~Scott Payne	~~Patrick.Turner@goldfishss.com~~ Scott.Payne@goldfishss.com
~~Indiana~~Illinois				
Algonquin, IL**	Soggie Doggies, LLC 1316 Hall Street Sugar Grove, IL	(630) 538.9539	Carrie Chin	Carrie.chin@soggydoggies.com
Kansas				
Wichita, KS***	ICT GSSF East, LLC 2 North Sandpiper Drive Wichita, KS 67230	(316) 300-6176	Jon Becker	jon@urbanairwichita.com
Michigan				
Brighton, MI***	Brighton Swim School, LLC 5135 Times Square Drive, Ste B Okemos, MI 48864		Richard Simtob	Richard.Simtob@goldfishss.com
New Jersey				
~~Ft.~~ Wayne, ~~IN**~~NJ*	~~Fort~~ Wayne Swim School, LLC ~~10737 Kings Mill Drive~~ ~~Carmel, IN 46032~~1267 Muirwood Court Rochester, Michigan 48306	~~(512) 626-4191~~(248) 644-6568	~~Bryan Sigmon~~Rand Barba	Rand.Barba@goldfishss.com
Denville, NJ*	Parsippany Swim School, LLC 1267 Muirwood Court Rochester, Michigan 48306	(248) 644-6568	Rand Barba	Rand.Barba@goldfishss.com
Edison, NJ*	Edison Swim School, LLC 1267 Muirwood Court Rochester, Michigan 48306	(248) 644-6568	Rand Barba	Rand.Barba@goldfishss.com
Manalapan, NJ*	Marlboro Swim School, LLC 1267 Muirwood Court Rochester, Michigan 48306	(248) 644-6568	Rand Barba	Rand.Barba@goldfishss.com
Middletown, NJ*	Middletown Swim School, LLC 1267 Muirwood Court Rochester, Michigan 48306	(248) 644-6568	Rand Barba	Rand.Barba@goldfishss.com
New York				

Glendale, NY*	Glendale Swim School, LLC 1267 Muirwood Court Rochester, Michigan 48306	(248) 644-6568	Rand Barba	Rand.Barba@goldfishss.com
Ohio				
Fairview Park, OH*	Pura Vida Swim School, LLC 18285 Bent Tree Lane Chagrin Falls, OH 44023	(216) 308-0810	Michael Morris	Michael.moris@goldfishss.com
Warrensville, OH*	Northeast Ohio Swim School, LLC 18285 Bent Tree Lane Chagrin Falls, OH 44023	(216) 308-0810	Michael Morris	Michael.moris@goldfishss.com
Tennessee				
Nashville, TN***	Channel Catfish, LLC 514 Sydenham Drive Franklin, TN 37064		Ryan Dukes	Ryan.Dukes@goldfishss.com

*Franchisee transferred its franchise pursuant to an asset purchase agreement.

~~**Franchise Agreement was signed in July~~ ** Franchise Agreement was terminated by Franchisor on May 1, 2025. The assets owned by Franchisee were foreclosed upon by its lender and sold to A-Train Alqonquin, LLC. A-Train Algonquin, LLC was issued a Franchise Agreement by Franchisor and continued operations at the location under a Franchise Agreement with Franchisor.

***Franchise Agreement was signed and Franchisee had not leased or purchased property within the time period described in the Franchise Agreement and the Franchise Agreement was terminated pursuant to a mutual termination of franchise agreement.~~2023. In February 2024, Franchisee had not found real estate in the Territory and Franchisor and Franchisee agreed to a Mutual Termination of the Franchise Agreement.~~

Other than as listed in this table, there are no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the application date.

EXHIBIT H TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Goldfish Swim School Franchising LLC and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Swim School. In this Franchisee Disclosure Questionnaire, Goldfish Swim School Franchising LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received, and personally reviewed Goldfish Swim School Franchising LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?

Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes ___ No ___

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

3. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?

Yes ___ No ___

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

_____

_____

_____

_____

_____

_____

5. Have you discussed the benefits and risks of operating the Franchised Swim School with an attorney, accountant or other professional advisor and do you understand those risks?

Yes ___ No ___

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ___ No ___

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the Franchised Swim School that we or our franchisees operate?

Yes ___ No ___

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchised Swim School that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Swim School?

Yes ___ No ___

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

11. If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

_____
_____
_____
_____
_____
_____
_____
_____

12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes ___ No ___

13. Did you receive the Goldfish Swim School Franchising, LLC Franchise Disclosure Document at least 14 calendar days before this _____ day of _____ , 20___, the day on which this Franchise Agreement was executed.

Yes ___ No ___

14. Do you acknowledge that at the time you received the Goldfish Swim School Franchising, LLC Franchise Disclosure Document, it was complete in all material respects, including all exhibits and attachments referenced therein.

Yes ___ No ___

15. Do you acknowledge that you received a completed copy of the Goldfish Swim School Franchising, LLC Franchise Agreement to which this Questionnaire is attached at least 7 calendar days before this date, there being no blanks or spaces not completed therein, except for the date and signatures of the parties.

Yes ___ No ___

16. Do you acknowledge that you are an independent contractor and responsible for running your own Franchised Swim School business and that we do not have any authority to hire or fire your employees?

Yes ___ No ___

17. Do you expressly agree and will never contest otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Swim School does not directly or indirectly vest in us the power to hire, fire, or control any such employee?

Yes ___ No ___

18. Do you acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Swim School and that under no circumstance shall we do so or be deemed to do so.?

Yes ___ No ___

19. Do you further acknowledge and agree and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Brand Standards Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Swim School, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Swim School, but rather are to protect the Goldfish Swim School System and brand?

Yes ___ No ___

You understand that your answers are important to us and that we will rely on them.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law, if applicable.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

_____

Name of Franchisee/Applicant

Date:_____, 20___

_____

Signature

_____

Name and Title of Person Signing

GOLDFISH SWIM SCHOOL FRANCHISING LLC

MULTI-STATE ADDENDA

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FOR THE STATE OF CONNECTICUT

DISCLOSURES REQURED BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

1. ITEM 3 is amended to read as follows:

- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

- Neither the Franchisor nor any other person identified in ITEMS 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

- Neither Company nor any person identified in ITEM 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. ITEM 4 is amended to read as follows:

   - During the 10 year period immediately before the date of the Disclosure Document neither Company nor Affiliate, or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the officer or general partner of Company held this position in the debtor company.

FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:

    - This registration is not currently effective in any state.

    - This proposed registration is on file with or will shortly be on file with the States of California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

    - There are no states that have refused, by order or otherwise, to register these franchises.

    - There are no states that have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

    - The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 4.2, 16 and 18, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

    - Sections 4.2.9, 18.2.3 and 18.2.6 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise and Sections 5.2, 5.5 and 8.3 require franchisee to sign a general release as a condition to receiving a refund of a portion of the franchise fee following a termination of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

    - Section 16.2.1.14 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. The Receipt Pages are amended to add the following:

- THIS FRANCHISE 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 HEREIN 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

4. 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 in connection with the franchise.

FOR THE STATE OF ILLINOIS

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.

- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.

- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.

- Any provision in the Franchise Agreement requiring a general release is void if the provision requires a waiver of compliance with the Illinois Franchise Disclosure Act.

- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

ITEM 17 of the Disclosure Document is amended to add the following:

- 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.

- No statement, questionnaire or acknowledgement signed or agreed to by a franchisee is connection with the commencement of the franchise relationship shall

have the effect of: (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:

   - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. ITEMS 6 and 9 of the Disclosure Document is amended to add the following:

   - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. ITEM 17 of the Disclosure Document is amended to add the following:

   - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

   - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

   - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

   - ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

   - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MICHIGAN

1. 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.

- A prohibition of your right to join an association of Franchisees.

- A requirement that you assent to a release, assignment, novation, waiver or estoppel that 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.

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

- A provision that permits us to refuse to renew a 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 that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the Franchised Swim School are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement 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 6 months advance notice of our intent not to renew the franchise.

- 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.

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

- A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The 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:

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

- The fact that the proposed transferee is our or Subfranchisor's competitor.

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

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

- 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 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 and has failed to cure the breach in the manner provided in ITEM 17 (g).

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

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

3. Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Bureau
525 West Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, MI 48933
(517) 335-7567

FOR THE STATE OF MINNESOTA

1. ITEM 13 of the Disclosure Document is amended as follows:

   - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we 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 us, and so long as we are timely notified of the claim and 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.

2. ITEM 17 of the Disclosure Document is amended as follows:

   - With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.

   - ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

   - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the 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.

   - 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.

FOR THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.

- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.

- The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

- ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

- ITEM 17(i) is amended to state that the North Dakota Commissioner of Securities has determined that liquidated damages are unfair, unjust, and inequitable with in the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

- ITEM 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 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 the Rhode Island Franchise Investment Act.

- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 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 or Status
California	pending
Hawaii	pending
Illinois	pending
Indiana	pending
Maryland	pending
Michigan	October 18, 2024
Minnesota	pending
New York	pending
North Dakota	pending
Rhode Island	pending
South Dakota	
Virginia	pending
Washington	pending
Wisconsin	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 other seller-assisted marketing plans.

EXHIBIT J TO DISCLOSURE DOCUMENT

RECEIPT

Receipt

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 Goldfish Swim School Franchising, LLC offers you a franchise, Goldfish Swim School Franchising, LLC must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale unless otherwise stated in your state's addendum. Iowa, New York, and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with us or make any payment to us. Michigan and Oregon require us to give you this disclosure document at least 10 business days before signing a binding agreement or paying any consideration, whichever is first to occur.

If Goldfish Swim School Franchising, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

Chris McCuiston 2701 Industrial Row Drive Troy, Michigan 48084 (800) 856-5120	Andrew McCuiston 2701 Industrial Row Drive Troy, Michigan 48084 (800) 856-5120	Daniel M. Israel 2701 Industrial Row Drive Troy, Michigan 48084 (800) 856-5120

Patty Crowe
2701 Industrial Row Drive
Troy, Michigan 48084
(800) 856-5120

The issuance date of this Disclosure Document is March ~~14,~~ ___, 2026~~2025~~ or the effective date in your state, whichever is later.

I have received a Uniform Franchise Disclosure Document dated March ~~14,~~ ___, 2026~~2025~~ that included the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS
B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
C. FRANCHISE AGREEMENT
D. AREA DEVELOPMENT AGREEMENT
E. TABLE OF CONTENTS OF CONFIDENTIAL BRAND STANDARDS MANUAL
F. FINANCIAL STATEMENTS
G. LIST OF CURRENT AND TERMINATED FRANCHISEES
H. FRANCHISEE DISCLOSURE QUESTIONNAIRE
I. MULTI -STATE ADDENDA AND STATE EFFECTIVE DATES
J. RECEIPT

Please sign and print your name below, date and return one copy of this receipt to Goldfish Swim School Franchising LLC and keep the other for your records. This receipt may also be signed by signature exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and this receipt so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. This receipt transmitted by such electronic transmission service shall be considered original executed counterparts for all purposes.

_____
Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member or partner of)

_____
(Name of corporation, limited liability company or partnership)
a _____ corporation (State of incorporation)
a _____ limited liability company (State of organization)
a _____ partnership (State where partnership formed)

Return to:
Goldfish Swim School Franchising LLC
2701 Industrial Row Drive
Troy, Michigan 48084

-- Last Page --

Receipt

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2701 Industrial Row Drive
Troy, Michigan 48084
(800) 856-5120

Patty Crowe
2701 Industrial Row Drive
Troy, Michigan 48084
(800) 856-5120

The issuance date of this Disclosure Document is March ~~14,~~ 6, 2026~~2025~~ or the effective date in your state, whichever is later.

I have received a Uniform Franchise Disclosure Document dated March ~~14,~~ 6, 2026~~2025~~ that included the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS
B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
C. FRANCHISE AGREEMENT
D. AREA DEVELOPMENT AGREEMENT
E. TABLE OF CONTENTS OF CONFIDENTIAL BRAND STANDARDS MANUAL
F. FINANCIAL STATEMENTS
G. LIST OF CURRENT AND TERMINATED FRANCHISEES
H. FRANCHISEE DISCLOSURE QUESTIONNAIRE
I. MULTI -STATE ADDENDA AND STATE EFFECTIVE DATES
J. RECEIPT

Please sign and print your name below, date and return one copy of this receipt to Goldfish Swim School Franchising LLC and keep the other for your records. This receipt may also be signed by signature exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and this receipt so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. This receipt transmitted by such electronic transmission service shall be considered original executed counterparts for all purposes.

_____ _____

Date of Receipt Print Name

_____

Signature

(individually or as an officer, member or partner of)

_____

(Name of corporation, limited liability company or partnership)

a _____ corporation (State of incorporation)

a _____ limited liability company (State of organization)

a _____ partnership (State where partnership formed)

Retain for your records.

-- Last Page –