FRANCHISE DISCLOSURE DOCUMENT

BARK BUSTERS NORTH AMERICA, LLC
(a California Limited Liability Company)
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Bark Busters North America, LLC is offering franchises which enable franchisees to provide dog behavioral therapy, obedience training, dog bonding programs and other associated services as well as support services in the comfort of their customers' homes or remotely using video conferencing, to offer group obedience courses and puppy training at veterinary and pet store outlets and other approved areas, to sell certain pet care products, and to educate their customers regarding dog psychology, dog agility, scent discrimination, tracking and trick training, etc.

The total investment necessary to begin operation of a Bark Busters franchise is seventy-seven thousand nine hundred, $77,900.00, dollars to one hundred twelve thousand five hundred, $112,500.00, dollars including sixty-nine thousand, $69,000.00, dollars that must be paid to the franchisor.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least fourteen (14) days before you sign a binding agreement or make any payment in connection with the 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 our home office by email at office@barkbusters.com or by phone at (925) 263-9545.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or your public library for sources of information.

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

Issuance Date: March 30, 2024

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 C.
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 A 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 Bark Busters 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 Bark Busters franchisee?	Item 20 or Exhibit C 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 D.

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

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, 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.

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

To simplify the language in this Franchise Disclosure Document, hereafter "**Bark Busters North America, LLC,**" **"we**," "**our**," and "**us**" refers to Bark Busters North America, LLC, the U.S. Franchisor. Bark Busters North America, LLC does business as "**Bark Busters**" and as "**Bark Busters USA.**" "**You**" means the person, corporation, partnership or other business entity that buys the franchise, the Franchisee. If you are a business entity, "You" includes your owners.

Our Business

On January 28, 2013, Bark Busters North America, LLC, a California Limited Liability Company, was formed. Its principal business address is 318 Diablo Road, Suite 265, Danville, CA 94526. In June 2018, Carl and Heather Peterson, the owners of Bark Busters North America, LLC acquired the business from the prior owners, Danny and Sylvia Wilson.

Bark Busters North America, LLC has not engaged in any other line of business and does not offer franchises in any other line of business. We have offered franchises within the Bark Busters system since 2013. We do not presently operate the type of business which is being offered in this Franchise Disclosure Document.

Our Predecessor, Parent and Affiliates

We have no parent company, but we have one affiliate, Bark Busters International, LLC, ("BBI") a California limited liability company formed on February 28, 2023. Its principal business address is 318 Diablo Road, Suite 265, Danville, CA 94526. On December 1, 2023, BBI acquired the assets of our predecessor, Who Ya Gonna Call Bark Busters Pty. Ltd. (hereafter "**Australian Bark Busters**") which had owned the Bark Busters trademarks. As part of that acquisition, Australian Bark Busters assigned all the rights to the Bark Busters trademarks and certain other assets from the U.S. and also international intellectual property to BBI. BBI is now the master franchisor which licenses rights to the Bark Busters name and system to Australia, New Zealand, Canada, Japan, the United Kingdom, and the Republic of Ireland.

Agent for Service of Process

Please see attached **Exhibit H** for the Agent for Service of Process in your State.

The Business We Offer

Bark Busters North America, LLC licenses you to use the trademarks and copyrights ("**Proprietary Marks**") of and to operate a Bark Busters Business. A Bark Busters Business provides individualized, proprietary dog behavior, dog training specifically designed to address general obedience and other facets of dog obedience, training, dog bonding, scent discrimination, tracking, tricks training, and behavioral problems; and, it is structured to take place in the homes of residential customers or approved outlets, or by remote video conferencing technology; related group training, including a proprietary four week "puppy school" for training multiple dogs; ongoing customer support services and any and all adaptations and modifications to the Service including pet care (collectively the "**Bark Busters Services**"); and proprietary Bark

Busters Products (as defined in ITEM 8) designed to support customers in their ongoing training efforts, all through a uniform system ("**System**") consisting of high standards of service, use of quality 'high end' products, and in accordance with the Bark Busters business format . You will operate your Bark Busters Business. We do not offer you the right to subfranchise.

You or your principal owner must participate in the operation of the Bark Busters Business on a daily basis and you may not delegate these duties to any other employee (*See* ITEM 15). You will use a vehicle for transportation to and from the locations where the training will take place, which may be required to bear the company logo in accordance with the company specifications.

Regulations

There are no specific national or state standards or laws regulating this business.

Market Competition

The Bark Busters Business model presently focuses on serving residential customers who own dogs in urban, suburban, and rural areas. You may have to compete with other businesses including franchised operations, national chains, such as Petco and PetSmart and independently owned companies offering dog training and education services to residential and commercial customers, such as other dog training companies, dog obedience companies, grooming and pet companies, dog boarding kennels, kennel clubs, and some veterinary offices that provide canine training. The market for dog training services is competitive. These include industry developments, such as pricing policies of competitors, and supply and demand. Our ability to fulfill our obligations under our Franchise Agreement depends in part on our present and future financial condition.

ITEM 2. BUSINESS EXPERIENCE

Carl Peterson – Chief Executive Officer

Carl has served as the Chief Executive Officer of Bark Busters North America, LLC since June 2018. Prior to that, he served as an independent consultant providing strategy, operations and finance advice to branded consumer companies from July 2016 to June 2018. Prior to that, he served as the General Manager of the Breeder's Choice pet food business unit at Central Garden and Pet Company from November 2014 - July 2016. From 2013 through November 2014, he served as the Vice President of Strategy and Execution at Central Garden and Pet Company. Since February 2023, Carl has been an owner of Bark Busters International, LLC.

Heather Peterson – Chief Marketing Officer

Heather has served as Chief Marketing Officer of Bark Busters North America, LLC since June 2018. Heather served as a Senior Analyst in the Marketing department of Wilson Sonsini Goodrich & Rosati from October 2014 to February 2020. Since February 2023, Heather has been an owner of Bark Busters International, LLC.

Yvette Stanley – Business Manager

Yvette served as Bark Buster North America LLC's office manager and Assistant Secretary in San Diego, California since its formation in 2013 until June 2018. Yvette has served as our Business Manager since June 2018.

ITEM 3. LITIGATION

In 2005, the Dingo, Inc., was involved in the matter of Dingo, Inc. d.b.a. Bark Busters, administrative proceeding before the Securities Commissioner of Maryland, Case No. 2005-0687. Dingo, Inc. was a prior United States licensee, which was authorized by Australian Bark Busters to offer franchises in the United States. That license was terminated by Australian Bark Busters in 2012.

As a result of an investigation into the franchise related activities of Dingo, the Maryland Securities Commissioner ("Commissioner") concluded that grounds existed to allege that Dingo violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of franchises. In responding to inquiries from Maryland Securities Division in connection with Dingo's renewal application of its franchise registration, Dingo disclosed that it inadvertently sold a franchise in Maryland, and offered to sell another franchise in Maryland after its registration had expired in Maryland on July 23, 2005.

On December 9, 2005, the Commissioner and Dingo agreed to enter into a consent order whereby Dingo, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; register its franchise offering in Maryland; enroll a company officer and another employee in an approved franchise compliance training program; and offer rescission to the franchisee who was sold a franchise in Maryland while Dingo was not registered with the State.

Except for the foregoing, 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 a lump sum franchise fee of forty-nine thousand five hundred ($49,500.00) dollars ("**Initial Franchise Fee**") for a Standard Territory (*See* ITEM 12) that is due upon your signing of the Franchise Agreement. (*See* **Exhibit B**). You will be assigned a specific area represented by certain zip codes that include between 100,000 and 125,000 targeted dogs based on the report by Territory Solutions. There are certain exceptions for renewals. With our express written permission, which may be granted or denied in our sole discretion, you may be granted the right to expand your Territory by purchasing additional zip codes. We currently charge fifty cents ($0.50), which you must pay us, for each targeted dog estimated to reside in each additional zip code. The Initial Franchise Fee is non-refundable once paid, except as described below in this ITEM 5.

All Initial Franchise Fees for Standard Territories are uniform.

In addition to the Initial Franchise Fee, you must pay us a training and territory fee ("**Training and Territory Fee**") of nineteen thousand five hundred ($19,500.00) dollars. We reserve the right to increase or decrease the Training and Territory Fee proportionally if you purchase additional zip codes for your Territory. The Training and Territory Fee pays for reserving your Territory and your initial training (*See* ITEM 7 and ITEM 11). This Training and Territory Fee also includes a start-up kit of Bark Busters Supplies and Bark Busters Products (*See* ITEM 8) required to commence operation of your Bark Busters Business. You must pay this fee when you sign your Franchise Agreement and the fee is non-refundable, except as described below in this ITEM 5. If you are a partnership and your partner comes to a separate initial training class or you request that we train more than two people at the initial training class, we will charge an Additional Training Fee of five thousand ($5,000) dollars.

If you fail to complete the initial training to Bark Busters' satisfaction, and you request a partial refund of your Initial Franchise Fee and your Training and Territory Fee, you must return all of the Bark Busters Supplies and the Bark Busters Products and Bark Busters Policy and Procedures Manual provided to you by us before you can receive your refund and sign an assurance that you understand that you cannot use the Bark Busters System, or any modifications or adaptations of it.

You may receive a partial refund of fifty percent (50%) of the Initial Franchise Fee and the Training and Territory Fee if you do not complete the initial training to Bark Busters North America, LLC's reasonable satisfaction. There are no refunds under any other circumstances. At this time, we do not grant any special area development rights for multiple territories.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty†(1)	10% of Gross Revenues †(2).	Payable on the 1st and 16th of each month.	Late fees apply if not paid within 5 days of due date
Local Advertising Expense	3% of Gross Revenues†(2).	Payable monthly to your advertising suppliers as determined by you.	Used for promoting your business in your community including Internet directory advertising and geo-targeting in your Territory.
Local Advertising Cooperative (10)	Up to3% of Gross Revenues †(2).	Payable to the Cooperative	You and other franchisees may create or join Local Advertising Cooperatives. Joining a cooperative is optional, and any funds paid into a cooperative will count towards your Local Advertising Expense.
Big Dog Website†(3)	$36.00 per month.	Payable to us.	This is required for all franchisees that participate in

Type of Fee	Amount	Due Date	Remarks
			having a Big Dog Website.
Toll-Free Number Fee†	$120.00 per year.	Annually on the anniversary of the date you signed your Franchise Agreement.	We reserve the right to increase this fee at any time upon thirty (30) days' notice to you. This fee has never been issued since Bark Busters North America, LLC took over operations.
Technology Fee†	$380.00 to $500.00 per year.	Annually.	The price for our currently recommended system is $380.00 per year. We reserve the right to increase this fee at any time upon thirty (30) days' notice to you. We also have the right to approve a different technology system for your use.
Ongoing Inventory†(4, 5)	Varies based on your sales.	Upon delivery.	You will purchase from approved suppliers all supplies. Additionally, you will pay for all shipping costs related to the purchase of any Bark Busters supplies or products.
National Conference Fee†	Up to $1,250 per attendee. You must also pay the travel and accommodation expenses that you and employees incur in attending the National Conference. These costs may range from $500 to $3,500 per person.	Ninety (90) to One Hundred Twenty (120) days before Conference.	We reserve the right to increase this fee annually upon thirty (30) days' notice to you. Attendance at the National Conference is mandatory.

Type of Fee	Amount	Due Date	Remarks
Local or Regional Seminars, Meetings or Programs†	You must pay your expenses as well as the expenses your employees incur in attending these meetings. Costs may range from $500 to $2,500 plus an estimated $50 for materials.	As incurred.	We reserve the right to conduct periodic meetings of all Bark Busters franchisees that you are strongly encouraged to attend.
Additional Training Fee†(6)	$5,000.00 per trainee	Before commencement of training classes.	Payable only if partners come to separate training classes or you request that we train more than two (2) people at the initial training class you attend.
Successor Franchise Fee†	$1,000.00	Thirty (30) days before your Initial Term expires or you sign a Successor Franchise Agreement.	Payable as a requirement of extension of your rights to operate the Bark Busters Business after the expiration of the Initial Term.
Transfer / Sale Franchise Fee†(7)	15% of the Gross Sale Price or value of Transfer of Franchise not to exceed $20,000.00. A training fee of $5,000.00 per person is payable by the purchaser, when an established franchise is sold.	Before acceptance of buyer or Transferee.	Payable by you or your buyer when the Franchise Agreement or other interest in your Bark Busters Business is transferred by you, or a part of your Territory is transferred by you, except transfers to an entity controlled by you or to certain family members. The Transfer Fee includes covering any required training of the transferee.
Addition of Partner/ Shareholder/ Member to Franchisee†(7)	15% of 50% of Current Value of Business.	When you add an additional Partner/ Shareholder/ Member to Franchisee.	Payable upon addition of Partner/ Shareholder/ Member to Franchisee after approval of Franchisor.

Type of Fee	Amount	Due Date	Remarks
Legal Reimbursement Fee†(7)	$1,000.00	When you pay the Transfer Fee.	This fee covers the cost of legal fees and other costs incurred by us to document the transfer.
Additional Assistance†(8)	$0.00	N/A	No fee charged if we determine additional services are required by you.
Audit†(9)	Cost of audit plus 10% interest on understatement (or the maximum allowed by state law).	Within seven (7) days upon request.	Payable only if audit shows an understatement of at least 5% of Gross Revenue for any month.
Indemnification†	Will vary under circumstances.	As incurred.	You must reimburse us if we are held liable for claims arising from the operation of your Bark Busters Business.
Cost of Enforcement or Defense†	Will vary under circumstances.	Upon settlement or conclusion of claim or action.	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement and we prevail in our suit against you.
Liquidated Damages†	$50,000.00 for each idea, concept, product, process, or application we lose as a result of your violation of the Franchise Agreement.	As incurred.	Specifically, applicable to infringement and the use of intellectual property following termination of your franchise agreement.
Non-Compliance Damages†	$50,000.00 for breach of Franchise Agreement by Franchisee resulting in Termination.	As incurred.	

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

Notes

1. The obligation to pay Royalties begins upon completion of your initial training as soon as any Gross Revenues are generated. You must pay your Royalties on the 1st and 16th of each month. Certain grace periods may be granted and late fees applied in our sole and absolute discretion.
2. "**Gross Revenues**" means the aggregate gross amount including deposits received for Bark Busters Services in the future and of all revenues generated by the sale of Bark Busters Services and Bark Busters Products, excluding any sales tax collected by law. This includes any and all surcharges or ancillary costs that might be charged to reimburse any travel or other expenses incurred in servicing customers for any reason.
3. We have the right to require you to purchase a Big Dog Website (BDW) for which you will market yourself online for your designated area. The success of local personalized, optimized mini websites can add value to your online presence, thereby creating a greater chance of customers locating you in your local area through web searches. The cost of a BDW is currently thirty-six ($36.00) dollars per month and may vary in the future and depending on inflation and administrative costs.
4. We have established no caps or limitations on the amount or timing of these types of expenditures.
5. You will receive a small initial inventory of Bark Busters Products and Bark Busters Supplies as part of your Training Fee. You will need to purchase ongoing supplies of Bark Busters Products and Bark Busters Supplies from our designated or approved suppliers during the term of your Franchise Agreement. These Bark Busters Products and Bark Busters Supplies may include business cards, brochures, collars, harnesses, recall leashes, and other training aides. (*See* ITEM 8)
6. You may bring an additional person with you to the initial training class for a cost of five thousand ($5,000.00) dollars per person for training but these people must be owners in the business and detailed in the franchise agreement. If you want to bring more than two (2) people to the initial training session, where you and your partner or partners request to be trained in different training classes, you must pay us this Additional Training Fee for each person wishing to be trained. All training classes would be conducted at our convenience and during a scheduled training class. We reserve the right to waive some or this entire fee in our sole discretion for special circumstances.
7. We reserve the right to charge a Transfer Fee for all transfers or changes in ownership, such as to your child, parent, sibling or spouse. We also charge a Legal Reimbursement Fee of one thousand ($1,000.00) dollars to cover our costs of documenting the transfer. The Legal Reimbursement Fee must be paid to us even if you are transferring your interest to a corporation in which you are a majority stockholder; to your child, parent, sibling or spouse; or to another franchisee of ours. No Family Trusts will be permitted, and all transfers must be approved by us and approval in writing.
8. If you request additional services from us outside of the normal designated training upgrades as deemed necessary by Bark Busters North America, LLC and are delivered on an ongoing basis, or we determine that it is necessary to provide additional services to the franchise

System to keep it competitive. Such additional services may include training, marketing and telephone technique training. We did not charge our franchisees any Additional Service Fees during our last fiscal year.

9. The ten percent (10%) interest rate, or any other application rate per the State's Jurisdiction, accrues from the date of any underpayment.

10. You may, but are not obligated to, join with one or more other franchisees in your market area to form a local advertising cooperative. The local advertising cooperative, when formed, can also assume responsibility for Google Ads and Big Dog Websites, which the advertising cooperative operates. You may contribute up to three percent (3%) of your Gross Sales to a local advertising cooperative, and the amount you contribute will be credited toward your three percent (3%) Local Advertising Expense, including the contributions paid for digital marketing. The membership, rules and regulations of a local advertising cooperative, including how advertising fees are to be spent, will be determined by the cooperative's members, but must be approved in advance by us. The cooperatives must operate from written governing documents, and those documents will be available for review by you.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee (2), (11).	$49,500.00	$49,500.00	Lump sum.	At franchise signing.	Bark Busters NA, LLC.
Initial Training and Territory Fee (3).	$19,500.00	$19,500.00	Lump sum.	At franchise signing.	Bark Busters NA, LLC.
Additional Training Fee (3).	$0.00	$5,000.00	As incurred.	Prior to commencement of training.	Bark Busters NA, LLC.
Travel and Living Expenses for Training (4).	$2,000.00	$5,000.00	As incurred.	As incurred during training.	Hotels, airlines, restaurants, taxis, rental car agencies.
Tools and Equipment (5).	$500.00	$3,500.00	Varies by supplier.	Within 30 days of signing the Franchise Agreement.	Suppliers.
Start-up Advertising, Internet Promotions Package and Vehicle Advertising (5).	$1,500.00	$2,500.00	Lump Sum.	Prior to completing training.	Suppliers.

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Insurance (6).	$900.00	$2,000.00	Varies by insurer.	Before opening and yearly thereafter.	Insurance company.
Inventory and Supplies (7).	$1,000.00	$2,900.00	As ordered.	At time of order.	Bark Busters NA, LLC or Suppliers.
Vehicle (8).	$0	$18,000.00	Monthly fee or lump sum.	Varied terms.	Auto dealer.
Additional funds (3 months) (9).	$3,000.00	$4,600.00	As incurred.	Varied times.	Suppliers, vendors.
TOTAL (10)	**$77,900.00**	**$112,500.00**			

Notes:

(1) This is designed as a home-based business. Retail or commercial locations, or significant improvements to your home will not be required. The expenses listed in this ITEM 7 do not include acquisition or improvement of any real estate.

(2) See ITEM 5 for the conditions under which the Initial Franchise Fee is partly refundable. We do not offer refunds of any other expenses. Neither we nor any affiliate will finance either your Initial Franchise or Initial Training and Territory Fee, except as provided in Note 11 below. United States veterans who qualify will receive a ten percent (10%) discount in the Initial Franchise Fee and Training and Territory Fee. They must have served in a conflict zone during the conflict.

(3) See ITEM 5 for the conditions for receiving a refund of the Training and Territory Fee. We do not offer refunds of any other expenses. We do not finance the Training and Territory Fee. If you are a partnership and your partner comes to a separate initial training class or you request that we train more than two (2) people at the initial training class, we will charge an Additional Training Fee of five thousand ($5,000.00) dollars. See note (s) above regarding Veteran's discount.

(4) You must pay for accommodations, meals, wages, and other transportation costs for yourself and any additional person attending training. If you bring an additional person to training, you must also pay for their travel, meals, wages and accommodations as well. The amount you expend will vary but you should anticipate spending at least two weeks training remotely from your home office and one week in person training at our training facility.

(5) The equipment necessary for the operation of a franchise includes uniforms, mobile phone with internet access, text and voicemail capability, computer or tablet, printer, access to our proprietary Intranet, general business supplies, and other general office equipment. You may purchase or lease approved brands and models from approved or recommended suppliers if we have designated such suppliers in the Operating Manual.

The cost of the equipment will depend on financing terms available, brands purchased, and other factors.

We currently provide your first three months of Big Dog Website fees free of charge as you begin to implement your local marketing initiatives. You are required to discuss the areas demographics and provide local knowledge to our marketing department prior to completing training, so they can assist you with initial marketing and promotional information and discuss promotional activities planned. There are certain products you have to buy consisting of uniforms, promotional materials and related items and your office materials such as folders, brochures, etc.

There is another category of products that we provide without charge and is part of your start-up kit that consists of items directly related to the care and training of dogs. This category includes recall leashes, training aids, Bark Busters training collars and harnesses, and books (collectively, the "**Bark Busters Products**").

(6) Before you open your Bark Busters Business, you must obtain the insurance coverage specified below in Section 14 of the Franchise Agreement. Insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible carrier or carriers rated "A-" or better by A. M. Best & Company, Inc., be approved by us and also name Bark Busters North America, LLC as an additional insured. We reserve the right to modify, change, or increase your insurance requirements by updating such requirements in the Operating Manual. If you fail to maintain insurance as required or we elect to obtain insurance on your behalf, you must reimburse us for the cost of such insurance upon demand by us.

(7) You must purchase all Bark Busters Products and Bark Busters Supplies from our designated supplier. You will receive an initial start-up kit of Bark Busters Products and Bark Busters Supplies during the time you attend our initial training program. However, you may need to purchase additional Bark Busters Products or Bark Busters Supplies during your first three (3) months of operation. (*See* ITEM 8). The Bark Busters Products and Bark Busters Supplies included in your initial start-up kit is set out in ITEM 7, Note 6 and ITEM 8. If you are purchasing an existing Bark Busters Business, this expenditure is optional provided that you have purchased a sufficient supply of Bark Busters Products and Bark Busters Supplies from the previous Bark Busters Franchise owner. The franchisee is not allowed to purchase any outdated or outmoded equipment no longer being used by Bark Busters in their training. A Product / Supply list along with prices is available from R & L Supplies.

(8) A vehicle may be leased, depending on your credit and the auto dealer, with an approximate five-hundred ($500.00) dollar deposit and monthly payments negotiated with the auto dealer. If it is not leased, the approximate value to purchase a vehicle is estimated at seventeen thousand ($17,000.00) dollars. Alternatively, you may use your existing vehicle, provided that any vehicle used meets our specifications with respect to logos and signage advertising. We reserve the right to modify our vehicle signage requirements under certain circumstances in our sole discretion.

(9) The Additional Funds expenditure category estimates your start-up expenses for an initial three (3) month period (excluding any revenue generated from the operation of your Bark Busters Business). We may base these estimates of Additional Funds on surveys we made over many years with many new franchisees and with many suppliers

and vendors. These expenses include: (a) start-up operating cost, which was the largest item, (b) some additional travel, (c) hiring some staff or vendors, and (d) an assortment of miscellaneous items. These expenses do not include: (i) payroll costs since most franchisees do not hire employees during the initial period but there may be some cost so this has been included, (ii) your living expenses, (iii) the estimates of travel, transportation, and lodging for going to training, which is shown in a separate category above; and (iv) any revenue generated from the operation of your Bark Busters Business. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your business.

(10) The amounts listed will vary and may exceed our estimates based on the Territory you purchase. We relied on speaking with our current franchisees in the United States to compile these estimates. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on many factors, including creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

(11) At our sole discretion, we will finance up to a maximum of thirty-thousand dollars ($30,000) upon approved credit at an interest rate of Wall Street Journal's Prime Rate at time of signing plus 3% for a term of 36 months. You will be required to pay the balance of all amounts due to us ($19,500 of the initial franchise fee, $19,500 in initial training and territory fees, and additional training fees) and all other costs of starting up your business.

As an illustration, if the Wall Street Journal's Prime Rate at the time of signing is 8.50%, you will pay 11.50% interest amortized over a period of 36 months. If you finance $30,000, you would pay $989.28 monthly, starting the month after we loan you the money, for 36 months.

Additional information about this is listed in Item 10.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase all business cards, brochures, brochure stands, promotional materials, uniforms, car signage, training equipment, website, and other supplies (collectively, the "**Bark Busters Supplies**") designated by us periodically to operate the System. We will provide to you your initial products to sell which includes recall leashes, training aids, Bark Busters training collars and harnesses, and all books (collectively, the "**Bark Busters Products**") designated by us periodically as products which must be made available for sale from your Bark Busters Business. You will be provided with an initial inventory of Bark Busters Supplies and Bark Busters Products as part of your Training Fee (*See* Item 11, Assistance Before Opening, Paragraph 3), but thereafter must buy those items.

We estimate that all purchases and leases required by us will represent approximately seventy percent (70%) to eighty percent (80%) of your total expenses in establishing the franchise. We estimate that the purchase of Bark Busters Supplies and Bark Busters Products from our designated suppliers will represent approximately five to ten percent (5-10%) of your expenses in operating the franchise. We anticipate that some of your total revenue will be derived from the sale of Bark Busters Supplies and Bark Busters Products. In the fiscal year ended December 31, 2023, our total revenue from franchisee purchases or leases was $4,774.00,

which is 0.13% of our total annual revenue of $3,542,403. Further, our affiliate Bark Busters International received $3,593.00 from required purchases or leases, which is 0.10% of our total annual revenue.

Other than the Bark Busters Supplies and the Bark Busters Products described above, you are not presently required to lease or purchase from our designated suppliers, R and L Supplies, any other goods or services. We are not approved suppliers of any of the products you are required to lease or buy. We reserve the right to require you to purchase other goods or services, from designated suppliers in the future. No franchisor officer owns an interest in any supplier other than in our affiliate Bark Busters International.

To maintain quality and uniformity throughout the Bark Busters System, you must purchase the services, general office supplies, fixtures, equipment, computer hardware and software used to operate your Bark Busters Business that meet certain standards or specifications. The specifications and standards are issued to you, not directly to suppliers. The Operating Manual provides you with these standards or specifications and the names and addresses of approved or required vendors, who are not affiliated with or part of the Franchisors, from whom you may make purchases. You may only make such purchases from R and L Supplies. We have no formal methods of determining safety standards or specifications or for approving vendors.

We may allow alternative suppliers in the event an alternative supplier is able to meet the following standards as provided by us. Specifically, an alternative supplier must be able to provide goods in a timely specified period of time, they must have a strong reputation in the dog product community, they must produce non-toxic items, and they must be fully insured and bonded. Furthermore, they must agree to use our intellectual property (Proprietary Marks) on all toys to ensure proper branding for all franchisees in the system.

At this time, we do not have any alternate suppliers that a Franchisee may contact regarding Bark Busters products. Upon submission of an alternate supplier Bark Busters will notify franchisees within six (6) months of whether the alternate supplier has been approved to produce Bark Busters products. An alternate supplier maybe revoked for failure to comply with any of the requirements list above. At this time, there is no fee to secure approval to purchase from alternative suppliers.

Presently there are no purchasing or distribution cooperatives available

We may derive revenue from your purchases or leases of inventory and equipment from recommended suppliers or designated suppliers. We may receive rebates or volume discounts from your purchase of the Bark Busters Supplies and the Bark Busters Products. R and L Supplies pays us a commission of 5% of the purchases made by franchisees in the United States. We currently do not negotiate purchase arrangements with suppliers or vendors, but we may do so in the future. We currently privately label certain products, and we may add additional private label products in the future. These are products where third-parties apply our name, but do not sell to you. We do not provide material benefits (for example renewal or additional franchises) to you based on your use of designated or approved sources. You do not receive material benefits for using designated or approved suppliers, other than our quality control and the possibility of receiving volume discounts.

We recommend and may require in the future the use of computer systems, information and communication systems, customer relationship management systems (CRM's), or software programs which will allow you to track your lead sources and provide proper customer service. We currently require you to use a CRM software system and recommend that you use QuickBooks accounting software and a personal computer to keep track of your business records. We may make QuickBooks a required software in the future. You are not currently required to buy or use any certain electronic cash register or computer hardware though we may require this in the future. You are not required to use a call center to handle sales inquiries and customer support for your franchise though we may require this in the future. We may also require, in our sole and absolute discretion, any third parties you use for sales and marketing activities, such as call centers, and who have access to client or prospective client information, to agree to our confidentiality, non-disclosure, non-competition and service level agreements. These agreements, and their terms and conditions set by us, may become a requirement for these service providers to be allowed to provide their services to you.

Our Operations Manuals establish our insurance requirements. As of the date of this disclosure document, we currently require the following insurance with the following minimum coverage amounts. These amounts are subject to change in the future.

General Liability
- $1 million per occurrence
- $1 million personal and advertising injury
- $2 million aggregate
- $1 million products completed operations aggregate
- $100,000 damage to premises rented by you
- $5,000 medical expenses
-

Commercial Automobile Coverage or Personal Automobile with Business Usage
- $500,000 liability
- $500,000 uninsured motorist
- $5,000 medical expenses
- $500,000 hired and non-owned liability

We recommend, but do not require, professional liability insurance, personal property insurance for the property of the business, and an umbrella policy for liability in excess of the required amounts. All insurance policies for the business must name us and our designated affiliates and owners, officers and directors as additional insured parties.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Site Selection and Acquisition/Lease	Sections 4.1(a) & 20.1	ITEMS 6, 7, 11, 12
b.	Pre-Opening Purchases/Leases	Sections 5, 9, & 13.1	ITEMS 6, 7, 11, 12

	Obligation	Section in Franchise Agreement	Disclosure Document Item
c.	Site Development and Other Pre-Opening Requirements	Sections 1, 5, 13.1, 13.3 & Attachments A through E	ITEMS 6, 7, 11, 12
d.	Initial and Ongoing Training	Sections 7.3(c), (d), (e), & 8.2 (a), (b), (c)	ITEMS 6, 7, 11, 12
e.	Opening	Sections 7 & 8	ITEMS 5, 6, 7, 10, 11, 15
f.	Fees	Sections 3.7(b), 5, 6.4, 7.3(c) (g), 8.2(p), 11.3, 13.3, 14, 17.4, 17.6(b), (c), (d), 19.1(f), 19.4, 19.11 & Attachment E	ITEMS 5, 6, 7
g.	Compliance with Standards and Policies/Operating Manual	Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, 16 & Attachments B, D, & E	ITEMS 8, 11, 13, 14, 15, 16
h.	Trademarks and Proprietary Information	Sections 2, 8, 10, 11, 12, 13, 16 & Attachments D & E	ITEMS 13, 14, 17, 18
i.	Restrictions on Products/Services offered	Sections 2.1(c), 8.2, & 9	ITEMS 6, 8, 12, 16
j.	Warranty & Customer Service Requirements	Section 8.2 (o)	ITEM 11
k.	Territorial Developments & Sales Quota	Sections 2, 3.3(c), 4, 19.1(r), 19.1(s), & Attachment A	ITEMS 11, 12, 15
l.	Ongoing Products/ Service Purchases	Section 8 & Section 9	ITEMS 8, 16
m.	Maintenance, Appearance and Remodeling Requirements	Sections 8.2(i), (h), (j)	ITEM 11
n.	Insurance	Section 14	ITEMS 6, 7
o.	Advertising	Sections 8.2(f), (i), (l), 10.11, 10.12, 12.9 & 13	ITEMS 6, 11, 13
p.	Indemnification	Sections 14.2 and 15.1	ITEM 6
q.	Owner's Participation/Management/ Staffing	Sections 8.2 (a), (b), (c)	ITEM 15
r.	Records/Reports	Sections 5.4, 6, 13.4, 15.1, 17.4, 19.1(j), (k), 19.2 (f), (i)	ITEM 6
s.	Inspections/Audits	Sections 6, 8.4, 10.16, 17.6(g)	ITEM 6
t.	Transfer	Section 17 & Attachment D	ITEM 17
u.	Renewal	Section 3	ITEM 17
v.	Post-Termination Obligations	Sections 8.8, 10, 11, 12, 16, 19, & Attachments D through F	ITEM 17
w.	Non-Competition Covenants	Section 16 & Attachment E	ITEM 17
x.	Dispute Resolution	Sections 22.4, 23, & Attachment F	ITEM 17
aa.	Confidentiality	Sections 11, 12, 16 & Attachment E	ITEMS 8, 13, 14, 17
bb.	Comply with All Laws & Regulations	Sections 8.2(k), 10.11, 10.12, 10.13	ITEM 1

	Obligation	Section in Franchise Agreement	Disclosure Document Item
cc.	Attend Bark Busters North America, LLC Meetings	Sections 7.3(c), (d), (e), (g), 8.2 (b), (c)	ITEM 11
dd.	Assignment of Intellectual Property	Sections 10.5, 12.6, 12.8, 16 and Attachments D & F	ITEMS 13, 14
ee.	Owner/Shareholders Guaranty	Attachment B	ITEM 15

ITEM 10. FINANCING

At our sole and absolute discretion we may loan you up to thirty thousand ($30,000.00) dollars to be used as a down payment on your Initial Franchise Fee. The loan would provide for thirty-six (36) equal monthly payments of principal and interest at an interest rate of the Wall Street Journal's Prime Rate plus three percent (3%) per annum (this would be 11.50% as of April 2024), until paid in full. The loan may be pre-paid without any penalty. There will be a penalty of six percent (6%) of the payment past due if it is past due by five (5) days. The loan will be all due and payable if no payment is made within thirty (30) days after any payment is due, or for breach of any other provision.

We may require your spouse or the owners of the Franchisee, if it is an entity, to guarantee payment.

The obligation to repay the loan does not require you to waive any defenses or other legal rights or being barred from asserting any defenses. If you default on making any required payment and fail to cure your default within five days, we have the right to terminate your franchise and immediately seek repayment of the entire amount that is owed, plus any accrued interest, together with attorneys' fees and costs.

We do not receive any consideration from third-party lenders for any placement of financing by our Franchisees. It is not our practice or intent to sell, assign or transfer all or any part of the loan to any third party for any reason.

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

Except as listed below, Bark Busters North America, LLC is not required to provide you with any assistance.

Assistance Before Opening

Before you begin your business:

1. When you sign the Franchise Agreement, we will designate your protected Territory (*See* Section 4 of the Franchise Agreement).
2. When you sign the Franchise Agreement, we will Loan you one copy of **Bark Busters North America, LLC's confidential written or online materials**, including the Policy & Procedures Manual, Business Management Manual, as well as the Bark Busters Dog Safety Program Manual, and various other books, handouts and training materials (collectively, the "**Operating Manual**"). *See* Section 7.3(k) of the Franchise Agreement).

We do not have an ongoing obligation to provide you with Bark Busters Products and Bark Busters Supplies. The Operating Manual contains mandatory and suggested specifications, standards, operating procedures and rules, and required product and service warranties, as prescribed by us. We may modify the Operating Manual at any time in our sole discretion and even may only supply the manual and any updates online, but the modifications will not alter your status and rights under the Franchise Agreement. (*See* Section 11.1(b) of the Franchise Agreement). You may use the Bark Busters Dog Safety Program for your own personal use, but you may not teach or share the Bark Busters Dog Safety Program with any customer or third party not approved in writing by us. The Operations Manual contains 222 pages and the current **Table of Contents** as of our last fiscal year end is included with this Disclosure Document as **Exhibit I**.

3. After you sign your Franchise Agreement, we will provide you with the following supplies for your opening inventory: 1 – Puppy Book; 1 – Speaking Dog the Bark Busters Way; 300 - Brochures; 1 – Bag; 3 – Leash Narrow Band; 3 – Leash Wide Band; 3- Recall Leash; 20 – Water Bottle; 1 – Flip Chart Presentation; 50 – Client Handouts; Bark Busters Training Collars w/o Buckle: 2 – x-small, 2 - small, 3 - medium, 3 - Large, 3 - X-large; WaggWalkers: 2 - Small, 3 – Medium, 3 – X-medium, 3 – Large, 2 – X-large, 2 – 2X-large, 25 – Training Pillows
4. We will provide you with access to our Barknet International website or any successor to it, and the US forum of that site and access to all of the training resources on that site as well as a series of training materials, in hard copy or electronic form. You must come to the initial training course sufficiently prepared to start training, or we may send you home and require you to attend a later training course at your expense (See Section 8.2(b) of the Franchise Agreement).
5. Within three (3) months of signing the Franchise Agreement we will conduct initial training that begins prior to your opening and carries through after you open, consisting of a minimum one hundred twenty (120) hours and a maximum of two hundred (200) hours of comprehensive instruction regarding the Bark Busters System (See Section 7.3(d) of the Franchise Agreement).
6. We will not require you to lease a specific site for your business.

Ongoing Assistance

During the operation of the franchised business, we will:

1. Advise you regarding operating issues, new techniques or methods and provide you with ongoing information concerning developments in the System (*See* Section 7.3 of the Franchise Agreement).
2. At regular intervals or upon your request, consult with you to facilitate efficient and effective operation of your Bark Busters Business (See Section 7.3(f) of the Franchise Agreement).
3. At our discretion, hold periodic individual or group mentoring sessions to discuss operating problems and methods, and local advertising and marketing techniques. In addition, we may periodically send to you a copy of the then current newsletter or bulletin if we publish or produce newsletters or bulletins (See Section 7.3(1) of the Franchise Agreement).
4. At our discretion, we may hold up to one (1) National Conference ("**Conference**") every 12 to 24 months at a location of our choosing, which will cost up to one thousand two hundred fifty dollars ($1,250.00) per attendee plus your cost for travel, food and

accommodations. We will discuss such things as sales techniques, bookkeeping, new product developments, new training techniques, new service suggestions, accounting, inventory control, performance standards, advertising and promotional programs, and merchandising procedures, marketing strategies. You must pay the Conference Fee (*See* ITEM 6), and you must pay your travel and living expenses. Your attendance at these conferences is mandatory, even if you are in the process of selling your Bark Busters Business, and your failure to pay the Conference Fee or attend the Conference will be a default of your Franchise Agreement. If more than one (1) person owns the Bark Busters Business, at least one (1) owner must pay for and attend the Conference. Non-attendance by any franchisee will still generate an invoice and must pay the attendance fee, regardless of whether the franchisee attends the Conference (*See* Section 7.3(g) of the Franchise Agreement). Failure to pay the generated invoice will result in the franchisees non-compliance with the agreement.

5. We may also hold regional or local general conferences to expand on topics covered at the Conference or to cover other topics we deem important to the System. We may charge a reasonable conference fee, at our discretion, and you must pay all of your travel, food and living expenses. We may also hold periodic seminars, meetings and programs on a local or regional basis and your costs may range from five hundred ($500) dollars to two thousand five hundred ($2,500) dollars plus an estimated fifty ($50) dollars for materials. You are not required but are strongly encouraged to attend these conferences which are held at various locations chosen by us (*See* Section 7.3(g) of the Franchise Agreement).
6. We will provide advertising materials to you as we develop them periodically. We may use outside advertising and marketing agencies to create advertising material (*See* Section 13.6 of the Franchise Agreement).
7. After the first year you have been operating your Bark Busters Business, we may offer you one (1) or more supplemental training courses ("**Supplemental Training Courses**"). These courses are designed to upgrade your knowledge of dog training and customer sales techniques. You must pay all of the travel, food and living expenses of the attendees. The Supplemental Training Course may be held at our training facility in Denver, Colorado, Phoenix, Arizona, or at a location chosen by us (*See* Section 7.3(e) of the Franchise Agreement). We reserve the right to deliver the 'Supplement Training Course' via webinar.

Pricing

Although we may provide guidance to you regarding potential pricing in your geographic market, we do not establish minimum or maximum pricing or set your pricing.

Training

You must attend and successfully complete the initial training program to our satisfaction.

Training programs are typically conducted every three (3) months. The current agenda is as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Bite Prevention	5 hours plus test time.		Our training facility in Denver, CO, Phoenix, AZ or designated training location, remotely from your home office or other locations selected by us.
Policies and Procedures incorporating Dog Psychology, Pack law, Canine education and learning-lesson planning	100 hours.		Our training facility in Denver, CO, Phoenix, AZ, remotely from your home office, or other locations selected by us.
Dog Handling	32 (plus 4 hours of remote training).		Our training facility in Denver, CO, Phoenix, AZ, remotely from your home office, or other locations selected by us.
Sales, Marketing, Public Relations and Business training	32 (includes 14 hours of remote training).	10	Our training facility in Denver, CO, Phoenix, AZ, remotely from your home or office, or other locations selected by us.
Observation of Training Sessions and Handling Skills	Unspecified-depends on availability of actual lesson.	15	Our training facility in Denver, CO, Phoenix, AZ, remotely from your home office, or other locations selected by us.
Homework/Learning Checks (Modules)	20 (includes 15 hours of remote training).	15	Our training facility in Denver, CO, Phoenix, AZ, remotely from your home office, or other locations selected by us.
TOTAL TRAINING HOURS	189 (including 33 hours of remote training).	40	Our training facility in Denver, CO, Phoenix, AZ, or other designated training facility at our discretion.

You will commence training by working with a minimum of two weeks of remote training prior to coming to our training facility for at least one week of in person training, which will be held at our training facility in Denver, CO, Phoenix, AZ, or other locations selected by us. You may then complete your training by spending one (1) week in training at your home office under the guidance of our training team via internet, emails and webinars, discussing pre-opening operations in your Territory. Except as described in ITEM 6, we do not charge separately for the initial training, but you must pay for all of your meals, lodging, ground transportation, and for travel for yourself and all partners or personnel you bring to training. You may bring one (1) additional person to training with you, at the time you attend initial training, at no additional charge to you. If you want more than two (2) people trained at the initial training session, or you want to send someone to another training class, we reserve the right to give such approval and charge the Additional Training Fee for each additional trainee (*See* ITEM 6).

You will receive training from experienced franchisees who have operated a Bark Busters business for at least 10 years.

The primary instructional material we use during training includes the Policy & Procedures Manual and the Bark Busters Dog Safety Program Manual along with prerecorded webinars and videos, instructional books for pets, and the Business Management Manual.

After completion of the training session, training and marketing assistance may be conducted via email, Barknet International, Webinar, Forum advice, the Help Desk and telephone, video conferencing assistance and on-site assistance if required, at our discretion. Assistance with respect to pre- opening and opening activities will be conducted as appropriate and as determined in our reasonable business judgment.

Any supplemental training may be requested by you or we may require you to go through supplemental training to ensure compliance in the Bark Busters' system. We will charge fees for any additional training.

Advertising Programs

We will maintain an advertising program to promote the Proprietary Marks during the term of your Franchise Agreement (*See* Section 13 of the Franchise Agreement). Advertising may be accomplished through a national campaign via a combination of printed material, internet-based material, or other ways determined in our sole and absolute discretion.

The media in which advertising may be disseminated will be concentrated on the internet and print media. Advertising may be produced by either our in-house personnel or an outside advertising agency.

At the present time, local advertising placement is done on a local basis, typically by local advertising agencies hired by you or advertising cooperatives. You may, but are not obligated to, join with one or more other franchisees in your market area to form a local advertising cooperative. The local advertising cooperative, when formed, can also assume responsibility for Google Ads and Big Dog Websites, which the advertising cooperative operates.

Presently we do not have a national or similar advertising fund that requires a contribution by you. Whether we establish such a fund or not, we are not obligated to spend any of our money on advertising in your area or Territory.

Presently we do not have in operation an Advertising Council. Additionally, we do not require you to participate in an advertising fund.

Fees related to advertising must be collected by any such cooperative. You must spend an amount equal to not less than three percent (3%) of your Gross Sales of Bark Busters Services from the preceding month as your Local Advertising Expense. You may contribute up to three percent (3%) of your Gross Sales to a local advertising cooperative, and the amount you contribute will be credited toward your three percent (3%) Local Advertising Expense, including the contributions paid for digital marketing. The membership, rules and regulations of a local advertising cooperative, including how advertising fees are to be spent, will be determined by the cooperative's members, but must be approved in advance by us. The cooperatives must operate from written governing documents, and those documents will be available for review by you. A local advertising cooperative must provide regular financial reports to us, and those reports will be available for review by members upon written request. We reserve the right to require local advertising cooperatives to be changed, dissolved, or merged. We reserve for ourselves the exclusive right to market Bark Busters Products and any other products or services utilizing the Proprietary Marks or other marks over the Internet.

You may use your own advertising materials with our prior approval under the condition that any materials used must include the use of the Proprietary Marks listed in Item 13, it includes the phone number 1 (877) 500-BARK (2275), and you provide your Bark Busters provided email information.

The Franchisor is not required to spend any of the advertising contributions in the franchisee's area or Territory.

Schedule for Opening

Typically, you will open your business one (1) to four (4) months after you sign the Franchise Agreement. The primary factor that affects this time frame is the the scheduling and availability of trainers for our initial training program. Training must be completed within four (4) months of signing your Franchise Agreement.

Software and Computer Equipment

Bark Busters requires that franchisees have a computer and mobile device to process receipts through an online-based system that include the use of a Bark Busters-based e-mail account and a CRM software system. We require you to use this CRM system and may require the use of additional software in the future, though none are currently required.

We require one (1) or more software programs which will allow you to manage the accounting and financial aspects of your Bark Busters Business. We also reserve the right to mandate online reporting to us in a format and time frame specified by us in our discretion. You are not currently required to buy or use any certain electronic cash register or computer hardware. We reserve the right to reasonably specify required computer systems, information

and/or communication systems, including Internet access, access to our proprietary intranet, and to require or limit your use of such systems and the Internet for marketing purposes. You are solely responsible for protecting your computer equipment from viruses, computer hackers, and other computer-related problems, and you may not sue us for any damages caused by viruses, hackers, or other computer-related problems.

We will not have independent access to your computer system. We may access your Bark Busters-based e-mail account and your CRM account upon reasonably based suspicion that you maybe under reporting your bi-weekly royalty payments or in case of emergency situation when you cannot service your clients. We will also have access to the electronic receipts you write with clients when using our CRM software tracking system.

We estimate the cost of purchasing the computer system will range from one thousand ($1,000.00) to two thousand ($2,000.00) dollars. In addition, you will need to pay a Technology Fee, which currently ranges between three hundred eighty ($380.00) and five hundred ($500.00) dollars per year. We have no contractual obligation to provide you with support services, maintenance, repairs, upgrades or updates. Your only obligation to upgrade or update any computer hardware or software system is to ensure you have a system that is capable of running the current software. We do not anticipate any costs you will incur and we are not aware of any upcoming upgrades or updates that will cost money or require you to modify any part of your system.

Operating Manual

You have the right to view the Bark Busters Operating Manual in our headquarters' office before you purchase the franchise, provided you agree in writing to keep its contents confidential. The Operating Manual is 222 pages long and a copy of its Table of Contents is attached as Exhibit I to this Disclosure Document.

ITEM 12. TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You will receive a protected territory ("**Territory**") in which to offer dog training, obedience, and therapy services and associated services, and to sell Bark Busters Products directly to your dog training clients and veterinarians. The boundaries of a standard territory ("**Standard Territory**") will be delineated by ZIP codes and based on a population of approximately 100,000 to 125,000 targeted dogs. Exceptions exist for existing franchisees that wish to renew their franchise or where a buyer of an existing franchise wishes to renew. Because all of these existing territories contain varied size and number of targeted dogs, we are not able to offer them the same size and number of dogs as in a Standard Territory. Bark Busters uses information from Territory Solutions to examine the number of households that own dogs and projections for the average number of dogs owned per household as provided by the AVMA (American Veterinary Medical Association). In our sole and absolute discretion we may allow you to purchase additional zip codes by paying an additional fee when available. (*See* ITEM 5). The size of the Territory depends on population density. Once the boundaries of the Territory have been established, they will not be adjusted without our written consent, regardless of whether the dog population in the Territory increases or decreases over time.

You are not required to reside in or have your office within the Territory. Under the Franchise Agreement, you may not operate your franchise or solicit customers outside of your Territory without Bark Busters North America, LLC's prior written approval. In addition, you must refer all requests or referrals for service from outside your Territory to Bark Busters North America, LLC or the franchisee responsible for the area from which the request came.

We will approve the relocation of a franchise if there is a natural disaster that affects your Territory and there is an area available with a sufficient dog market to support your relocated business.

The Franchise Agreement (**Exhibit B**) provides you a five (5) year term to operate your Bark Busters' business in your designated territory along with an option for an additional five (5) years.

If your franchise expires without an extension of your rights to operate your Bark Busters' Business, or your agreement is terminated for any reason, or you received any notice of breach or default that allows us the right to terminate your agreement following the expiration of the notice and cure period, we have sixty (60) days to provide you our Notice of Intent (our first right of refusal) to purchase your territory.

If you receive an offer to purchase your business, we have fifteen (15) days to provide you our Notice of Intent (our first right of refusal) to purchase your Territory. You will then have fourteen (14) days following receipt of our Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through an appraisal. If we decline to purchase your Territory following an offer to purchase, you may not sell your Territory for a lower price nor on more favorable terms than set forth in the offer to purchase.

We will not operate locations or grant franchises for a Bark Busters Business within your Territory unless you do not satisfy our minimum sales quota ("**Sales Quota**") based on the number of Qualifying Lessons conducted on an annual basis during each twelve (12) month period of operation. A "**Lesson**" is defined as a training session (1) actually conducted at a new household or (2) with an untrained dog residing in an existing customer's home or (3) with a new client, regardless of the number of dogs trained during such Lesson. In addition, to satisfy your Sales Quota obligation, at least eighty percent (80%) of such Lessons must be "**Gold Level**" lesson packages in accordance with the prescribed method and no more than twenty percent (20%) of such lessons may be "**Silver Level**" lesson packages and no more than ten percent (10%) of such lessons may be "**Bronze Leve**l" lesson packages (as such lesson packages are defined in the Operations Manual). The combination of Gold Level, Silver Level, and Bronze Level Lessons are referred to as your "**Qualifying Lessons**" for purposes of satisfying your Sales Quota obligation. Your Sales Quotas must meet one of the requirements below:

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Annual Qualifying Lessons	100	110	120	135	150
Gross Annual Revenue	$50,000.00	$75,000.00	$90,000.00	$90,000.00	$90,000.00

If you are seeking to extend your current franchise rights by signing a Successor Franchise Agreement, your Sales Quota will be as follows:

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Annual Qualifying Lessons	150	150	150	150	150
Gross Annual Revenue	$90,000.00	$90,000.00	$90,000.00	$90,000.00	$90,000.00

The Sales Quotas shown above are intended to help establish an amount that we believe is the minimal necessary to operate the franchise. Various factors went into the development of these amounts, such as past history of operations, our royalty goals and so forth. They are not financial representations or projections as to how you will perform or the amount you need to sell to be successful. You should not count on these amounts to determine any sales or profits you expect to make owning and operating the business. If you fail to meet your Sales Quota, we may reduce your Territory, eliminate your Territory, terminate your franchise upon thirty (30) days written notice or not renew your franchise in our sole discretion. We will not alter your Territory except as set forth in this ITEM 12. Bark Busters North America, LLC will not operate or grant any other Bark Busters franchisee a franchise for a similar or competitive business within your Territory during the Initial Term of the Franchise Agreement. There are no other restrictions on us regarding granting franchised outlets for similar or competitive business within a defined territory.

You may be granted, in our sole discretion, express permission to sell or service customers in an unsold territory adjacent to your Territory ("**Extended Service Area**"). However, if this Extended Service Area is granted to another franchisee or us, you must, upon receipt of written notice from us, cease all sales and service efforts within the Extended Service Area, and return to us, within ten (10) days of the notice, all customer and prospect information related to the Extended Service Area. We do not grant you a right to acquire an Extended Service Area. In the event of a zip code change that affects adjacent franchise territories, we will make the final decision with respect to boundaries for your Territory.

We or our affiliates may develop and establish other franchise systems for similar, or different products, or services utilizing other proprietary marks as part of the Bark Busters System, and we may grant licenses for these other franchise systems without providing you any right in them. We or our affiliates may use the Bark Busters trademarks and books on dog behavior to promote or advertise in your Territory.

We will not solicit or accept orders inside your Territory for dog or puppy behavioral training or home dog or puppy training unless you choose not to accept leads through our phone system or website for certain zip codes listed in your Territory. If you choose to opt-out of receiving leads for one or more zip codes within your Territory, we have the right to route the leads from those zip codes to ourselves or to other franchisees for either remote or in-person training services. If you subsequently opt-in to receive leads for those zip codes again, we will stop rerouting leads, but any customers who established a training relationship with us or with another franchisee as a result of the rerouting of leads will continue to be served by us or another franchisee, and you will not be compensated. If you choose to opt out of receiving leads for any

zip codes within your Territory for 90 days or more we reserve the right, in our sole and absolute discretion, to allow other franchise owners to provide services in your Territory. We also reserve the right to permanently remove from your Territory the zip codes where you have chosen to opt out.

We and our affiliates do reserve the right to use other channels of distribution including, but not limited to the internet or use our proprietary marks within your Territory to solicit product orders to pet shops, retailers, and veterinary clinics and the general public. We will not open, operate, sell, manage and/or franchise Bark Busters Businesses inside the Territory (*See* Section 4.2 of the Franchise Agreement). However, we do reserve the right to sell Bark Busters books, toys and dog training equipment, dog tags and promote the Bark Busters Business using Bark Busters Trademarks through lectures regarding dog behavior, obedience, therapy and education and to offer Bark Busters Dog Safety Program training courses in your Territory without securing your approval or compensating you in any way.

We may implement multi-area marketing programs, which may allow us or others to solicit or sell to customers everywhere. We may issue mandatory policies to coordinate such multi-area marketing programs. We reserve for ourselves the exclusive right to market Bark Busters Products and any other products or services utilizing the Proprietary Marks or other marks over the Internet.

We may acquire, merge with, or be acquired by any other business, including a business that competes directly with your Bark Busters Business, or acquire and convert to the System operated by us, any dog training businesses, including a dog training business operated by competitors located inside or outside of the Territory, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned.

You are not allowed to solicit or accept orders from consumers outside your Territory. You may not use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing to solicit or accept customers or make sales outside of your Territory. You do not receive the right to acquire additional franchises within your area. You will maintain rights to your Territory even though the population of dogs in the Territory may increase or decrease. You will not be entitled to any additional zip codes if the population of dogs or people decreases in your Territory unless we decide, in our sole and absolute discretion, to offer them to you and you pay the fee required to purchase the additional zip codes (*See* ITEM 5).

We reserve the right, in our sole discretion, to offer smaller territories under certain circumstances or to allow you to purchase an existing small Territory from us and combine it with part of a Territory you purchase from an existing Franchisee. We also reserve the right, in our sole discretion, to establish different Initial Franchise Fees and Sales Quotas for these small market and hybrid Territories.

If we receive a request from a potential customer in your Territory or a nearby territory not being served by another franchisee by e-mail or through our toll-free number, we may direct the solicitation to you. We do not charge a finder's fee for this service.

Neither we nor our affiliates operate or plan to operate or franchise businesses under a different trademark that will provide in-home dog training services or sell goods that are the same as or similar to those the franchisee will sell.

ITEM 13. TRADEMARKS

We grant you the right to operate a business under the Proprietary Marks and other trademarks we may authorize you to use in our sole discretion. Bark Busters International has granted to us the exclusive License to use the Proprietary Marks in the United States.

The License is for ten (10) years, commencing June 2018, but is renewable provided we are not in default and do not materially breach the License Agreement. If the License Agreement is terminated, Bark Busters International has step-in rights to permit it or its nominee to continue to allow you to operate your Franchised Business. Bark Busters International will not otherwise be a party to any Franchise Agreement you sign with us.

Bark Busters International has registered certain principal Marks with the United States Patent and Trademark Office ("**USPTO**"):

Mark	Registered Area	Affidavit(s) Filed	Application/ Registration Number and Date	Status/Register
BARK BUSTERS HOME DOG TRAINING ®	U.S. Federal	Yes	2,697,329 March 18, 2003	Registered, Renewed: September 22, 2013; Principal Register
	U.S. Federal	N/A	5,207,055 May 23, 2017	Registered; Principal Register
BARK BUSTERS	U.S. Federal	N/A	7,232,489 December 5, 2023	Registered; Principal Register

All required affidavits to maintain these marks have been filed.

You must follow our rules when you use any of the Proprietary Marks. You may not use any of our Proprietary Marks or similar words or symbols as part of a legal or entity name or as part of an Internet URL or domain name or one (1) or more e-mail addresses outside of our barkbusters.com approved addresses or in connection with Internet marketing. You may not use any Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. Guidelines regarding proper trademark use and notices are set forth in the Operating Manual and will be updated periodically at our discretion.

No currently effective litigation affects our use or ownership rights in the Proprietary Marks. There are no currently effective material determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or court pending infringement, opposition or cancellation, or pending material litigation involving the principal trademarks.

No currently effective agreements limit our right to use or license the use of our Proprietary Marks, except that we may not grant a license which would violate the terms of the Master License between us and Bark Busters International or any existing license agreements between us and our franchisees.

You must notify us within three (3) days after you learn about an infringement of or challenge to your use of a trade name, trademark, service mark or logo that you perceive to be identical or confusingly similar to one of our Proprietary Marks or if someone challenges your use of our Proprietary Marks. We will take the action we deem necessary, in our sole and absolute discretion, to protect the unauthorized use of our Proprietary Marks.

We will indemnify you, hold you harmless, and reimburse you for your liability and reasonable costs in connection with defending your legal and authorized use of our Proprietary Marks. To receive reimbursement, you must have notified us within three (3) days of when you learned about the infringement or challenge and have used the Proprietary Marks only in accordance with the Franchise Agreement and the Operating Manual.

You must modify or discontinue the use of a Proprietary Mark if we instruct you to do so. If this happens, we will not be liable for any costs, expenses or damages you incur as a result of our decision to add, modify or discontinue use of a Proprietary Mark. You must not directly or indirectly contest our right to our Proprietary Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our trade names, trademarks, service marks or logos.

You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Proprietary Marks with superior rights to our rights. Before starting business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your business name.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information contained in the Operating Manual is proprietary and is protected by Trade Secret law and Copyright law. The designs contained in the Proprietary Marks and the layout of our advertising materials is also protected by copyright. Although we have not filed an application for copyright registration for the Operating Manual, the Proprietary Marks, or the advertising materials, we claim common law and federal copyrights in these items. In some cases, the copyrights are owned by Bark Busters International or others and licensed to us. We grant you the right to use this proprietary and copyrighted information ("**Copyright Works**") in connection with your operation of your Bark Busters Franchise.

You must notify us within three (3) days after you learn about another's use of language or a visual image that you perceive to be identical or substantially similar to one of our Copyright Works or if someone challenges your use of our Copyright Works. We will take whatever action we deem appropriate, in our sole discretion, to protect our rights in and to the Copyright Works.

We will indemnify and reimburse you for your liability and reasonable costs in connection with defending your use of our Copyright Works. To receive reimbursement, you must have notified us within three (3) days from the day on which you learned about the identical or substantially similar language or visual image and you must have used the Copyright Works only in accordance with the terms of the Franchise Agreement.

You must add, modify, or discontinue the use of a Copyright Work if we instruct you to do so. You must not directly or indirectly contest our rights to our Copyright Works, Trade Secrets, or business techniques that are part of our business. We do not know of any infringing uses that could materially affect your use of our Copyright Works.

The Operating Manual is our property and you may not duplicate, copy, disclose or disseminate the contents at any time, in written or electronic form, without our prior written consent. We may modify or supplement the Operating Manual or other segments of the System upon notice to you. You must keep the Operating Manual current at all times, and upon the termination or non-renewal of your Bark Busters Franchise, return the Operating Manual to us.

We claim proprietary rights to all confidential information, including proprietary dog training and dog behavior techniques, contained in the Operating Manual, Barknet and any other information provided to you by our training team. Certain information in the Operating Manual also constitutes Trade Secrets and is identified as such.

You may only divulge confidential information to your employees or financial advisors as necessary. All employees to whom you show any of the information (or have access to any information) must be informed of this obligation of confidence and sign the Confidentiality Agreement agreeing to the non-disclosure and agreeing to notify of unauthorized disclosures. If you are a corporation, limited liability company, or limited partnership, we will require your owners to sign a similar written agreement. All information which we designate as confidential shall be deemed confidential except information which you can demonstrate was a part of the public domain, through publication or communication by others.

No Patents are material to the franchise at this time.

We own all records with respect to the customers, suppliers, and other service providers of, and/or related in any way to, your Bark Busters Franchise including all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, e-mail addresses, URL's customer purchase records, etc., and may use, assign or transfer these records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise (*See* Section 6.8 of the Franchise Agreement). We may contact and audit any and/or all of your customers, suppliers and other service providers for quality control, market research and such other purposes as we deem appropriate, in our sole discretion (*See* Section 8.4 of the Franchise Agreement).

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

If you are an individual, you must directly supervise and participate full-time in the actual operation of the Bark Busters Business, and devote at least five (5) days per week on average throughout the year, minus vacation time, to the operation of the Bark Busters Business. Vacation time may be taken at your reasonable discretion as long as business operations and Customer Service Standards are maintained as outlined in the Operating Manual. If you are a business entity, the direct, on-site supervision must be done by a person who owns at least a fifty percent (50%) beneficial interest in the business entity. You may hire an employee or third party business, contractor, or consultant to handle only the sales, marketing and administrative functions for your Bark Busters Business. This employee does not have to attend training in order to handle the sales, marketing and administrative functions for your Bark Busters Business. Any manager that will be providing training to clients must be approved by us and must successfully complete our initial training program. However, we may require you to place restrictions on any business or individual used for sales, marketing, or administrative support which may include signing a non-disclosure, confidentiality agreement, and non-competition agreement with you. Any non-competition agreement must comply with the laws of your state.

Each individual who owns, directly or indirectly, a five percent (5%) or greater interest in your Bark Busters Business must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to be responsible for all of your obligations and comply with all restrictions under the Franchise Agreement (*See* **Attachment B** to the Franchise Agreement).

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only the Bark Busters Products and the Bark Busters Services that we have approved (*See* ITEMS 1, 8 & 9).

You must offer all goods and services that we designate as required for all franchisees within your market area. We may change the goods and services that you must offer in your area, with prior notice to you. There are no limits on our right to make these changes.

You must purchase Bark Busters Supplies and Bark Busters Products from us or our designated supplier (*See* ITEM 8).

You must refer all requests or referrals for service from outside your Territory to Bark Busters North America, LLC or the franchisee responsible for the area from which the request came (*See* ITEM 12).

We have the right to make changes to Bark Busters goods and services through our policy and procedures manual. We will give you at least thirty (30) days' notice before implementation of any policy or procedural change.

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 agreements attached to this

Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of Franchise Term	Section 3	Five (5) years
b.	Renewal or Section 3 Extension of the Term	Section 3	Your successor franchise right permits you to remain as a franchise after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the pre-conditions to obtaining a Successor Franchise, we will offer you the right to obtain an additional term of five (5) years.
c.	Requirements for Section 3 Franchisee to Renew or Extend	Section 3	Written notice and sign our then-current Franchise Agreement ("**Successor Franchise Agreement**"), be current in payments, sign release, pay Successor Franchise Fee. You must sign our Successor Franchise Agreement for the Successor Term, and this new Franchise Agreement may have materially different terms and conditions (including, e.g. higher royalty and advertising contributions) from the Franchise Agreement that covered your original term.
d.	Termination by You	Section 3.9	Franchisee may not terminate, except if we fail to perform any of our obligations and do not cure that failure.
e.	Termination by Bark Busters North America LLC, without Cause	Section 19	Can terminate upon certain violations of Franchise Agreement by you. We cannot terminate your franchise without good cause. We may be required to purchase your business assets.

	Provision	Section in Franchise Agreement	Summary
f.	Termination by Bark Busters North America LLC, with Cause	Sections 19.1, 19.2, and 4.1	Can Terminate upon certain violations of the Franchise Agreement by you.
g.	"Cause" Defined - Curable Defaults	Section 19.2	You have thirty (30) days to cure.
h.	"Cause" Defined - Non-Curable Defaults	Section 19.1	Non-curable defaults; repeated defaults if cured, defaults listed in Section 19.
i.	Your Obligations on Termination/Non-Renewal	Sections 8.8, 10, 11, 12, 14.2, 16, 19, and Attachments D through F	Obligations include complete de-identification, payment of amounts due; return of confidential materials and equipment; and payment of liquidated damages in the amount of $50,000 for each idea, concept, product, process, application, or customer that we lose as a result of your violation of the Franchise Agreement.
j.	Assignment of Contract by Bark Busters North America, LLC	Section 17.1	No restriction on our right to assign.
k.	"Transfer" by You - Defined	Section 17.1	Includes transfer of contract or assets or ownership change.
l.	Bark Busters North America, LLC's Approval of Transfer by Franchisee	Section 17.1	We have the right to approve all transfers but will not unreasonably withhold approval; any transfer requires Bark Busters North America, LLC's approval in writing.
m.	Conditions for Bark Busters North America, LLC's Approval of Transfer	Sections 17.5, 17.6, 17.7, 17.8, 17.9, 17.10, and 17.11	Written notice, new franchisee qualifies, purchase agreement approved, Transfer Fee paid, Legal Reimbursement Fee paid, Prospect Generation and Processing Fee paid (if required), Franchise Broker Resale Commission paid (if required), training arranged, release signed by you and current agreement signed by new franchisee

	Provision	Section in Franchise Agreement	Summary
n.	Bark Busters North America, LLC's Right of First Refusal to Acquire Your Business	Section 18	We have the right to match any legitimate, verifiable offer for your business but no obligation.
o.	Bark Busters North America, LLC's Option and Obligation to Purchase Your Business	Section 18	We may purchase your business at the expiration of the Franchise Agreement or if you receive a purchase offer from a third-party. In certain circumstances (such as our refusal to renew), we may be required to purchase the assets of your business.
p.	Death or disability of Franchisee	Section 17.7 & 17.8	Your estate or legal representative must apply to us for the right to transfer to next of kin within one hundred twenty (120) days.
q.	Non-Competition Covenants During the Term of Franchise	Section 16 & Attachment E	No involvement in competing business, no use or disclosure of confidential information, sign non-compete confidentiality agreement.
r.	Non-Competition Covenants After the Franchise is Terminated or Expires	Section 16 & Attachments E & F	No competing business for two (2) years anywhere within seventy-five (75) miles of a current operating Bark Busters Franchise, except as stated in the State Addenda.
s.	Modification of the Agreement	Section 11.1(b)	No modification of Franchise Agreement generally, except Operating Manual subject to change
t.	Integration/ Merger Clause	Section 22.12 & 22.27	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations in this Franchise Disclosure Document.
u.	Dispute Resolution by Arbitration or Mediation	Section 23	Except for certain claims, all disputes must be arbitrated in California, except as stated in the State Addenda to this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
v.	Choice of Forum	Sections 22.4 & 23	Arbitration or litigation must be in Contra Costa County, California, except as stated in State Addenda to this Franchise Disclosure Document. An American Arbitration Association office is located in Contra Costa County, California. Our headquarters is located in Contra Costa County, California. (This is subject to applicable state law.)
w.	Choice of Law	Sections 22.4 & 23	California law applies, except as stated in State Addenda to this Franchise Disclosure Document. (This is subject to applicable state law.)

The State Addenda in **Exhibit E**, if applicable, may also describe certain state laws that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of the franchise.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Carl Peterson, 318 Diablo Road, Suite 265, Danville, CA 94526, (925) 263-9545, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-Wide Outlet Summary
for Years 2021 – 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	120	124	4
	2022	124	128	4
	2023	128	131	3
Company- Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	120	124	4
	2022	124	128	4
	2023	128	131	3

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor) for Years 2021 – 2023

State	Year	Number of Transfers
AZ	2021	0
	2022	1
	2023	1
CA	2021	1
	2022	1
	2023	2
CO	2021	1
	2022	0
	2023	0
FL	2021	2
	2022	2
	2023	1
GA	2021	0
	2022	1
	2023	0

State	Year	Number of Transfers
MA	2021	0
	2022	0
MD	2021	1
	2021	0
	2022	1
	2023	0
MI	2021	0
	2022	1
	2023	1
MN	2021	1
	2022	0
	2023	1
NV	2021	1
	2022	0
	2023	0
NH	2021	0
	2022	0
	2023	1
NC	2021	0
	2022	0
	2023	1
OR	2021	0
	2022	1
	2023	0
TX	2021	1
	2022	0
	2023	1
Total	2021	7
	2022	8
	2023	10

Table No. 3
Status of Franchised Outlets
for Years 2021 – 2023

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AL	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
AZ	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
CA	2021	11	3	0	0	0	0	14
	2022	14	1	0	0	0	0	15
	2015	15	2	0	0	0	0	17
CO	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
CT	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
DC	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
FL	2021	15	0	0	0	0	0	15
	2022	15	2[(1)]	0	0	0	1[(1)]	16
	2023	16	0	0	0	0	0	16
GA	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	1[(1)]	2
	2023	2	0	0	0	0	0	2
IL	2021	4	0	0	0	0	2	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
IA	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
KS	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
KY	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
LA	2021	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MD	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5
MA	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	1	3
	2023	3	0	0	0	0	1[(2)]	2
MI	2020	4	0	0	0	0	0	4
	2022	4	2	0	0	0	0	6
	2023	6	0	0	0	0	0	6
MN	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
MO	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NE	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NV	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
NH	2021	0	0	0	0	0	0	0
	2022	0	1[(1)]	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NJ	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
NM	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NY	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
NC	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
OH	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
OR	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
PA	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
SC	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
TN	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
TX	2021	12	1	0	1	0	0	12
	2022	12	0	0	0	0	1	11
	2023	11	2[(2)]	0	0	0	0	13
UT	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	1	1
VA	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
WA	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
WI	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Total	**2021**	**120**	**8**	**0**	**1**	**0**	**3**	**124**
	2022	**124**	**9**	**0**	**0**	**0**	**5**	**128**
	2023	**128**	**6**	**0**	**0**	**0**	**3**	**131**

(1) In 2022, we granted relocation permission to two franchisee owners who purchased franchised businesses and then changed states (one from Georgia to Florida, and the other from Florida to New Hampshire). For accuracy in the above Table No. 3, these relocations are shown as closures and new outlets added.

(2) In 2023, an outlet that stopped operating in Massachusetts was sold as a transfer to a buyer in Texas.

Table No. 4
Status of Company-Owned Outlets For Years 2021 – 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
CA	0	1	0
FL	0	1	0
GA	0	2	0
ID	0	1	0
IL	0	1	0
MA	0	1	0
NJ	0	1	0
NY	0	1	0
OR	0	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
PA	0	1	0
TX	0	2	0
UT	0	1	0
WI	0	1	0
Total	0	15	0

The name of each of our franchisees and the address and telephone number of each of their outlets as of the end of our last fiscal year (unless another date is stated on the list) is set forth in **Exhibit C**. Upon your request, we will make available to you, information concerning the length of time our franchisees have been in the franchise system and contact information.

The name and last known home address and telephone number of every franchisee who has had a Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during fiscal year 2023 or who has not communicated with us within ten (10) weeks of the date of this Franchise Disclosure Document is listed on **Exhibit G** to this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time there are no trademark specific franchisee organizations representing the franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

Bark Busters North America, LLC's completed audited financial statements for the fiscal years ending December 31, 2023, December 31, 2022, December 31, 2021 are attached to this Franchise Disclosure Document as **Exhibit A**. We also attached unaudited financial statements dated May 31, 2024.

ITEM 22. CONTRACTS

A copy of the Franchise Agreement (with Territory and Designated Training Date, Guaranty and Assumption of Franchisee's Obligations, Statement of Ownership, Collateral Assignment of Telephone Numbers, Telephone Listings and Domain Names, and User Generated Content, Non-Competition, Confidentiality and Conflict of Interest Agreement, and Sample Release) is attached as **Exhibit B**. A copy of the State Addenda to the Franchise Disclosure Document is attached as **Exhibit E**. A copy of the State Addenda to the Franchise Agreement is attached as **Exhibit F.** We do not currently use any other contracts or agreements.

ITEM 23. RECEIPTS

On the last two (2) pages of this Franchise Disclosure Document, you will find two (2) copies of the Receipt page. You must sign, date, and deliver one (1) copy of the Receipt page to us for our records.

EXHIBIT A
FINANCIAL STATEMENTS

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

Bark Busters USA
Balance Sheet Summary
As of May 31, 2024

	31-May-24
ASSETS	
Total Current Assets	$ 2,851,693
Other Assets	85,759
TOTAL ASSETS	$ 2,937,453
LIABILITIES AND EQUITY	
Liabilities	
Total Current Liabilities	$ 371,374
Long-Term Liabilities	606,323
Total Liabilities	$ 977,697
Equity	1,959,755
TOTAL LIABILITIES AND EQUITY	$ 2,937,453

Bark Busters USA
Profit and Loss
January 1 - May 31, 2024

	Total
Total Revenues	$ 1,272,996
Total Expenses	343,197
Net Operating Income	929,799
Other Expense, Net	(74,542)
Net Income	$ 855,257

IRYNA
Accountancy Corporation

BARK BUSTERS NORTH AMERICA, LLC

(A CALIFORNIA LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2022 AND 2021)

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)

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IRYNA
Accountancy Corporation

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
of BARK BUSTERS NORTH AMERICA, LLC

Opinion

We have audited the accompanying financial statements of BARK BUSTERS NORTH AMERICA, LLC, a California Limited Liability Company (the Company), which comprise the balance sheet as of December 31, 2023, and the related statements of income and changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BARK BUSTERS NORTH AMERICA, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BARK BUSTERS NORTH AMERICA, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BARK BUSTERS NORTH AMERICA, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BARK BUSTERS NORTH AMERICA, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BARK BUSTERS NORTH AMERICA, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We previously audited BARK BUSTERS NORTH AMERICA, LLC for the years ended December 31, 2022 and 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements dated March 20, 2023 and March 8, 2022, accordingly. In our opinion, the summarized comparative information presented herein as of and for the years ended 2022 and 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Iryna Accountancy Corporation
Oakland, California
March 30, 2024

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)
BALANCE SHEET
AS OF DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022 AND 2021)

	2023	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	$ 48,672	$ 100,823	$ 1,454,804
Accounts receivable	71,022	73,910	49,484
Short-term investments	2,094,202	1,750,676	-
Prepaid expenses	2,611	2,548	15,682
Notes receivable, current	22,728	21,985	33,152
Total current assets	2,239,235	1,949,942	1,553,122
Noncurrent assets			
Property and equipment, net	-	-	-
Deposits	2,088	2,088	9,250
Loan fees, net accumulated amortization	-	2,628	4,288
Notes receivable, net of current	15,731	81,326	53,816
Operating lease right-of-use assets	106,258	149,647	-
Intangible asset, net of accumulated amortization	-	179,513	538,539
Total assets	$ 2,363,312	$ 2,365,144	$ 2,159,015
LIABILITIES AND MEMBERS' EQUITY			
Current liabilities			
Accounts payable	$ 57,841	$ 38,017	$ 47,904
Accrued expenses	1,443	9,182	9,888
Income tax payable	86,672	-	150,563
Note payable, current	-	92,611	151,901
Deferred revenue - initial fee, current	221,393	209,900	153,192
Deferred revenue - renewal fee, current	8,200	6,800	7,200
Operating lease liabilities, current	44,951	42,094	-
Total current liabilities	420,500	398,604	520,648
Long-term liabilities			
Note payable – related party	-	-	566,902
Note payable, noncurrent	-	-	99,998
Deferred revenue - initial fee, noncurrent	460,731	457,484	349,317
Deferred revenue - renewal fee, noncurrent	15,200	17,700	18,400
Operating lease liabilities, noncurrent	62,382	107,334	-
Total liabilities	958,813	981,122	1,555,265
Members' equity	1,404,499	1,384,022	603,750
Total liabilities and members' equity	$ 2,363,312	$ 2,365,144	$ 2,159,015

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)
STATEMENT OF INCOME AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022 AND 2021)

	2023	2022	2021
Revenue			
Royalties	$ 2,922,349	$ 2,855,825	$ 2,458,159
Initial franchisee fees	264,560	234,125	155,866
Technology and website fees	70,919	70,034	69,078
Franchise transfer fees	91,350	78,825	119,250
Franchise renewal fees	8,100	8,100	12,300
Zip code purchases	19,411	33,916	
Other franchisees related revenue	29,979	21,918	24,380
Grant and advance	-	-	9,800
Conference fees	-	73,280	-
Return on investments	130,411	13,791	-
Other interest income	5,324	4,870	4,528
Total revenue	3,542,403	3,394,684	2,853,361
Operating expenses			
General and administrative	1,003,164	1,245,098	926,547
Royalties	329,266	333,957	290,397
Interest	1,216	7,270	27,288
Total operating expenses	1,333,646	1,586,325	1,244,232
Net income before income tax provision	2,208,757	1,808,359	1,609,129
Income tax provision	(238,343)	(244,925)	(155,497)
Net income	$ 1,970,414	$ 1,563,434	$ 1,453,632
Members' equity, beginning of year	1,384,022	603,750	125,116
Adjustment due to revenue recognition standard	-	-	-
Member distributions	(1,949,937)	(783,162)	(974,998)
Members' equity, end of year	$ 1,404,499	$ 1,384,022	$ 603,750

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022 AND 2021)

	2023	2022	2021
Cash flows from operating activities			
Net income	$ 1,970,414	$ 1,563,434	$ 1,453,632
Adjustment to reconcile net income to cash provided (used) by operating activities:			
Depreciation	-	-	-
Amortization	179,513	359,026	359,026
Accrued interest on the loan from related party	-	-	12,637
Unrealized changes on investments	(143,526)	(1,114)	-
Operating lease right-of-use assets	43,389	149,647	-
(Increase) decrease in operating assets:			
Accounts receivable	2,888	(24,426)	(7,426)
Prepaid expenses	2,565	14,794	(462)
Deposits	-	7,162	-
Increase (decrease) in operating liabilities:			
Account payable	19,824	(9,887)	(11,917)
Accrued expenses	(7,739)	(706)	5,540
Income tax payable	86,672	(150,563)	149,000
Deferred revenue	13,640	163,775	195,834
Operating lease liabilities	(42,095)	(149,428)	-
Net cash provided (used) by operating activities	2,125,545	1,921,714	2,155,864
Cash flows from investing activities			
Purchase of investments	(200,000)	(1,750,000)	-
PPP loan	-	-	(9,800)
Note receivable, net	64,852	(16,343)	21,741
Net cash provided (used) by investing activities	(135,148)	(1,766,343)	11,941
Cash flows from financing activities			
Principal payment on note – related party	-	(566,902)	-
Principal payment on notes payable	(92,611)	(159,288)	(301,907)
Distributions to members, net	(1,949,937)	(783,162)	(974,998)
Net cash provided (used) in financing activities	(2,042,548)	(1,509,352)	(1,276,905)
Net change in cash and cash equivalents	(52,151)	(1,353,981)	890,900
Adjustment due to revenue recognition standard	-	-	-
Cash, beginning of year	100,823	1,454,804	563,904
Cash, end of year	$ 48,672	$ 100,823	$ 1,454,804
Supplemental cash flows information:			
Cash paid for income taxes	$ 238,343	$ 44,925	$ 6,497
Cash paid for interest	$ 1,216	$ 7,270	$ 14,651

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BARK BUSTERS NORTH AMERICA, LLC

NOTES TO FINANCIAL STATEMENTS

NOTE 1. OPERATIONS

Bark Busters North America, LLC (Company) is a California Limited Liability Company that was organized on January 28, 2013, with its office in California and franchisees throughout the United States. The Company has exclusive rights for franchising in the United States through a master license agreement. This agreement enables the Company to provide dog obedience training, behavioral therapy and related products and services in the United States to existing franchisees from the licensor. During the year ended December 31, 2023, the Company's outlet activities are as follows:

Number of outlets, beginning of year	128
New franchise outlets opened during the year	5
Franchise outlets transferred during the year	10
Franchise outlets closed during the year	2
Number of outlets, end of year	131

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared using the following significant accounting policies.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recognized as it is earned, and expenses are recognized as they are incurred whether or not cash is received or paid out.

The Company has no components of other comprehensive income. Accordingly, net income equals comprehensive income for the year ended December 31, 2023.

Use of estimates

Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable consist of royalties due from franchisees, franchise renewal transfer fees, and a franchise sale. The Company recognizes royalties from each franchisee based on a percentage of the franchisee's gross sales for each month, which is considered earned when reported by the franchisee. The allowance for doubtful accounts is estimated based upon historical experience, payment history and consideration of economic conditions. There was no allowance for doubtful accounts at December 31, 2023.

Notes receivable

Notes receivable consist of amounts advanced to franchisees related to the franchise locations sold by the Company. There is no allowance for doubtful accounts at December 31, 2023.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and equivalents

The Company considers all highly liquid investments with original maturities of three months or less at acquisition to be cash equivalents. The Company places cash and equivalents with high credit quality intuitions, and periodically such deposits may be in excess of federally insured limits.

Revenue recognition

The Company recognizes revenue on the accrual basis of accounting. The Company's primary revenue sources are from enrolling new franchises, collecting royalties, training, and technology support.

Under the terms of the franchise agreement, the franchisee pays an upfront fee of $57,000 at the time of signing the agreement and agrees to remit royalty fees of 10% of revenues plus other fees that are periodic in nature for additional services. In return, the Company (franchisor) promises to provide limited use of the franchisor's brand name and logo, supported by marketing activities, and ongoing access to a continually updated operating procedures manual for a period of five years. A new franchise owner also receives initial training, which is typically completed soon after the signing of the agreement with all training responsibilities required of the Company (franchisor) concluding at the end of the three-week training period for which a cost of $5,000 or $7,000 is incurred depending on whether one or two people attend training.

After assessing the guidance in *ASC 606-10-25-19*, the Company (franchisor) concludes the use of brand name and logo and ongoing access to the operating procedures manual as the core components of the franchise license. The franchisor further concludes the initial training services are distinct performance obligations that are one-time in nature and completed upon such date that franchisee's training is completed.

Therefore, the Company (franchisor) concludes that the franchise agreement includes distinct performance obligations for the use of its brand name and logo, supported by marketing and other support services, for the life of each five-year franchise agreement, while the obligations of the Company (franchisor) terminate for training services upon the conclusion of the initial training.

As such, the Company (franchisor) recognizes as revenue upon the completion of training either $5,000 or $7,000 related to training fees, which are determined based on whether one or two people attend training. The balance of initial fees results in $52,000 or $50,000, respectively, which get recognized ratably over the five-year term of the franchise agreement.

The Company (franchisor) also enters into renewals of existing franchise agreements without the requirement for the initial expenses incurred on entering into a new franchise agreement. In those situations, the Company (franchisor) requires a renewal fee of $1,000 and an ongoing monthly royalty fee of 10% of revenues and additional fees that are periodic in nature for additional services.

The Company (franchisor) recognizes revenues related to renewal fees ratably over each of the five years of the renewal term based on its obligations to provide limited use of the Company's (franchisor) brand name and logo, supported by marketing activities, and ongoing access to a continually updated operating procedures manual for such five-year period.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the balance sheet. Unrealized gains and losses are included in the return on investments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements

The fair value of cash and cash equivalents, accounts receivable, notes receivable, and notes payable approximate the carrying value due to the short-term natures of such instruments. The fair value of long-term notes receivable approximates carrying value based on terms available for similar instruments.

The Company holds investments with the intention to invest in highly rated, investment grade short-term securities that earn a higher rate of return than cash interest rates to cash accounts. ASC 820 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes a fair value hierarchy that prioritizes.

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.
Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flows models and similar techniques.

The following summarized the Company's assets measured at fair value on a recurring basis as of December 31, 2023:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
US Treasury Bills and Municipal Bonds	$ 2,094,202	$ 2,094,202
Total short-term investments	$ 2,094,202	$ 2,094,202

Property and equipment

Property and equipment are capitalized at cost at the date of purchase if the cost is greater than $2,500. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis ranging from three to seven years for property and equipment.

Royalty income

As part of its franchise agreements, the Company earns ten percent of each franchisee's gross sales and records these fees as royalties.

Advertising

Advertising costs are expensed as incurred. The Company incurred $105,075 in advertising expenses for the year ended December 31, 2023.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets and loan fees

Loan acquisition costs are capitalized and amortized using the straight-line method of the life of the loan.

Covenant not to compete is stated at the fair market value that is regularly evaluated whether events and circumstances have occurred which indicate that the carrying amounts of the intangible asset may warrant revision or may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, the Company performs an impairment test in accordance with generally accepted accounting principles.

Income taxes

The Company had elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code and the related provisions of the Revenue and Taxation code of the State of California. Under the provisions, the Company does not pay federal income taxes on its taxable income. However, the Company does pay a California Franchise tax at a reduced rate of 1.5% on the taxable income it earns within California. Additionally, for the 2021 through 2025 taxable years, a California S corporation may election to pay a passthrough entity elective tax equal to 9.3% of its qualified net income. This will decrease the federal net income included on the owners' K-1. The owners elected for the Company to pay this tax rate on the owners' share of net income. The owners are liable for individual Federal and California taxes on their share of the Company's taxable income. The amount of $238,343 California tax is included in the accompanying statements for the year ended December 31, 2023.

The Company's policy is to classify income tax related interest and penalties in interest expense and other expense, respectively. The Company has not recognized any interest and penalties for the year ended December 31, 2023.

Leases

The Company adopted *Accounting Standards Codification* ("ASC") 842, "Leases" ("ASC 842") on January 1, 2022, using the modified retrospective transition method and used the effective date as the date of initial application. The Company elected the "package of practical expedients," which permits not to reassess under ASC 842 prior conclusions about lease identification, lease classification and initial direct costs. The Company made a policy election not to separate non-lease components from lease components, therefore, the Company accounts for lease and non-lease components as a single lease component. The Company elected the short-term lease recognition exemption for all leases that qualify.

The Company determines if a contract contains a lease at inception of the arrangement based on whether there is the right to obtain substantially all of the economic benefits from the use of an identified asset and whether the Company have the right to direct the use of an identified asset in exchange for consideration.

Right of use ("ROU") assets represents the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets are recognized as the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is risk-free discount rate, which is determined using a period comparable with lease term, because the interest rate implicit in most of the leases is not readily determinable. Lease payments may be fixed or variable; however, only fixed payments or in-substance fixed payments are included in the lease liability calculation. Variable lease payments may include costs such as common area maintenance, utilities, real estate taxes or other costs. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Operating leases are included in operating lease ROU assets, operating lease liabilities, current and operating lease liabilities, non-current on the balance sheet. Finance leases are included in property and equipment, net, accrued and other current liabilities, and other long-term liabilities on the balance sheet. The Company's operating leases, lease expense is recognized on a straight-line basis in operations over the lease term.

NOTE 3. CONCENTRATION OF CREDIT RISK

FASB ASC 825 requires disclosure of significant concentrations of credit risk arising from all financial instruments. Concentrations of credit risk financial instruments which potentially subject the Company to concentration of credit risk consist principally of cash balances. At times, a portion of these cash balances may not be insured by the Federal Deposit Insurance Corporation. The potential concentration of credit risk pertaining to cash balances will vary throughout the year depending upon the level of cash deposits versus amounts insured. The Company maintains all deposits in one high quality financial institution.

As of December 31, 2023, the Company had $2,284 of uninsured cash balances.

NOTE 4. INTANGIBLE ASSETS

In June 2018, the members of the Company entered into an agreement for territory rights in the United States and US territories to sell franchise rights of the Bark Busters brand. In consideration of $1,795,130, the Company became an exclusive licensee of the brand in the above territory and acquired covenant not to compete with previous members of the Company. The covenant not to compete is reevaluated annually for the impairment, which is recorded as amortization expense.

The value of the asset is assessed to reflect its current market value. Amortization expense was $179,513. The intangible asset is fully amortized for the year ended December 31, 2023.

NOTE 5. NOTES RECEIVABLE

When a franchise agreement is signed between the Company and a new franchisee, an installment note is signed by the franchisee for the accumulated costs. The notes bear various interest rates between four and seven percent that start accruing in 36 months. Installment notes receivable consisted of the following as of December 31, 2023:

Note issued on August 31, 2022, in the amount of $57,000; payable in monthly minimum installments of $947.03; remaining unpaid principal due October 2025.	19,230
Note issued on September 16, 2022, in the amount of $57,000; payable in monthly minimum installments of $947.03; remaining unpaid principal due October 2025.	19,229
Total	38,459
Less: current portion	(22,728)
Notes receivable, net of current portion	$ 15,731

The Company did not record any allowance for uncollectable amounts because the notes receivable is expected to be collected in full.

NOTE 6. NOTES PAYABLE

On July 30, 2020, the Company obtained a loan from First Republic Bank for $614,000. The note carries a 4% interest rate and matures July 30, 2024. The loan was pad in full as of December 31, 2023.

Total interest paid on the loans was $1,216 for the year ended December 31, 2023.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation are as following:

Office furniture	$	3,109
Equipment		2,000
Computers		1,189
Less: accumulated depreciation		(6,298)
Property and equipment, net	$	-

There were no depreciation expense for the year ended December 31, 2023.

NOTE 8. ROYALTY EXPENSES

In June 2018, the Company entered into a license agreement, which gives it the exclusive rights to sell franchises throughout all of the United States of America. Under the license agreement, the Company is required to pay royalty fees to the master licensor for a fixed percentage of royalty fees received. In accordance with the terms of the license agreement, the Company is required to pay royalty fees based on certain income categories at a rate of 10%, as outlined in the license agreement.

NOTE 9. RETIREMENT PLAN

The Company maintains the SEP IRA plan of qualified employees. The plan allows eligible employees to contribute a portion of their gross pay, up to an annual limit set by the IRS. Employees who have worked at the Company for a minimum of three years may become eligible to participate in the plan. The Company's contributions to the plan was $137,000 during the year ended December 31, 2023.

NOTE 10. REVENUE FROM LONG-TERM CONTRACTS

The following table provides information about the significant changes in contract liabilities for the year ended December 31, 2023:

Initial franchise fees		
Deferred revenue from initial franchise fees, beginning year	$	667,384
Revenue recognized that was included in deferred at the beginning of the year		264,560
Increase in deferred revenue received during the current year		(249,820)
Deferred revenue from initial franchise fees, end of the year	$	682,124
Renewal fees		
Deferred revenue from renewal fees, beginning year		24,500
Revenue recognized that was included in deferred at the beginning of the year		8,100
Increase in deferred revenue received during the current year		(9,200)
Deferred revenue from renewal fees, end of the year	$	23,400

NOTE 11. LEASES

The Company rents its office in Danville, California, under a five-year noncancelable operating lease expiring in March 2027. There is an option to renew the lease for an additional five years at an increased monthly rental. In addition, the Company is leasing two vehicles under a three-year noncancelable lease, expiring in May 2025.

The operating lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise such options. Therefore, the Company determined not to include the option to renew the office rent in the calculation.

The lease agreements listed above do not contain any residual value guarantees or restrictive covenants.

The Company's right-of-use (ROU) assets and lease liabilities consists of:

Operating lease right-of-use assets	$	106,258
Operating lease liability, current	$	44,951
Operating lease liabilities, non-current		62,382
Total operating lease liabilities	$	107,333

The Company's scheduled maturities of the lease liabilities are as follows:

For the years ended December 31,		
2024	$	44,951
2025		37,608
2026		25,536
2027		7,016
Total lease liabilities		115,111
Less amount representing interest	$	(7,778)
Total undiscounted lease payments		107,333

Additional information related to leases is as follows:

Weighted-average lease term - office	3.25 years
Weighted-average lease term - vehicle	1.33 years
Weighted-average discount rate	5%

Total lease expense was $49,942 for the year ended December 31, 2023.

NOTE 12. RELATED PARTY

In December 2023, the Company owners hrough a separate business entity purchased assets from Who Ya Gonna Call Bark Busters PTY LTD, and now own those assets in a separate business called Bark Busters International, LLC. The Company and Bark Busters International, LLC operate independentlyof each other, and no consolidation of financials is required. Management believes the activities are at arm-length.

NOTE 13. SUBSEQUENT EVENTS

The Company's management has reviewed the results of operations for the period of time from its year ended December 31, 2023, through March 30, 2024, the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified.

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IRYNA
Accountancy Corporation

BARK BUSTERS NORTH AMERICA, LLC

(A CALIFORNIA LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

(WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021 AND 2020)

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of BARK BUSTERS NORTH AMERICA, LLC

Opinion

We have audited the accompanying financial statements of BARK BUSTERS NORTH AMERICA, LLC, a California Limited Liability Company (the Company), which comprise the balance sheet as of December 31, 2022, and the related statements of income and changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BARK BUSTERS NORTH AMERICA, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BARK BUSTERS NORTH AMERICA, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BARK BUSTERS NORTH AMERICA, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BARK BUSTERS NORTH AMERICA, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BARK BUSTERS NORTH AMERICA, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We previously audited BARK BUSTERS NORTH AMERICA, LLC for the years ended December 31, 2021 and 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements dated March 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the years ended 2021 and 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Iryna Accountancy Corporation
Oakland, California
March 20, 2023

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)
BALANCE SHEET
AS OF DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021 AND 2020)

	2022	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	$ 100,823	$ 1,454,804	$ 563,904
Accounts receivable	73,910	49,484	42,058
Short-term investments	1,750,676	-	-
Prepaid expenses	2,548	15,682	13,560
Notes receivable, current	21,985	33,152	35,391
Total current assets	1,949,942	1,553,122	654,913
Long-term assets			
Property and equipment, net	-	-	-
Deposits	2,088	9,250	9,250
Loan fees, net accumulated amortization	2,628	4,288	5,948
Notes receivable, noncurrent	81,326	53,816	73,318
Operating lease right-of-use assets	149,647	-	-
Intangible asset, net of accumulated amortization	179,513	538,539	897,565
Total assets	$ 2,365,144	$ 2,159,015	$ 1,640,994
LIABILITIES AND MEMBERS' EQUITY			
Current liabilities			
Accounts payable	$ 38,017	$ 47,904	$ 59,821
Accrued expenses	9,182	9,888	4,348
Income tax payable	-	150,563	1,563
PPP loan, current	-	-	580
Note payable, current	92,611	151,901	59,360
Deferred revenue - initial fee, current	209,900	153,192	96,200
Deferred revenue - renewal fee, current	6,800	7,200	9,100
Operating lease liabilities, current	42,094	-	-
Total current liabilities	398,604	520,648	230,972
Long-term liabilities			
PPP loan, noncurrent	-	-	9,220
Note payable – related party	-	566,902	554,265
Note payable, noncurrent	-	99,998	494,446
Deferred revenue - initial fee, noncurrent	457,484	349,317	225,175
Deferred revenue - renewal fee, noncurrent	17,700	18,400	1,800
Operating lease liabilities, noncurrent	107,334	-	-
Total liabilities	981,122	1,555,265	1,515,878
Members' equity	1,384,022	603,750	125,116
Total liabilities and members' equity	$ 2,365,144	$ 2,159,015	$ 1,640,994

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)
STATEMENT OF INCOME AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021 AND 2020)

	2022	2021	2020
Revenue			
Royalties	$ 2,855,825	$ 2,458,159	$ 1,509,603
Initial franchisee fees	234,125	155,866	76,750
Technology and website fees	70,034	69,078	70,965
Franchise transfer fees	78,825	119,250	74,475
Franchise renewal fees	8,100	12,300	9,100
Zip code purchases	33,916		
Other franchisees related revenue	21,918	24,380	21,701
Grant and advance	-	9,800	5,500
Conference fees	73,280	-	-
Return on investments	13,791	-	-
Interest income	4,870	4,528	1,750
Total revenue	3,394,684	2,853,361	1,769,844
Operating expenses			
General and administrative	1,245,098	926,547	886,419
Royalties	333,957	290,397	173,379
Interest	7,270	27,288	42,046
Total operating expenses	1,586,325	1,244,232	1,101,844
Net income before income tax provision	1,808,359	1,609,129	668,000
Income tax provision	(244,925)	(155,497)	(10,348)
Net income	$ 1,563,434	$ 1,453,632	$ 657,652
Members' equity, beginning of year	603,750	125,116	392,225
Adjustment due to revenue recognition standard	-	-	(271,625)
Member distributions	(783,162)	(974,998)	(653,136)
Members' equity, end of year	$ 1,384,022	$ 603,750	$ 125,116

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BARK BUSTERS NORTH AMERICA, LLC
(A CALIFORNIA LIMITED LIABILITY COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021 AND 2020)

	2022	2021	2020
Cash flows from operating activities			
Net income	$ 1,563,434	$ 1,453,632	$ 657,652
Adjustment to reconcile net income to cash provided (used) by operating activities:			
Depreciation	-	-	-
Amortization	359,026	359,026	359,026
Accrued interest on the loan from related party	-	12,637	8,621
Unrealized changes on investments	(1,114)	-	-
(Increase) decrease in operating assets:			
Accounts receivable	(24,426)	(7,426)	(5,564)
Prepaid expenses	14,794	(462)	4,871
Deposits	7,162	-	-
Operating lease right-of-use assets	149,647	-	-
Increase (decrease) in operating liabilities:			
Account payable	(9,887)	(11,917)	36,671
Accrued expenses	(706)	5,540	1,538
Income tax payable	(150,563)	149,000	(9,280)
Deferred revenue	163,775	195,834	332,275
Operating lease liabilities	(149,428)	-	-
Net cash provided (used) by operating activities	1,921,714	2,155,864	1,385,810
Cash flows from investing activities			
Purchase of investments	(1,750,000)	-	-
PPP loan	-	(9,800)	9,800
Note receivable, net	(16,343)	21,741	758
Net cash provided (used) by investing activities	(1,766,343)	11,941	10,558
Cash flows from financing activities			
Principal payment on note – related party	(566,902)	-	-
Principal payment on notes payable	(159,288)	(301,907)	(246,378)
Distributions to members, net	(783,162)	(974,998)	(653,136)
Net cash provided (used) in financing activities	(1,509,352)	(1,276,905)	(899,514)
Net change in cash and cash equivalents	(1,353,981)	890,900	496,854
Adjustment due to revenue recognition standard	-	-	(271,625)
Cash, beginning of year	1,454,804	563,904	338,675
Cash, end of year	$ 100,823	$ 1,454,804	$ 563,904
Supplemental cash flows information:			
Cash paid for income taxes	$ 44,925	$ 6,497	$ 10,348
Cash paid for interest	$ 7,270	$ 14,651	$ 33,425

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

BARK BUSTERS NORTH AMERICA, LLC

NOTES TO FINANCIAL STATEMENTS

NOTE 1. OPERATIONS

Bark Busters North America, LLC (Company) is a California Limited Liability Company that was organized on January 28, 2013, with its office in California and franchisees throughout the United States. The Company has exclusive rights for franchising in the United States through a master license agreement. This agreement enables the Company to provide dog obedience training, behavioral therapy and related products and services in the United States to existing franchisees from the licensor. During the year ended December 31, 2022, the Company's outlet activities are as follows:

Number of outlets, beginning of year	124
New franchise outlets opened during the year	7
Franchise outlets transferred during the year	8
Franchise outlets closed during the year	3
Number of outlets, end of year	128

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared using the following significant accounting policies.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recognized as it is earned, and expenses are recognized as they are incurred whether or not cash is received or paid out.

The Company has no components of other comprehensive income. Accordingly, net income equals comprehensive income for the year ended December 31, 2022.

Use of estimates

Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounts receivable

Accounts receivables consist of royalties due from franchisees, franchise renewal transfer fees, and a franchise sale. The Company recognizes royalties from each franchisee based on a percentage of the franchisee's gross sales for each month, which is considered earned when reported by the franchisee. The allowance for doubtful accounts is estimated based upon historical experience, payment history and consideration of economic conditions. There was no allowance for doubtful accounts at December 31, 2022.

Notes receivable

Notes receivable consist of amounts advanced to franchisees related to the franchise locations sold by the Company. There is no allowance for doubtful accounts at December 31, 2022.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and equivalents

The Company considers all highly liquid investments with original maturities of three months or less at acquisition to be cash equivalents. The Company places cash and equivalents with high credit quality intuitions, and periodically such deposits may be in excess of federally insured limits.

Revenue recognition

The Company recognizes revenue on the accrual basis of accounting. The Company's primary revenue sources are from enrolling new franchises, collecting royalties, training, and technology support.

Under the terms of the franchise agreement, the franchisee pays an upfront fee of $57,000 at the time of signing the agreement and agrees to remit royalty fees of 10% of revenues plus other fees that are periodic in nature for additional services. In return, the Company (franchisor) promises to provide limited use of the franchisor's brand name and logo, supported by marketing activities, and ongoing access to a continually updated operating procedures manual for a period of five years. A new franchise owner also receives initial training, which is typically completed soon after the signing of the agreement with all training responsibilities required of the Company (franchisor) concluding at the end of the three-week training period for which a cost of $5,000 or $7,000 is incurred depending on whether one or two people attend training.

After assessing the guidance in *ASC 606-10-25-19*, the Company (franchisor) concludes the use of brand name and logo and ongoing access to the operating procedures manual as the core components of the franchise license. The franchisor further concludes the initial training services are distinct performance obligations that are one-time in nature and completed upon such date that franchisee's training is completed.

Therefore, the Company (franchisor) concludes that the franchise agreement includes distinct performance obligations for the use of its brand name and logo, supported by marketing and other support services, for the life of each five-year franchise agreement, while the obligations of the Company (franchisor) terminate for training services upon the conclusion of the initial training.

As such, the Company (franchisor) recognizes as revenue upon the completion of training either $5,000 or $7,000 related to training fees, which are determined based on whether one or two people attend training. The balance of initial fees results in $52,000 or $50,000, respectively, which get recognized ratably over the five-year term of the franchise agreement.

The Company (franchisor) also enters into renewals of existing franchise agreements without the requirement for the initial expenses incurred on entering into a new franchise agreement. In those situations, the Company (franchisor) requires a renewal fee of $1,000 and an ongoing monthly royalty fee of 10% of revenues and additional fees that are periodic in nature for additional services.

The Company (franchisor) recognizes revenues related to renewal fees ratably over each of the five years of the renewal term based on its obligations to provide limited use of the Company's (franchisor) brand name and logo, supported by marketing activities, and ongoing access to a continually updated operating procedures manual for such five-year period.

Due to the adoption of Accounting Standards Update (*ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606*), retained earnings the year ended December 31, 2020, had been adjusted by a $271,625.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the balance sheet. Unrealized gains and losses are included in the return on investments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements

The fair value of cash and cash equivalents, accounts receivable, notes receivables, and notes payable approximate the carrying value due to the short-term natures of such instruments. The fair value of long-term notes receivable approximates carrying value based on terms available for similar instruments.

The Company holds investments with the intention to invest in highly rated, investment grade short-term securities that earn a higher rate of return than cash interest rates to cash accounts. ASC 820 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes a fair value hierarchy that prioritizes.

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.
Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flows models and similar techniques.

The following table summarized the Company's assets measured at fair value on a recurring basis as of December 31, 2022:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
Municipal Bonds	$ 504,340	$ 504,340
US Treasury Bill	1,246,336	1,246,336
Total short-term investments	$ 1,750,676	$ 1,750,676

Property and equipment

Property and equipment are capitalized at cost at the date of purchase if the cost is greater than $2,500. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis ranging from three to seven years for property and equipment.

Royalty income

As part of its franchise agreements, the Company earns ten percent of each franchisee's gross sales and records these fees as royalties.

Advertising

Advertising costs are expensed as incurred. The Company did not have any advertising expenses for the year ended December 31, 2022.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets and loan fees

Loan acquisition costs are capitalized and amortized using the straight-line method of the life of the loan.

Covenant not to compete is stated at the fair market value that is regularly evaluated whether events and circumstances have occurred which indicate that the carrying amounts of the intangible asset may warrant revision or may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, the Company performs an impairment test in accordance with generally accepted accounting principles.

Income taxes

The Company had elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code and the related provisions of the Revenue and Taxation code of the State of California. Under the provisions, the Company does not pay federal income taxes on its taxable income. However, the Company does pay a California Franchise tax at a reduced rate of 1.5% on the taxable income it earns within California. Additionally, for the 2021 through 2025 taxable years, a California S corporation may election to pay a passthrough entity elective tax equal to 9.3% of its qualified net income. This will decrease the federal net income included on the owners' K-1. The owners elected for the Company to pay this tax rate on the owners' share of net income. The owners are liable for individual Federal and California taxes on their share of the Company's taxable income. The amount of $244,925 California tax is included in the accompanying statements for the year ended December 31, 2022.

The Company's policy is to classify income tax related interest and penalties in interest expense and other expense, respectively. The Company has not recognized any interest and penalties for the year ended December 31, 2022.

Recent accounting pronouncements

The Company adopted *Accounting Standards Codification* ("ASC") 842, "Leases" ("ASC 842") on January 1, 2022, using the modified retrospective transition method and used the effective date as the date of initial application. The Company elected the "package of practical expedients," which permits not to reassess under ASC 842 prior conclusions about lease identification, lease classification and initial direct costs. The Company made a policy election not to separate non-lease components from lease components, therefore, the Company accounts for lease and non-lease components as a single lease component. The Company elected the short-term lease recognition exemption for all leases that qualify.

The Company determines if a contract contains a lease at inception of the arrangement based on whether there is the right to obtain substantially all of the economic benefits from the use of an identified asset and whether the Company have the right to direct the use of an identified asset in exchange for consideration.

Right of use ("ROU") assets represents the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets are recognized as the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is risk-free discount rate, which is determined using a period comparable with lease term, because the interest rate implicit in most of the leases is not readily determinable. Lease payments may be fixed or variable; however, only fixed payments or in-substance fixed payments are included in the lease liability calculation. Variable lease payments may include costs such as common area maintenance, utilities, real estate taxes or other costs. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Operating leases are included in operating lease ROU assets, operating lease liabilities, current and operating lease liabilities, non-current on the balance sheet. Finance leases are included in property and equipment, net, accrued and other current liabilities, and other long-term liabilities on the balance sheet. The Company's operating leases, lease expense is recognized on a straight-line basis in operations over the lease term.

NOTE 3. CONCENTRATION OF CREDIT RISK

FASB ASC 825 requires disclosure of significant concentrations of credit risk arising from all financial instruments. Concentrations of credit risk financial instruments which potentially subject the Company to concentration of credit risk consist principally of cash balances. At times, a portion of these cash balances may not be insured by Federal Deposit Insurance Corporation. The potential concentration of credit risk pertaining to cash balances will vary throughout the year depending upon the level of cash deposits versus amounts insured. The Company is maintaining all deposits in one high quality financial institution.

As of December 31, 2022, the Company had $6,660 of uninsured cash balances.

NOTE 4. INTANGIBLE ASSETS

In June 2018, the members of the Company entered into an agreement for territory rights in the United States and US territories to sell franchise rights of the Bark Busters brand. In consideration of $1,795,130, the Company became an exclusive licensee of the brand in the above territory and acquired covenant not to compete with previous members of the Company. The covenant not to compete is reevaluated annually for the impairment, which is recorded as amortization expense.

The value of the asset is assessed to reflect its current market value. Amortization expense was $359,026 for the year ended December 31, 2022.

NOTE 5. NOTE PAYABLE – RELATED PARTY

On June 22, 2018, the Company issued a promissory note payable to the Company's members in amount of $527,500. The note was extinguished in its entirety as of December 31, 2022.

NOTE 6. NOTES RECEIVABLE

When a franchise agreement is signed between the Company and a new franchisee, an installment note is signed by the franchisee for the accumulated costs. The notes bear various interest rates between four and seven percent that start accruing in 36 months. Installment notes receivable consisted of the following as of December 31, 2022:

Note issued on October 9, 2020 in the amount of $57,000; payable in monthly minimum installments of $916.06; remaining unpaid principal due October 2023.	8,903
Note issued on August 1, 2021 in the amount of $52,000; payable in monthly minimum installments of $916.06; remaining unpaid principal due June 2024.	13,195
Note issued on April 4, 2022 in the amount of $57,000; payable in monthly minimum installments of $916.06; remaining unpaid principal due June 2025.	24,906
Note issued on August 31, 2022 in the amount of $57,000; payable in monthly minimum installments of $947.03; remaining unpaid principal due October 2025.	27,781
Note issued on September 16, 2022 in the amount of $57,000; payable in monthly minimum installments of $947.03; remaining unpaid principal due October 2025.	28,526
Total	103,311
Less: current portion	(21,985)
Notes receivable, net of current portion	$ 81,326

The Company did not record any allowance for uncollectable amounts because the notes receivables are expected to be collected in full.

NOTE 7. NOTES PAYABLE

On July 30, 2020, the Company obtained a loan from First Republic Bank for $614,000. The note carries a 4% interest rate and matures July 30, 2024. As of December 31, 2022 the note payable was as follows:

Total notes payable		92,611
Less: current portion		(92,611)
Noncurrent notes payable, net	$	-

Scheduled maturities of the notes payable as follows:

For the year ended December 31,		
2023		92,611
Subtotal	$	92,611

Total interest paid or accrued on the loans is $7,270 for the year ended December 31, 2022.

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation are as following:

Office furniture	$	8,585
Equipment		6,957
Computers		12,103
Less: accumulated depreciation		(27,645)
Property and equipment, net	$	-

There were no depreciation expense for the year ended December 31, 2022.

NOTE 9. ROYALTY EXPENSES

In June 2018, the Company entered into a license agreement, which gives it the exclusive rights to sell franchises throughout all of the United States of America. Under the license agreement, the Company is required to pay royalty fees to the master licensor for a fixed percentage of royalty fees received. In accordance with the terms of the license agreement, the Company is required to pay royalty fees based on certain income categories at a rate of 10%, as outlined in the license agreement.

NOTE 10. RETIREMENT PLAN

The Company maintains SEP IRA plan of qualified employees. The plan allows eligible employees to contribute a portion of their gross pay, up to an annual limit set by the IRS. Employees who have worked at the Company for a minimum of three years may become eligible to participate in the plan. The Company's contributions to the plan was $127,000 during the year ended December 31, 2022.

NOTE 11. REVENUE FROM LONG-TERM CONTRACTS

The following table provides information about the significant changes in contract liabilities for the year ended December 31, 2022:

Initial franchise fees		
Deferred revenue from initial franchise fees, beginning year	$	502,509
Revenue recognized that was included in deferred at the beginning of the year		234,125
Increase in deferred revenue received during the current year		(69,250)
Deferred revenue from initial franchise fees, end of the year	$	667,384
Renewal fees		
Deferred revenue from renewal fees, beginning year		25,600
Revenue recognized that was included in deferred at the beginning of the year		8,100
Increase in deferred revenue received during the current year		(9,200)
Deferred revenue from renewal fees, end of the year	$	24,500

NOTE 12. LEASES

The Company rents its office in Danville, California, under a five-year noncancelable operating lease expiring in March 2027. There is an option to renew the lease for an additional five years at an increased monthly rental. In addition, the Company is leasing two vehicles under three-year noncancelable lease, expiring in May 2025.

The operating lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise such options. Therefore, the Company determined not to include the option to renew the office rent in the calculation.

The lease agreements listed above do not contain any residual value guarantees or restrictive covenants.

The Company's right-of-use (ROU) assets and lease liabilities consists of:

Operating lease right-of-use assets	$	149,647
Operating lease liability, current	$	42,094
Operating lease liabilities, non-current		107,334
Total operating lease liabilities	$	149,428

The Company's scheduled maturities of the lease liabilities are as follows:

For the years ended December 31,			
	2023	$	42,094
	2024		44,952
	2025		30,932
	2026		24,492
	2027		6,958
Total lease liabilities		$	149,428

Total lease expense is $53,573 for the year ended December 31, 2022.

NOTE 13. SUBSEQUENT EVENTS

The Company's management has reviewed the results of operations for the period of time from its year ended December 31, 2022, through March 20, 2023, the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified.

In the United States, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. While the extent and duration of the economic fallout from the COVID-19 pandemic remains unclear, the Company's future performance might be affected by the pandemic.

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BARK BUSTERS NORTH AMERICA LLC.
d/b/a BARK BUSTERS®

EXHIBIT B

FRANCHISE AGREEMENT

Franchisee: _____

Date: _____

Territory: _____

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FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** ("**Agreement**") is made this ____ day of _____, 20___ by and between Bark Busters North America LLC, a California Limited Liability Company having its principal place of business at 318 Diablo Road, Suite 265, Danville, CA 94526 ("**Franchisor**") and _____, a _____ _____ ("**Franchisee**").

RECITALS

WHEREAS, the Franchisor holds the exclusive United States franchise rights ("**Master License**") to a proprietary system owned by Bark Busters International, LLC ("**Licensor**"), which has been developed through significant expenditures of time, skill, effort and money relating to the establishment, development and operation of a Bark Busters business ("**Bark Busters Business**") which enables franchisees to provide dog training services and sell pet care products. Services may be provided in customer's homes, at veterinary offices, in pet stores or other outlets, and remotely using video conferencing technology. Bark Busters services are derived from a uniform system with high standards of service, with the use of quality products, and under the business format owned by the Licensor which has been modified for U.S. operations by the Franchisor ("**System**"). Services provided include dog behavior therapy, obedience training and support services, group obedience courses, dog bonding, scent discrimination, tracking, trick training as well as puppy training and education to customers regarding dog psychology;

WHEREAS, the distinguishing characteristics of the System include the name "**Bark Busters**" and other trademarks and trade names, confidential operating procedures, confidential operations Operating Manual, standards and specifications for equipment, services and products, and management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by the Licensor or the Franchisor from time to time. They are known as "**Trade Secrets**" and are designated by and identified with the marks described in this Agreement;

WHEREAS, the Franchisor identifies itself and its products and services by means of certain trade names, service marks, logos, emblems, and indicative of origin, including the trademarks **BARK BUSTERS®**, and the **BARK BUSTERS Logo®** which are now, or may be in the future, designated by the Franchisor in writing for use in connection with the System ("**Proprietary Marks**");

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

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

WHEREAS, the Franchisee acknowledges the importance to the System of the Franchisor's high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a Bark Busters Business in conformity with the System, whether such Bark Busters Business be in the Franchisee's home or an outside leased or owned location;

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

WHEREAS the Franchisee is aware of the foregoing and is desirous of obtaining the right to use the System and in association therewith, the right to use the Proprietary Marks, and wishes to be assisted, trained, and franchised to operate a Bark Busters Business pursuant to the provisions and within the Territory (as defined below) specified in this Agreement, subject to the terms and conditions contained in this Agreement.

The parties therefore agree as follows:

DEFINITIONS

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

(a) "**Agreement**" - means this agreement, all instruments incorporated by reference, and all instruments in amendment hereof.

(b) "**Bark Busters Business**" - means the business operations conducted or to be conducted by the Franchisee consisting of dog training, dog bonding, scent discrimination, tracking, trick training, dog psychology education, support sources and product sales, using the Franchisor's System and in association therewith the Proprietary Marks.

(c) "**Bark Busters Franchise**" - means the business operations conducted or to be conducted using the Franchisor's System and in association therewith the Proprietary Marks.

(d) "**Bark Busters Products**" - means all books approved by Franchisor, recall leashes, training leashes, training aids, Collars and training Harnesses, and other products designated by Franchisor from time to time as products which must be made available for sale from Franchisee's Bark Busters Business.

(e) "**Bark Busters Services**" – means all individualized dog training designed to address behavioral or obedience problems, dog assessments, dog bonding, scent discrimination, tracking and related group training, including Franchisor's proprietary "Puppy School" and Group Training for training multiple dogs, and ongoing customer support and education services rendered inside or outside a customer's home.

(f) "**Benefit Program"** – means any program offered by a third-party that may benefit the Franchisee through the use of a third-party product line or service offering.

(g) "**Confidential Information**" – means all knowledge, know-how, standards, methods and procedures related to the establishment and operation of a Bark Busters Business and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee's Bark Busters Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e- mail addresses, customer purchase records, the Operating Manual (as defined below), promotional and marketing materials, marketing strategies and any other data which the Franchisor designates as confidential.

(h) "**Franchisor's System**" or "**System**" - means the standards, systems, concepts, identifications, methods, and procedures developed or used by the Franchisor, or which may hereafter be developed or used by the Franchisor, for the sales and marketing of the Bark Busters Products and Services (as defined below).

(i) "**Gross Revenue**" - means the total of all receipts and income derived from Bark Busters Services performed from the Franchisee's Territory (as defined in Section 2.1(a) of this Agreement), whether the receipts are evidenced by cash, credit, checks, gift certificates, coupons, services, property or other means of exchange. Gross Revenues include receipts from all sales, service, training, customer deposits and sales of all Bark Busters Products related to the operation of the Franchisee's Bark Busters Business and as generated from Bark Busters clients. Gross Revenue does not include:

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

(ii) Promotional or discount coupons to the extent that the Franchisee realizes no revenue;

(iii) Employee receipt of Bark Busters Services, if free, or any portion not paid for by an employee.

Gross Revenue shall be deemed received by the Franchisee at the time the Bark Busters Services, from which they were derived, are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by the Franchisee. Gross Revenues consisting of property or services shall be valued at the retail prices applicable and in effect at the time that they are received.

(j) "**Lease**" - means any agreement (whether oral or written) under which the right to occupy the Premises (as defined below) has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement.

(k) "**Operating Manual**" - means, but is not limited to, collectively, all directives, books (including, but not limited to, the Policy and Procedures Manual and the Stand Right No Bite Program, which is licensed to Franchisee for personal use only), pamphlets, bulletins, memoranda, order forms, packing slips, billing confirmations, letters, e-mail, Internet or

Intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of the Franchisor for use by the franchisees generally or for the Franchisee in particular, setting forth information, advice and standards, requirements, operating procedures, instructions or policies relating to the operation of the Bark Busters Business or operation of Bark Busters Franchises, as same may be added to, deleted or otherwise amended by the Franchisor from time to time.

(l) "**Premises**" - means the premises in respect to which a Bark Busters Franchise has been granted hereunder, including the Franchisee's home or an outside leased or owned location, or any other location as may be mutually agreed upon between the Franchisor and the Franchisee in writing.

(m) "**Proprietary Marks**" - shall mean the trademarks **BARK BUSTERS®**, and the **BARK BUSTERS Logo®**, together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by the Franchisor from time to time as part of the System for use by Franchisees, and not thereafter withdrawn.

1. COVENANTS, REPRESENTATIONS, AND WARRANTIES OF THE FRANCHISEE

1.1 The Franchisee has, or has made firm arrangements to acquire funds to commence, open and operate the Bark Busters Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

1.2 All statements made by the Franchisee in writing in connection with its application for this Franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement.

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

1.4 The Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority, which would limit or interfere in any way with the performance by the Franchisee of its obligation(s) hereunder.

1.5 The Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to the Franchisor by the Franchisee in writing.

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

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

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

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 1.8.

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

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

2. GRANT OF LICENSE

2.1 Subject to all the terms and conditions of this Agreement, the Franchisor hereby grants to the Franchisee, and the Franchisee accepts, for the Initial Term of this Agreement the right and non-exclusive license ("**License**") to:

(a) Operate a Bark Busters Business upon the terms and conditions of this Agreement, in one territorial area ("**Territory**") described in **Attachment A**;

(b) Use of the Proprietary Marks and the System; and

(c) Offer and market only the approved Bark Busters Services and Bark Busters Products, unless the Franchisor approves in writing (such approval to be in the Franchisor's sole and absolute discretion) the Franchisee's request to offer and market complementary and non-competing Bark Busters products.

2.2 The License does not include the right to sell the Bark Busters Products to any vendor who would in turn sell directly to consumers unless approved in writing by Franchisor.

2.3 During the Initial Term of the License and any Interim Period, the Franchisor will not use or license others to use any of the Proprietary Marks licensed to the Franchisee in connection with the operation of any other Bark Busters Home Dog Training Business within the Territory, except in the event that Franchisee does not satisfy its Minimum Sales Quota.

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

3. TERM OF THE AGREEMENT AND LICENSE

3.1 The initial term ("**Initial Term**") of this Agreement and License shall begin on the date this Agreement is executed by the Franchisor, subject, however; to termination in accordance with the provisions of this Agreement, and shall expire by its own terms on the date that is five (5) years from the Designated Training Date set forth on **Attachment A**.

3.2 When the Initial Term or the Interim Period expires, the Franchisee shall have the option at the Franchisor's sole and absolute discretion to extend Franchisee's rights to operate the Bark Busters Business for an additional term ("**Successor Term**") of five (5) years. Franchisor is not required to provide Franchisee with any notice concerning the upcoming expiration of this Agreement; and Franchisee is solely responsible and required to keep track of the expiration date of this Agreement. There shall be no limit on the number of Successor Term a franchisee has as long as they are not in breach of this agreement. Franchisor shall have up to ninety (90) days from receipt of such written request from Franchisee to provide Franchisee a written response that may be an approval, denial, or extension of time for which Franchisor has to grant such a denial or approval.

If the request is not ultimately denied by Franchisor, then Franchisee shall complete the remaining conditions under this Section prior to the Renewal being granted. Franchisee is not guaranteed a Renewal and is only granted a Renewal if Franchisor offers it. Any renewal of this Agreement must be executed at least six (6) months but not more than one (1) year prior to the expiration of each term. If Franchisor's proposed Agreement is not executed in writing at least sixty (60) days but not more than three hundred sixty-five (365) days prior to the termination of the existing Agreement, the then existing Agreement shall automatically terminate on the expiration of the current Term of this Agreement.

3.3 The Franchisor may refuse to extend Franchisee's rights to operate the Bark Busters Business if the Franchisee has:

(a) Failed to remedy any breach of this Agreement specified by the Franchisor in a written notice to the Franchisee as per Section 17.2; or

(b) Committed and received notice of two or more breaches of this Agreement in the twenty-four (24) months prior to the end of the current Initial Term, even if such breaches were timely remedied;

(c) Failed to meet the Minimum Sales Quota for any year during the Term; or

(d) Failed to give the Franchisor a written notice of intent to extend its rights to operate the Bark Busters Business no less than six (6) months or more than twelve (12) months prior to expiration of the Initial Term.

3.4 The Franchisor also may refuse to extend Franchisee's rights to operate the Bark Busters Business if the Franchisee is not current in payment obligations to the Franchisor, an affiliate of Franchisor, or to the Franchisee's trade creditors.

3.5 If Franchisor does not approve an extension to the Term of this Agreement, Franchisor shall provide Franchisee written notice of the denial of extension to the Term of this Agreement at least ninety (90) days, and no more than one hundred and eighty (180) days, prior to the expiration of the Term of this Agreement. If this Agreement expires by its terms without any renewal, Franchisee shall comply with all post-termination provisions in this Agreement, each of which shall survive the expiration of this Agreement.

3.6 If the Franchisor opts to extend Franchisee's rights to operate the Bark Busters Business at the end of the Initial Term, the Franchisee shall execute a successor franchise agreement ("**Successor Franchise Agreement**") and all other legal agreements in the form then being used by the Franchisor in granting new franchises and pay the Successor Franchise Fee (*See* Section 3.7(b)). The Franchisor reserves the right to change any term(s) of the Franchise Agreement form (except as specified below) to be signed by the Franchisee upon the extension of Franchisee's rights to operate the Bark Busters Business. There shall not, however, be another Initial Franchise Fee charged in connection with the extension of Franchisee's rights to operate the Bark Busters Business. Failure by the Franchisee to execute the Successor Franchise Agreement(s) within thirty (30) days after their delivery to the Franchisee shall be deemed an election by the Franchisee not to extend Franchisee's rights to operate the Bark Busters Business.

3.7 As additional conditions to the extension of Franchisee's rights to operate the Bark Busters Business, the Franchisee may be required to:

(a) Execute a general release of all claims the Franchisee may have against the Franchisor, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to the Franchisor;

(b) Pay the successor franchise fee ("**Successor Franchise Fee**") of one thousand dollars ($1,000.00) which is due and payable to the Franchisor at the time of signing the Successor Franchise Agreement.

(c) The Franchisee agrees to give the Franchisor not less than six (6) months nor more than twelve (12) months prior written notice of the Franchisee's election to

extend (or not to extend) Franchisee's rights to operate the Bark Busters Business. Failure to give timely notice of the Franchisee's intention to extend its rights to operate the Bark Busters Business shall be deemed an election not to extend its rights to operate the Bark Busters Business.

FOR THE PURPOSES HEREOF, THE FRANCHISEE SHALL BE DEEMED TO HAVE IRREVOCABLY DECLINED TO EXTEND ITS RIGHTS TO OPERATE THE BARK BUSTERS BUSINESS (AND ITS OPTION SHALL THEREUPON TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO THE FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY THE FRANCHISOR PRIOR TO THE END OF THE THEN EXPIRING TERM, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 3.

3.8 If Franchisee does not sign the Successor Franchise Agreement 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:

(a) 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

(b) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

3.9 There are no conditions contained in this Agreement under which Franchisee may terminate this Agreement prior to the expiration of the Term of this Agreement except by mutual agreement with Franchisor and execution of a release, or by sale of the Bark Buster's Franchise to another franchisee in good standing or to a qualified third party in accordance with this Agreement.

4. TERRITORY

4.1 During the Initial Term and for so long as the Franchisee is in compliance with all of its obligations hereunder, including satisfying the minimum sales quota ("**Minimum Sales Quota**") set forth in Section 4.1(c), except as otherwise provided in this Agreement, and subject to Sections 4.2 and 4.3 below:

(a) Neither the Franchisor nor any Affiliate (as defined below) will establish or license another person or entity to establish a Bark Busters Business within the area encompassed by the boundaries set forth in **Attachment A**, attached hereto and incorporated herein by reference ("**Territory**"). Franchisee understands and acknowledges that the boundaries of the Territory have been established based on an estimated population of approximately 100,000 to 125,000 targeted dogs, and that the boundaries of the Territory will not be adjusted, without the written consent of

Franchisor, regardless of whether the dog or human population in the Territory increases or decreases over time. Certain exceptions for the number of targeted dogs that will be allocated is made for existing franchisees that wish to renew and where we are unable to expand their territory. For purposes of this Agreement, "**Affiliate**" is defined as any person or entity which controls, is controlled by, or is in common control with, the Franchisor; and

(b) The Franchisee understands and agrees that its License is nonexclusive in that the Franchisor has the right: (i) to develop and/or own other franchise systems for similar products or services utilizing different marks than those licensed to Franchisee; (ii) to develop and/or own other franchise systems, or license for similar products or services utilizing the Proprietary Marks; and (iii) to operate and/or franchise Bark Busters Businesses outside the Territory. For purposes of this Agreement, similar products and services include any products or services which are not expressly part of the System.

(c) Franchisee shall satisfy its Minimum Sales Quota by conducting the minimum required number of Qualifying Lessons on an annual basis during each twelve (12) month period of operation. For purposes of this Agreement, a "**Qualifying Lesson**" is defined as a paid training session actually conducted at a new household or with a new client, regardless of the number of dogs trained during such Lesson. For purposes of this Agreement, Franchisee's Minimum Sales Quota must satisfy the following requirements:

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Qualifying Lessons	100	110	120	135	150
Gross Annual Revenue	$50,000.00	$75,000.00	$90,000.00	$90,000.00	$90,000.00

(d) If this Agreement is a Successor Franchise Agreement for Franchisee, Franchisee shall satisfy its Minimum Sales Quota by conducting the minimum required number of Qualifying Lessons on an annual basis during each twelve (12) month period of operation. For purposes of this Agreement, a "**Qualifying Lesson**" is defined as a paid training session actually conducted at a new household or with a new client, regardless of the number of dogs trained during such Lesson. For purposes of the Successor Franchise Agreement, Franchisee's minimum Sales Quota for each year of the Successor Term is one hundred fifty (150) Qualifying Lessons per year and $90,000.00 in Gross Annual Revenue.

Franchisee's failure to satisfy the Minimum Sales Quota in any twelve (12) month period shall entitle Franchisor to reduce or eliminate Franchisee's Territory or to terminate this Agreement.

4.2 If Franchisee directs Franchisor or its applicable service provider to stop providing customer leads from a particular zip code within Franchisee's Territory to Franchisee ("**Franchisee Opt-Out**"), then Franchisor may, in its sole discretion, direct such leads to itself, any Affiliate, or to any other existing franchisee for the provision of Bark Busters Services to such prospective customers, either through remote or in-person services. At any time that

Franchisee directs Franchisor to resume providing such customer leads to Franchisee, Franchisor or its applicable service provider shall do so within a commercially reasonable period, but Franchisee shall not be entitled to receive any leads that arose during the Franchisee Opt-Out time period, and Franchisor, an Affiliate or any franchisee who formed a customer relationship with any customer within Franchisee's Territory as a result of the Franchisee Opt-Out shall be entitled to retain such customer and accept future business from such customer, even after the end of the Franchisee Opt-Out period. Franchisee shall not be entitled to share in any compensation from such customers, and should any Opt-Out period extend past 90 days Franchisor will have the right to permanently remove the Opt-Out zip codes from the Franchisee's Territory.

4.3 The Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that the Franchisor and its Affiliates retain the exclusive right, among others:

(a) to use, and to license others to use, the Proprietary Marks and System for the operation of Bark Busters Businesses at any location other than in the Territory. Except as otherwise specifically provided in this Agreement, this Agreement shall not restrict the Franchisor or its Affiliates, or grant any rights to the Franchisee, with respect to the pursuit of any business concept other than Bark Busters Businesses, inside of or outside of the Territory.

(b) to give public or private lectures regarding dog behavior, obedience therapy and education, and to offer public or private Stand Rite No Bite training courses in the Territory without notifying Franchisee or compensating Franchisee in any way. Franchisor also reserves the exclusive right to distribute Stand Rite No Bite books and videos, child safety books and videos, and other books and videos and all Bark Busters Products through any alternative channels of distribution, including over the Internet, both inside and outside of the Territory. This reservation of rights expressly entitles Franchisor to sell Bark Busters Products to Franchisee's dog training customers if such customers elect to purchase such Bark Busters Products from any channel of distribution other than directly from Franchisee. Franchisor also reserves the right to offer franchises inside or outside of the Territory for dog walking, dog grooming, and pet sitting services in customer's homes under the name of Bark Busters or any other name now or in the future.

(c) to use the Proprietary Marks and the System in connection with the provision of other Bark Busters Services and Bark Busters Products or in alternative channels of distribution, without regard to location;

(d) to use and license the use of other proprietary marks or methods which are not the same as or confusingly similar to the Proprietary Marks, whether in alternative channels of distribution or in the operation of a dog training business or other dog-care related business, at any location and including within the Territory, which may be the same as, similar to or different from the Bark Busters Businesses;

(e) to any websites utilizing a domain name or e-mail address incorporating one or more of the words Bark Busters. The Franchisee may not independently market on the Internet, or use any domain name, address, locator, e-mail address, link, metatag, or

search technique, with words or symbols similar to the Proprietary Marks. The Franchisor retains the sole right to market on the Internet, including, but not limited to, all use of websites, domain names, URLs, social media accounts, directory listings, e-mail addresses, linking, advertising, and co-branding arrangements. The Franchisee will provide the Franchisor with content for the Franchisor's Internet marketing, and will sign Internet and intranet usage agreements. The Franchisor also retains the sole right to use the Proprietary Marks on the Internet, including on websites, social media accounts, as domain names, directory addresses, e-mail addresses, metatags, and in connection with linking, advertising, co- branding, and other arrangements. The Franchisor retains the right to approve any linking or other use of its website. The Franchisee may not establish a presence on or market using the Internet except as the Franchisor may specify, and only with the Franchisor's prior written consent. The Franchisor intends that any franchisee website be accessed only through the Franchisor's home page.

(f) to acquire, merge with, or be acquired by any other business, including a business that competes directly with Franchisee's Bark Busters Business, or to acquire and convert to the System operated by Franchisor any dog training business, including a dog training business operated by competitors located inside or outside of the Territory, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned.

(g) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere but not Bark Busters dog training. Franchisor reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

4.4 The Franchisee may be granted, at the Franchisor's sole discretion, express permission to sell to or service customers in an unsold territory adjacent to the Franchisee's Territory ("**Adjacent Territory**"), subject to the following conditions:

(a) the Franchisee agrees that when the Adjacent Territory is granted to another franchisee by the Franchisor, the Franchisee will, upon receipt of written notice from the Franchisor, cease all its sales and service efforts within the Adjacent Territory and return all customer and prospect lists to Franchisor within ten (10) days of such notice. The Franchisor may require Franchisee to report Gross Revenues from sales in an Adjacent Territory on a separate reporting form.

5. FRANCHISE FEE, TRAINING AND TERRITORY FEE, AND ROYALTY FEE

5.1 In consideration of the Bark Buster's Franchise granted in this agreement by Franchisor to the Franchisee, the franchisee shall pay the sum of thirty-seven thousand five hundred dollars ($49,500.00) plus, if due and payable, all applicable federal, state or municipal taxes, as a non-reoccurring and non-refundable initial franchise fee ("**Initial Franchise Fee**") to the Franchisor upon the execution of this Agreement. The Initial Franchise Fee shall be paid by means of certified funds or a bank check. The Initial Franchise Fee shall be deemed to have been fully earned by the Franchisor when paid.

5.2 The Franchisee shall pay the sum of nineteen thousand five hundred dollars ($19,500.00) plus, if due and payable, all applicable federal, state and municipal taxes as a non-recurring and non-refundable training and territory fee ("**Training and Territory Fee**") to the Franchisor upon execution of the Franchise Agreement. The Training and Territory Fee shall be paid by means of certified funds or a bank check. The Training and Territory Fee entitles Franchisee to receive initial training, protected territorial right in accordance with Section 4, and an initial inventory of Bark Busters Products and start-up kit of Bark Busters Supplies. The Training and Territory Fee shall be deemed to have been fully earned by the Franchisor when paid.

5.3 Training for Franchisee purchasing an existing Bark Busters Home Dog Training Business requires a fee of $5,000 for each individual who attends training.

5.4 Royalty Fees.

(a) Franchisee shall pay to the Franchisor a royalty fee ("**Royalty Fee**") equal to ten percent (10%) of Gross Revenue. The Royalty Fee shall be paid on the first (1st) and the sixteenth (16th) day of each month for the preceding reporting period ("**Reporting Period**") and shall be payable through the entire Initial Term of this Agreement and any Interim Period. For purposes of this Agreement, a Reporting Period shall end on the fifteenth (15th) and the last day of every month, and shall include all Gross Revenue generated during the Reporting Period. The Franchisee shall pay the Royalty Fee semi-monthly or in such other frequency as the Franchisor may in its sole discretion require upon written notice to the Franchisee by the Franchisor. The Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder.

(b) Each Royalty Fee payment shall be, without exception, supported by an accurate accounting of the previous Reporting Period Gross Revenues supplied in a form and manner approved by the Franchisor. **Each failure to provide the Franchisor with accurate information regarding the previous Reporting Period Gross Revenues** shall constitute a material breach of this Agreement.

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(c) The Franchisor reserves the right to require the Franchisee to remit fees and other amounts due to the Franchisor hereunder via electronic funds transfer or other similar means utilizing a Franchisor approved computer system or otherwise. If the Franchisor notifies the Franchisee to use such payment method, the Franchisee agrees to comply with procedures specified by the Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from the Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure the Franchisee shall authorize the Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to the Franchisor and any interest charged due thereon. The Franchisee shall make funds available to the Franchisor for withdrawal by electronic transfer no later than the due date for payment. If the Franchisee has not timely reported the Gross Revenues to the

Franchisor for any reporting period, then the Franchisor shall be authorized, at the Franchisor's option, to debit the Franchisee's account in an amount equal to (a) the fees transferred from the Franchisee's account for the last reporting period for which a report of the Gross Revenues was provided to the Franchisor as required hereunder or (b) the amount due based on information retrieved from the Franchisor approved computer system. Franchisee will be responsible for any fees charged by a bank for insufficient funds as well as any late fees that may be applied by Franchisor if final payment is not made by the payment due date.

5.5 If the Franchisee is unable to operate due to damage or loss to the Franchisee's premises caused or created by a casualty, act of God, condemnation, or other condition over which the Franchisee has no control, then the Franchisor, in its sole discretion, may elect to waive the Royalty Fee for a period no greater than one hundred twenty (120) days commencing with the month in which the Franchisee gives the Franchisor notice of the damage or loss.

5.6 Except as indicated below neither Bark Busters North America, LLC nor any agent or affiliate of ours currently offers direct or indirect financing. At our discretion we may loan you up to $30,000 to be used as a down payment on your Initial Franchise Fee. The loan would provide for 36 equal monthly payments of principal and interest at the Prime Rate in the Wall Street Journal plus three percent (3%) per annum, until paid in full. The loan may be pre-paid without any penalty. There will be a penalty of six percent (6%) of the payment past due if it is past due by 5 days. The loan will be all due and payable if no payment is made within 30 days after it is due, or for breach of any other provision. (*See* Item 10).

5.7 United States veterans who qualify will receive a ten percent (10%) discount in the Initial Franchise Fee and Training and Territory Fee. They must provide evidence of having served in a conflict zone during the conflict.

6. ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES

6.1 The Franchisee shall keep such complete records of its Bark Busters Business as a prudent and careful businessperson would normally keep. The Franchisee shall keep its financial books and records as the Franchisor may from time to time direct in the Operating Manual or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, checks records, bank deposit receipts, sales tax records and returns, cash disbursements journals and general ledgers. All accounting entities shall be entered into the web-based accounting system required by Franchisor. Franchisor reserves the right to change the accounting system at any time in Franchisor's discretion upon thirty (30) days' notice to Franchisee. The Franchisee shall advise the Franchisor of the location of all original documents and shall not destroy any records without the written consent of the Franchisor.

(a) The Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Bark Busters Business conducted under this Agreement. The Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the Bark Busters Business including uniform reports as may be required by the Franchisor. The Franchisee's records shall include tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month), profit and loss statements

(to be prepared at least quarterly), and balance sheets (to be prepared at least annually). Franchisor suggests and may require that these reports be prepared by an independent Certified Public Accountant.

(b) The Franchisee shall also submit to the Franchisor current financial statements and other reports as the Franchisor may reasonably request to evaluate or compile research and performance data on any operational aspect of the Bark Busters Business.

(c) On or before April 15th of each year, the Franchisee must provide the Franchisor with a copy of their federal tax return and all appropriate tax schedules for the previous tax year.

(d) The records required under this Section 6.1 pertain only to the Franchisee's operation of the Bark Busters Business. The Franchisor has no right to inspect, audit or copy the records of any unrelated business activity the Franchisee may have. The Franchisee must keep the books and records of the Bark Busters Business separate from the records of any unrelated business activity.

6.2 From the date the Franchisee and the Franchisor sign this Agreement until three (3) years after the end of the Initial Term of this Agreement, including any Interim Period, the Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. The Franchisor agrees to do inspections and audits at reasonable times. The Franchisee agrees to keep all records and reports for six (6) years from the date such records are created. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee or other amounts required to be paid under this Agreement, the Franchisee shall immediately pay the deficiency to the Franchisor, without prejudice to any other remedy of the Franchisor under this Agreement. In addition, if the deficiency for any audit period equals or exceeds five percent (5%) of the correct amount of any Royalty Fee, Marketing, Advertising and Promotions Fee or other amounts due, the Franchisee will also immediately pay to the Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. For the purposes of this Section 6.2, an audit period will be each fiscal year. Should the audit disclose an overpayment of any Royalty Fees, Marketing, Advertising and Promotions Fees or other amounts due, the Franchisor shall pay the amount of the overpayment to the Franchisee within thirty (30) days of the Franchisor's receipt of notice of such overpayment by the Franchisee.

6.3 If the Franchisee's records and procedures are insufficient to permit a proper determination of Gross Revenues, the Franchisor shall have the right to deliver to the Franchisee an estimate, made by the Franchisor, of Gross Revenues for the period under consideration and the Franchisee shall immediately pay to the Franchisor any amount shown thereby to be owing on account of the Royalty Fee and other sums due on account of such understatement. Any such estimate shall be final and binding upon the Franchisee.

6.4 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, the Franchisee shall also pay, upon demand, a late payment of fifty dollars ($50.00) for the first reporting period a payment or royalty report is late

and a late payment of one hundred-dollars ($100.00) thereafter for additional periods a payment is late. A payment for a reporting period will be considered late if it has not been received within five (5) days following the close of a reporting period. The Franchisee shall also pay, upon demand, a late payment fee of fifty dollars ($50) for any other dues considered late if it has not been received within five (5) days following the due date of the invoice. **Each failure to properly complete a report and pay Royalty Fees, Technology Fees, and any other amounts payable to the Franchisor when due shall constitute a material breach of this Agreement**. **Should any amounts payable by Franchisee to Franchisor become more than ten (10) days past due Franchisor may choose to suspend all leads and prospective client inquiries from being provided to Franchisee.** Franchisor reserves the right to change the late fee amounts and/or the grace period upon 30 days written notice to the Franchisee.

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6.5 In all instances, the accounting and reporting system, and all statements and reports to be submitted by the Franchisee, shall conform to generally accepted accounting principles applied consistently on a year-to-year basis ("**GAAP**").

6.6 At any time during the initial term, interim term, or successor term Franchisor may require the Franchisee to submit a Profit and Loss statement that is to be certified in accordance with GAAP and signed off by an Independent Certified Public Accountant.

6.7 Any report of the Franchisor's auditor rendered from time to time pursuant to this Section 6, shall be final and binding upon all of the parties hereto; provided that in making any such report, the Franchisor's auditor shall make such report in accordance with GAAP.

6.8 The Franchisee hereby authorizes the Franchisor to make reasonable inquiries of the Franchisee's bank, suppliers and trade creditors concerning the Bark Busters Business and hereby directs such persons and companies to provide to the Franchisor such information and copies of documents pertaining to the Bark Busters Business as the Franchisor may request. Alternatively, if Franchisee uses third party service providers for any sales, marketing, or client management services, Franchisor may request access to, and such access must be granted by Franchisee, to any third party service provider's systems using the login credentials used by and provided to Franchisee.

6.9 The Franchisee acknowledges and agrees that the Franchisor owns all business records ("**Business Records**") with respect to customers, vendors, and other service professionals of, and/or related to, the Bark Busters Franchise including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, all records of any third party call center utilized by Franchisee for its Bark Busters Business and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of Bark Busters franchise system, in Franchisor's sole discretion.

7. SERVICES AND ASSISTANCE

7.1 The Initial Franchise Fee, the Training and Territory Fee, and Royalty Fees are paid for the License, which includes the use of the Proprietary Marks of the Franchisor, the use of the Franchisor's Trade Secrets, the training required to operate a Bark Busters Business, and for certain services rendered by the Franchisor.

7.2 The Franchisor shall offer the Franchisee such initial and continuing services as the Franchisor deems necessary or advisable in furthering the Franchisee's Bark Busters Business and the business of the System as a whole and in connection with protecting the Proprietary Marks and goodwill of the Franchisor. Failure by the Franchisor to provide any particular service, either initial or continuing, shall not excuse the Franchisee from any of its obligations under this Agreement.

7.3 Current, initial and continuing services provided by the Franchisor shall include:

(a) Designating the Franchisee's Territory as stipulated in Section 4.

(b) Furnishing the Franchisee with specifications for all initial and replacement equipment, inventory and supplies required for the operation of the Franchisee's Bark Busters Business as stipulated in Sections 8 and 9.

(c) Providing the Franchisee with an initial training program. The Franchisee or its designated Operating Principal (as defined in Section 8.9) shall attend and satisfactorily complete the initial training program prior to opening the Bark Busters Business. The initial training program shall be conducted within approximately twenty-eight (28) days prior to the opening of the Franchisee's Bark Busters Business. The Franchisee shall be responsible for wages and personal traveling and living expenses, including lodging, incurred by itself or the Operating Principal and that of any of the Franchisee's partners that participate in the training program. Payment of the Training and Territory Fee entitles the Franchisee to receive training for the Operating Principal and one (1) additional person attending the same initial training program. Franchisee may obtain training for more than two (2) persons, or for any person attending a training program at a time other than when the Operating Principal attends the initial training program, by paying an additional training fee ("**Additional Training Fee**") of five thousand dollars ($5,000.00) to Franchisor prior to the commencement of training. Franchisee will also be required to pay wages, personal travel and living expenses, including lodging, for any additional person attending a different initial training program. Franchisor has the right to waive some or all of the Additional Training Fee, in its sole discretion, for special circumstances.

(d) The initial training program shall be held at the Franchisor's facilities at our training facility in Denver, CO, Phoenix, AZ, or other location designated by the Franchisor and shall be conducted over a period lasting a minimum of one hundred twenty (120) hours and a maximum of two hundred forty (240) hours. Training shall consist of a discussion of the System, techniques, procedures, dog training, dog bonding and methods of operation, dog handling techniques, dog psychology, customer education regarding dog care, advertising, sales techniques, promotional ideas, marketing plans,

customer relations, instructions on quality standards and practical experience in the operation of a franchise. Franchisee shall commence initial training on the date set forth on **Attachment A** ("**Designated Training Date**").

(e) Franchisor may provide Franchisee or its designated Operating Principal, and up to one (1) additional person, with a supplemental training program ("**Supplemental Training Program**") designed to upgrade Franchisee's knowledge of dog training knowledge and customer sales techniques for Franchisor's then-current training fee. Franchisee or its Operating Principal must attend and complete the Supplemental Training Program to Franchisor's satisfaction.

(f) Franchisor shall make a representative reasonably available to speak with the Franchisee on the telephone during normal business hours or by electronic means, including http://barknetinternational.com, to discuss the Franchisee's operational issues, and to provide additional on-site assistance if required, as determined by Franchisor in Franchisor's sole discretion.

(g) Franchisor may hold up to one (1) national conference every 12-24 months and may hold periodic local or regional conferences to discuss sales techniques, new product developments, new training techniques, new education issues and methods, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. Franchisee shall pay the national conference fee ("**National Conference Fee**") charged by Franchisor no later than ninety (90) days before the conference is scheduled to begin, and the Franchisee must pay all its travel and living expenses. Payment of the National Conference Fee and attendance by at least one (1) owner of the Bark Busters Business is mandatory, even if Franchisee is in the process of selling or otherwise transferring the Bark Busters Business. The **National Conference Fee** is a required fee paid by all Franchisees even if the Franchisee does not attend the National Conference. These conferences are held at the Franchisor's headquarters or at any other location chosen by the Franchisor. Attendance is mandatory at Franchisor's national conference and strongly encouraged at any local or regional conference offered at or near Franchisee's Territory.

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(h) Assisting the Franchisee with pre-opening and opening activities, conducted as reasonably determined by the Franchisor and just prior to and including the first week of operation of the Franchisee's Bark Busters Business.

(i) Formulating advertising and promotional programs as further stipulated in Section 13.

(j) Developing new Bark Busters Products and Bark Busters Services, and service methods, as deemed beneficial in the sole discretion of the Franchisor for the

successful operation of the System. The Franchisee will be informed of any new product or service development.

(k) Loaning the Franchisee during the Initial Term (including any Interim Period) one (1) copy of the Franchisor's confidential Operating Manual, as more fully set forth in Section 11.

(l) Providing the Franchisee with a copy of the Franchisor's newsletters, if published.

7.4 In the event that the Franchisor determines that it is necessary for it to provide additional services to the Franchisee in order to keep the System competitive, or if Franchisee requests additional services from Franchisor, Franchisor may provide additional services.

8. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS

8.1 The Franchisee shall, consistent with the terms of this Agreement, diligently develop the Bark Busters Business and use its best efforts to market and promote the required Bark Busters Services and Bark Busters Products.

8.2 Subject to the terms of this Agreement, including Sections 11.1(a) through 11.1(c), during the Initial Term, any Interim Period, and Successor Term, the Franchisee shall strictly comply with all present and future standards, specifications, processes, procedures, training techniques, requirements, and instructions of the Franchisor regarding the operation of the Bark Busters Business and must comply with the following requirements:

(a) The Franchisee, or if Franchisee is a business entity, a fully trained and qualified Operating Principal (as defined in Section 8.9), must devote full-time to the management and operation of the Bark Busters Business, which shall constitute operating the Bark Busters Business at least five (5) days in each calendar week, fifty-two (52) weeks per year. Franchisee may take vacation time taken at Franchisee's reasonable discretion as long as business operations and Customer Service Standards are maintained as outlined in the Operating Manual.

(b) The Franchisee or the Franchisee's Operating Principal must attend and complete all initial training program demonstrations and seminars, commencing on the Designated Training Date, at locations as the Franchisor may reasonably require, and the Franchisee will pay all salary and other expenses of persons attending, including all expenses for travel, lodging, and food. Franchisee shall have received and completed all pre-training materials supplied by Franchisor prior to attending initial training and Franchisee's failure to come to the initial training class satisfactorily prepared, in Franchisor's discretion, shall entitle Franchisor to send Franchisee home and to reschedule Franchisee's initial training class.

(c) Franchisor will provide the Franchisee or its Operating Principal with an initial training program. Attendance by the Franchisee or its operating manager (if any) is compulsory and must be satisfactorily completed prior to the opening of the Franchisee's Bark Busters Business.

(d) Any additional required Bark Busters Service or Bark Busters Products introduced into the System by the Franchisor must be offered for sale on a continuing basis at the Bark Busters Business at the time and in the manner required by the Franchisor.

(e) No service or product, except approved Bark Busters Services or Bark Busters Products, may be offered for sale from the Territory, unless the Franchisee receives the prior written consent of the Franchisor (which may be granted or denied in the Franchisor's sole discretion).

(f) Only advertising and promotional material, services, equipment, supplies, and uniforms that meet the Franchisor's standards and specifications shall be used at the Bark Busters Business.

(g) All equipment, Bark Busters Products, Bark Busters Supplies and other items necessary to add new required Bark Busters Services or Bark Busters Products must be acquired, installed, and utilized, and the marketing of new services and Products must begin at the Bark Busters Business as reasonably required by the Franchisor.

(h) Equipment, signs, Bark Busters Services, Bark Busters Products, Bark Busters Supplies and other items must be added, eliminated, substituted and modified at the Bark Busters Business as soon as practicable in accordance with changes in the Franchisor's specifications and requirements.

(i) The Bark Busters Business and everything related to the Bark Busters Business must be maintained in first-class condition and must be kept clean, neat and sanitary. All maintenance, repairs and replacements reasonably requested by the Franchisor or needed in connection with the Bark Busters Business must be promptly made. All employees must maintain a clean and neat appearance.

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

(k) The Bark Busters Business, the Bark Busters Services, and the Bark Busters Products distributed and sold by the Franchisee must comply with all applicable federal and state ordinances, rules, regulations and other requirements, including any and all requirements regarding licensing to provide dog care or training services.

(l) Advertising materials which are produced or approved by the Franchisor for use by the Franchisee may be used only in the manner and during the period specified by the Franchisor.

(m) The employees, the equipment and supplies, the inventory and other items on hand at the Bark Busters Business, must be at all times sufficient to efficiently meet the anticipated volume of business.

(n) The payment of all debts and taxes arising in connection with the Bark Busters Business except those duly contested in a bona fide dispute must be paid when due.

(o) The Franchisee must provide to your customers a guarantee ranging from one (1) year to the entire life of each dog trained by you (if applicable based on the level of service purchased by the customer). The guarantee offers your customers the ability to receive future training, free of charge, for any problems arising with the trained dog. Bark Busters customers choose from three (3) levels of service: bronze provides no guarantee; silver provides a one-year guarantee; gold provides a guarantee for the life of the trained dog. If a customer from another Bark Busters franchisee moves into your Territory, you must provide guarantee service for that customer's dog without charge and without compensation from the other franchisee or from us, but this is a reciprocal situation that is honored by all franchisees worldwide. Franchisee further acknowledges and agrees Franchisee shall be obligated to provide the appropriate level of service guarantee to all customers in Franchisee's Territory even if Franchisee did not provide the original training or Franchisee acquired the Territory through a Transfer. The Franchisee must liaise with the original franchisee who conducted the lesson to discuss the case at hand to ensure that they are in full receipt of all facts and the training methods used to date. All dealings and transactions with customers and suppliers must be fair and honest. We also recommend, and may require for the entirety of the Initial Term and any Successor Term, that you see each of your clients at least twice during the first month after you have trained each client's dog.

(p) Franchisee shall pay to Franchisor, in such amounts and on such time frame as specified in the Franchise Disclosure Document and the Franchise Agreement, a technology fee ("**Technology Fee**") to reimburse Franchisor for the cost of maintaining Franchisor's Intranet technology and the toll-free customer service line maintained by Franchisor. Franchisor may increase or change the payment requirements for the Technology Fee at any time in Franchisor's sole discretion by revising the Operating Manual and advising Franchisee of such revision in writing. Any franchisee with a private number used in association with their business must be routed through this Toll-Free Number.

8.3 In prescribing standards, specifications, training procedures and techniques, processes, procedures, requirements or instructions under Section 8.2 or any other provision of this Agreement, the Franchisor may assist in local market research and provide guidance and assistance to the Franchisee, as required, in determining the prices to be charged by the Franchisee for Bark Busters Services or Bark Busters Products of any kind. Franchisor shall not have control over the day-to-day managerial operations of the Bark Busters Business, and the Franchisee shall be free to establish its own prices.

8.4 Franchisor and Franchisor's representatives will have the right during business hours to inspect the Bark Busters Business and all other facilities used for service or storage, sale and transportation of any approved Bark Busters Products. This includes any third-party vendors and the systems used by such vendors to maintain any client, prospective client, or other records for Franchisee. Franchisor and Franchisor's representatives will have the right to discuss with the Franchisee, or Operating Principal the Franchisee may designate, all matters that may pertain

to compliance with this Agreement and with the Franchisor's standards, specifications, requirements, instructions and procedures and the Franchisor may take photographs of the Franchisee's completed work as it relates to the Bark Busters Business. Franchisor and Franchisor's representatives will have the right to have any of the Franchisor's required Bark Busters Services rendered by any employee at the Bark Busters Business. The Franchisee shall in all respects cooperate with the Franchisor's rights under this Section 8.4, provided, that the Franchisor's exercise of these rights shall not unreasonably interfere with the Franchisee's conduct of the Bark Busters Business. The Franchisor also reserves the right to contact any and/or all of Franchisee's customers, employees, suppliers and other service professionals for quality control, market research, general customer feedback and such other purposes as Franchisor deems appropriate, in Franchisor's sole and absolute discretion.

8.5 On at least three (3) months prior written notice, the Franchisor, in the Franchisor's sole discretion, may specify a new Bark Busters Service or Bark Busters Product as a required service or product in the Franchisee's market area. The new Bark Busters Service or Bark Busters Product will not be deemed a required service or product if the Franchisee demonstrates to the Franchisor's reasonable satisfaction that:

(a) A substantial capital improvement not contemplated by this Agreement or in the Operating Manual is required, thereby resulting in a material hardship to the Franchisee; or

(b) A material reduction in sales or profitability would result therefrom. For the purposes of this Section 8.5(b), a forty percent (40%) decrease in sales from the average sales in the prior twelve (12) months would be considered a material reduction in sales, and a thirty percent (30%) reduction in profitability from the average profitability during the previous twelve (12) months would be considered a material reduction in profitability.

8.6 Franchisor may require the Franchisee's compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees.

8.7 Franchisor will offer the initial title of "(**Dog Behavioral Therapist and Dog Trainer**") upon successful completion of initial training. Franchisor may offer the title of ("**Master Trainer**") to its franchisees as an additional accreditation following a Franchisor taught workshop that evaluates the Franchisee to ensure that the Franchisee understands all aspects of Bark Busters in Home Dog Training system. This is designed to increase Franchisees dog behavior awareness and credibility with clients. The titles of Dog Behavioral Therapist and Dog Trainer, and Master Trainer, are specific to the Bark Busters in Home Dog Training system and shall be relinquished upon termination of this agreement.

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8.8 The Franchisee agrees that, during the Initial Term and for three (3) years after the expiration and termination of this Agreement, the Franchisee shall supply to the Franchisor, the Franchisee's home (or business location, if other than the Franchisee's home) address and telephone number.

8.9 If the Franchisee is an individual, the Franchisee must directly operate the Bark Busters Business. If the Franchisee is a corporation or other business entity, then the Franchisee shall nominate an operating principal ("**Operating Principal**") who shall have direct responsibility for all operations of the Bark Busters Business, including having a physical presence in the Territory and working with clients in the Territory throughout the Initial Term and any Successor Term, and who shall own not less than one-half of the issued equity securities of the corporate or business entity. Any change in the Operating Principal shall be subject to the approval of the Franchisor, in the Franchisor's sole and absolute discretion.

8.10 The Franchisee shall become a member of such trade associations or organizations which in the reasonable opinion of the Franchisor are useful in the operation of the Bark Busters Business. The Franchisee shall have the option to become a member of all benefit programs which are offered from time to time by the Franchisor to all of its Franchisees. The costs of participating in such trade associations and benefit programs shall be borne by the Franchisee and its employees (if applicable to the employees). Nothing in this Section 8.9 limits the Franchisee's freedom to join any franchise or franchisee's association of its choosing.

9. PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

9.1 The Franchisee shall purchase all Bark Busters Products and Bark Busters Supplies (as identified in the Operating Manual) from Franchisor or third parties that may be designated by Franchisor. Except as set forth in the preceding sentence, the Franchisee shall have the right to purchase directly from any manufacturer or supplier the equipment and general business supplies required for the operation of the Bark Busters Business. The names and addresses of the Franchisor's recommended manufacturers and suppliers shall be maintained in the Operating Manual. Franchisor reserves the right to approve all of the Bark Busters Products and Bark Busters Supplies used in connection with the Franchisee's Bark Busters Business. Franchisor also reserves the right to require Franchisee to purchase some or all of the services, general office supplies, fixtures, equipment, inventory or computer hardware and software from designated suppliers in the future if it benefits the majority, but not necessarily all, of the Bark Busters franchisees, or if it makes the Bark Busters System more competitive, in the Franchisor's sole and absolute discretion. Franchisor does and may derive revenue from the Franchisee's purchases or leases of equipment from current or future suppliers.

9.2 The standards and specifications for fixtures, equipment, general business supplies, computer hardware and software, Bark Busters Supplies, and Bark Busters Products required by the Franchisor shall be maintained in the Operating Manual. The Franchisee is required to follow the Franchisor's standards and specifications when purchasing all fixtures, equipment, general business supplies, computer hardware and software, Bark Busters Supplies, and Bark Busters Products required for the operation of the Bark Busters Business.

10. PROPRIETARY MARKS

10.1 Franchisee acknowledges that Licensor is the owner of all right, title and interest, together with all the goodwill of the Proprietary Marks, and that Franchisor has the exclusive right to use and sublicense the Proprietary Marks in the United States. Franchisee further acknowledges that the Proprietary Marks designate the origin or sponsorship of the Bark Busters Products, the Bark Busters Services, and other of Franchisor's products and services, and that

Franchisor desires to protect the goodwill of the Proprietary Marks and to preserve and enhance its rights and the value of the Proprietary Marks.

10.2 Franchisee further acknowledges that it is of utmost importance that the goodwill, stature, and image of quality associated with the Proprietary Marks be maintained and enhanced by Franchisee. Franchisee will make no use of the Proprietary Marks without the prior approval of Franchisor, this Agreement itself not constituting such approval. To maintain and enhance the goodwill and image of quality associated by the public with the Proprietary Marks, Franchisee will conduct its business in accordance with this Agreement and specifically with the provisions of this Section 10.

10.3 Franchisee further acknowledges that Franchisee's right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of Bark Busters Business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Operating Manual and elsewhere from time to time during the Initial Term of this Agreement and any Interim Period.

10.4 Franchisee acknowledges and agrees that Licensor is the sole and exclusive owner of the Proprietary Marks and that Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Proprietary Marks or Licensor's ownership of the Proprietary Marks, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Licensor's ownership of the Proprietary Marks, nor will it represent that it has any right, title, or interest in the Proprietary Marks other than those expressly granted by this Agreement.

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

10.6 Franchisee will use the Proprietary Marks only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, interior décor, and promotional items such as clothing, pens, mugs, etc., which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Proprietary Marks as provided in the Operating Manual and otherwise given by Franchisor from time to time.

10.7 Franchisee agrees to safeguard and maintain the reputation and prestige of the Proprietary Marks and will not do anything that would tarnish the image of or adversely impact the value, reputation or goodwill associated with the Proprietary Marks. Franchisee will never attempt to dilute, directly or indirectly, the value of the goodwill attached to the Proprietary Marks, nor to counsel, procure, or assist anyone else to do the same.

10.8 Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks with respect to the Bark Busters Products, Bark Busters Services, or any other products and services. Failure of Franchisor to obtain or maintain in effect any such application or registration shall not constitute a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Proprietary Marks, or any trademark or logo confusingly similar thereto, anywhere in the world.

10.9 Franchisee shall mark the Proprietary Marks with a superscript "SM" unless and until advised by Franchisor or the Operating Manual to use a different notice.

10.10 If, in Franchisor's reasonable determination, the use of a Proprietary Mark in connection with the Bark Busters Products, the Bark Busters Services, or other products and services will infringe or potentially infringe upon the rights of any third party or weakens or impairs Licensor's or Franchisor's rights in the Proprietary Marks, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in accordance with Franchisor's instructions, and Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof.

10.11 Franchisee will not use any materials that are false or misleading.

10.12 Franchisee will ensure that all advertising, labeling, packaging and other materials associated with the Bark Busters Products, the Bark Busters Services, and other products and services fully conform to all applicable laws and regulations.

10.13 Franchisee will conduct its business operations in accordance with all applicable laws and regulations, including but not limited to, consumer protection laws and regulations.

10.14 Franchisee will control the quality of the Bark Busters Products, the Bark Busters Services, and other products and services to avoid product quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

10.15 Franchisee shall not use any Proprietary Mark or portion of any Proprietary Mark as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law. At all times Franchisee shall identify itself as a Franchisee of Bark Busters North America, LLC and Licensor in accordance with the notice provisions contained in the Operating Manual.

10.16 In order to preserve the validity and integrity of the Proprietary Marks and Copyright Works (as defined in Section 12.4) licensed herein and to assure that Franchisee is properly employing the same in the operation of its Bark Busters Business, Franchisor or its agents shall have the right of entry and inspection of Franchisee's Premises, even if the business is operated from Franchisee's home, and operating procedures at all reasonable times. Franchisor shall have the right to observe the manner in which Franchisee is rendering its Bark Busters Services and conducting its operations, to confer with Franchisee's employees and customers, and to select Bark Busters Products, Bark Busters Supplies and other items for testing of content and evaluation purposes to make certain that all such tested items are satisfactory and meet the quality control provisions and performance standards established by Franchisor.

10.17 If it becomes advisable at any time, in Franchisor's sole and absolute discretion, for Franchisor to modify or discontinue use of any Proprietary Mark, 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 a reasonable time after notice to Franchisee by Franchisor. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Proprietary Mark.

10.18 Any unauthorized use of the Proprietary Marks by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and Licensor in and to the Proprietary Marks.

10.19 Franchisee acknowledges that all usage of the Proprietary Marks by Franchisee and any goodwill established by Franchisee's use of the Proprietary Marks shall inure to the exclusive benefit of Franchisor and Licensor, and that this Agreement does not confer any goodwill or other interests in the Proprietary Marks upon expiration or termination.

10.20 In the event Franchisee acquires, as a result of the exercise of any rights provided under this Agreement, any rights in the Proprietary Marks, it agrees to assign and hereby assigns all such rights to Franchisor.

10.21 Franchisee shall promptly notify Franchisor of any claim, demand, or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Proprietary Marks or any colorable imitation thereof. Franchisee shall also notify Franchisor of any action, claim or demand against Franchisee relating to the Proprietary Marks within three (3) days after Franchisee receives notice of said action, claim, or demand. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Proprietary Marks, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Proprietary Marks and shall exercise such right in the sole discretion of Franchisor and Licensor. Franchisor shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Proprietary Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor and Licensor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee. Both parties shall make every effort consistent with the foregoing to protect, maintain, and promote the Proprietary Marks as identifying the System and only the System. **FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE PROPRIETARY MARKS**.

10.22 All provisions of this Agreement applicable to the Proprietary Marks apply to any and all additional trademarks, service marks and commercial symbols authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

10.23 The Franchisee must employ and impose only humane, gentle, and 'animal friendly' methods, and only implement and use only the training equipment approved for use by the Franchisor and in accordance with Bark Busters prescribed methods and training received by Franchisee which, may be altered from time to time by the Franchisor. Any breach caused by Franchisee due to abusive animal training techniques or unapproved training equipment will be a Material Breach of this agreement and will provide Franchisor the right to immediately terminate this agreement.

11. CONFIDENTIAL OPERATING MANUAL

11.1 Franchisor shall loan to Franchisee during the Initial Term of the franchise and any Interim Period, and any Successor Term one (1) copy of Franchisor's confidential Operating Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor for Bark Busters Businesses and information relative to other obligations of Franchisee hereunder. All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws. Specifications, standards and operating procedures prescribed from time to time by the Franchisor in the Operating Manual or otherwise communicated to the Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein. The Franchisee shall operate the Bark Busters Business strictly in accordance with the Operating Manual. Failure to comply with the standards set forth in the Operating Manual shall constitute a material breach of this Agreement. The Franchisor reserves the right to provide the Operating Manual and updates to the Operating Manual in electronic form or other form determined by the Franchisor from time to time in its sole and absolute discretion.

(a) The Operating Manual shall include the following materials:

(i) Policy and Procedures Manual.

(ii) Stand Rite No Bite Manual (for personal use only).

(iii) Business Management Manual.

(iv) Such other books, handouts, and training materials as provided by Franchisor from time to time.

(b) The Franchisor shall have the right to add to, and otherwise modify, the Operating Manual from time to time to reflect changes in authorized Bark Busters Products and Bark Busters Services, business image or the operation of the Bark Busters Business; provided, however, no such addition or modification shall alter the Franchisee's fundamental status and rights under this Agreement. Some of the revisions to the Operating Manual presently contemplated include changes with respect to:

(i) training techniques and education strategies;

(ii) sales and marketing strategies;

(iii) equipment and supplies;

(iv) accounting and reporting systems and forms;

(v) insurance requirements;

(vi) operating procedures;

(vii) Bark Busters Services; and

(viii) Bark Busters Products.

(c) The Franchisee covenants to accept, implement and adopt any such reasonable modifications at its own cost. The Franchisee shall keep its Operating Manual with replacement pages and insertions as instructed by the Franchisor in either hard or electronic copy.

11.2 The Franchisee acknowledges that it has had no part in the creation or development of nor does it have any property or other rights or claims of any kind in or to any element of the System, the Proprietary Marks, or any matters dealt with in the Operating Manual and that all disclosures made to the Franchisee relating to the System and including without limitation the specifications, standards, procedures and the entire contents of the Operating Manual are communicated to it solely on a confidential basis and as Trade Secrets, in which the Licensor and Franchisor have a substantial investment and a legitimate right to protect against unlawful disclosure. Accordingly, the Franchisee agrees to maintain the confidentiality of all such information during the Initial Term or at any time thereafter and shall not disclose any of the contents of the Operating Manual or any information whatsoever with respect to the Franchisee's or the Franchisor's Bark Busters Business or the System other than as may be required to enable the Franchisee to conduct its Bark Busters Business from the Bark Busters Business Premises, and the Franchisee further agrees not to use any such information in any other business or in any manner not specifically approved in writing by the Franchisor. This Section 11.2 shall survive the termination of this Agreement for any reason whatsoever.

11.3 The Operating Manual shall at all times remain the sole and exclusive property of Franchisor and shall promptly be returned, together with all copies of any portion of the Operating Manual which Franchisee may have made, upon the expiration or other termination of this Agreement. At no time shall Franchisee or its employees make copies or reproductions of all or part of the Operating Manual. In the event the entire Operating Manual or any part of it is lost, stolen or destroyed, Franchisee shall pay Franchisor five thousand dollars ($5,000.00) to compensate Franchisor for the physical and administrative cost of replacing the Operating Manual.

11.4 The Operating Manual contains proprietary information of Franchisor and shall be kept confidential by Franchisee both during the term of the franchise and subsequent to the expiration and/or termination of the franchise. Franchisee shall at all times ensure that its copy of the Operating Manual be available at Franchisee's business location in a current and up-to- date manner. At all times that the Operating Manual is not in use by authorized personnel, Franchisee shall maintain the Operating Manual in a locked receptacle at the Franchisee's business location, and shall only grant authorized personnel, as defined in the Operating Manual, access to the key or lock combination of such receptacle.

11.5 In the event of any dispute as to the contents of the Operating Manual, the terms of the master copy of the Operating Manual maintained by Franchisor at Franchisor's home office shall be controlling.

12. CONFIDENTIAL INFORMATION AND COPYRIGHT WORKS

12.1 Franchisee acknowledges that its entire knowledge of the operation of a Bark Busters Business including, without limitation, the dog training techniques, the provision of canine- related education services, the proper use of Bark Busters Products, and other specification, standards and operating procedures of a Bark Busters Franchise is derived from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential and constitutes the Trade Secrets of Franchisor. In addition, any improvements developed by Franchisee pursuant to Franchisee's operation of the Bark Busters Business shall constitute proprietary information of Franchisor. Trade Secrets refer to the whole or any portion of know- how, knowledge, methods, training techniques, educational processes, specifications, procedures and/or improvements regarding the Bark Busters Business and the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor. Franchisee shall maintain the absolute confidentiality of all such information during and after the term of the franchise and Franchisee shall not use any such information in any other business or in any manner not specifically authorized or approved by writing by Franchisor.

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12.2 Franchisee shall divulge such confidential information only to the extent and only to such of its employees as must have access to it in order to operate the Bark Busters Business. Any and all information, knowledge and know-how including, without limitation, materials, equipment, training techniques, educational processes, and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate lawfully came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had lawfully become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, lawfully becomes a part of the public domain, through publication or communication by others.

12.3 Due to the special and unique nature of the confidential information, Proprietary Marks and Operating Manual, Franchisee hereby acknowledges that Franchisor shall be entitled to immediate equitable remedies including, without limitation, restraining orders and injunctive relief in order to safeguard such proprietary, confidential, unique and special information of Franchisor and that money damages alone would be an insufficient remedy with which to compensate Franchisor for any breach of the terms of Sections 10, 11, and 12 herein. All owners, directors, shareholders, members, managers, governors, partners and employees of Franchisee having access to the confidential and proprietary information of Franchisor shall be required to execute non- disclosure agreements in the form acceptable to Franchisor.

12.4 The Franchisee and the Franchisor acknowledge and agree that: (1) the Franchisor may authorize the Franchisee to use certain copyrighted or copyrightable works ("**Copyright Works**"); (2) the Copyright Works are the valuable property of the Franchisor and Licensor; and the Franchisee's rights to use the Copyright Works are granted to the Franchisee solely on the

condition that the Franchisee complies with the terms of this Section. The Franchisee acknowledges and agrees that the Franchisor owns or is the licensee of the owner of the Copyright Works and may further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of Businesses, including, but not limited to, all categories of works eligible for protection under the United States copyright law, all of which shall be deemed to be Copyright Works under this Agreement. Such Copyright Works include, but are not limited to, the Operating Manual, advertisements, promotional materials, labels, posters, coupons, gift certificates, signs, plans and specifications and may include all or part of the Proprietary Marks and the System, trade dress and other portions of the Bark Busters Business. The Franchisee acknowledges that this Agreement does not confer any interest in the Copyright Works upon the Franchisee, other than the right to use them in the operation of the Bark Busters Business in compliance with this Agreement.

12.5 Franchisee will make no use of the Copyright Works without the prior approval of Franchisor, this Agreement itself not constituting such approval. To maintain and enhance the rights in the Copyright Works, Franchisee will conduct its business in accordance with this Agreement and specifically with the provisions of this Section 12.

12.6 Franchisee agrees that all material, including but not limited to, all artwork and designs, created by Franchisee or any other person or entity retained or employed by Franchisee, and used with the Proprietary Marks ("**Copyright Materials**") are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor or Licensor, who shall be entitled to use and license others to use the Copyright Materials subject to the provisions of this Agreement unencumbered by moral rights. To the extent the Copyright Materials are not works made for hire or rights in the Copyright Materials do not automatically accrue to Franchisor or Licensor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyright Materials, which the Franchisee and the author of such Copyright Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyright Materials from the author or third parties to Franchisor, its successors, and assigns that may be acquired.

12.7 Franchisee agrees to safeguard and maintain the value of the Copyright Works and will not do anything that would adversely impact the value of the Copyright Works. Franchisee will never attempt to dilute, directly or indirectly, the value attached to the Copyright Works, nor to counsel, procure, or assist anyone else to do the same.

12.8 Franchisee agrees that all User Generated Content, including but not limited to content that is written, uploaded, or generated by a Bark Busters client to a Facebook account, Google My Business account, Twitter accounts, Instagram accounts, Yelp! accounts or any other digital marketing accounts in the form of, but not limited to, customer reviews, photos and videos shall be the Proprietary Information and Copyright Works owned by Bark Busters.

12.9 Franchisor or Licensor may decide, in its sole and absolute discretion, to apply to register or to register any Copyright Works with respect to the Bark Busters Products, the Bark Busters Services or any other goods and services. Failure of Franchisor or Licensor to obtain or maintain in effect any such application or registration is not a breach of this Agreement.

Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Copyright Works, or any copyright work or logo substantially similar thereto, anywhere in the world.

12.10 Franchisee will use the form of notice specified by Franchisor at least once on each piece of advertising, promotional, or other material used in connection with the Bark Busters Products and Bark Busters Services.

12.11 In order to ensure that Franchisee safeguards and maintains the value of the Copyright Works, Franchisee shall not appear in, or use the appearance of any customers or Copyright Works in, any television, radio, film, and internet produced video or programming media without the prior written consent of the Franchisor.

12.12 If, in Franchisor's reasonable determination, the use of a Copyright Work in connection with the Bark Busters Products, Bark Busters Services, or other products and services will infringe or potentially infringe upon the rights of any third party or weakens or impairs Franchisor's or Licensor's rights in the Copyright Works, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in accordance with Franchisor's instructions, and Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof.

13. ADVERTISING AND PROMOTION

13.1 Beginning with the fourth (4th) full month of operation and during the remainder of the Initial Term and any Interim Period, the Franchisee shall spend a minimum of three percent (3%) of the Gross Revenues for the preceding month for advertising and promotion. This advertising expense is called the "**Local Advertising Expense**." If required by Franchisor in its sole and absolute discretion, Franchisee at all times shall maintain online advertising in the form of prescribed mini websites provided and distributed in the metropolitan area in which Franchisee operates its Bark Busters Business or the equivalent online directory as required by the Franchise Disclosure Document and the Franchise Agreement. Such advertising shall include Franchisor's toll-free telephone number and approved Bark Busters web addresses. All phone or online directory advertising must be approved in advance by Franchisor, and all costs for such phone or online directory advertising shall be borne solely by Franchisee unless such advertising is placed by a Local Advertising Cooperative as more fully set forth in Section 13.4. Expenditures for phone or online directory advertising shall count toward satisfying Franchisee's Local Advertising Expense requirement.

13.2 If required by Franchisor in its sole and absolute discretion, Franchisee shall participate in the Big Dog website for a fee at a minimum of thirty-six dollars ($36.00) per month.

13.3 During the Initial Term and any Interim Period, the Franchisee shall furnish the Franchisor an accounting of the Franchisee's previous month's expenditures for advertising and promotion on a form approved by the Franchisor. Any Local Advertising Cooperative of which the Franchisee is a member must also submit a monthly accounting.

13.4 Franchisor will make available to the Franchisee all advertising and promotion materials for the Bark Busters Business which are used by the Franchisor and other franchisees.

The Franchisee will receive one (1) sample of each type of advertising and promotion material at no charge or by electronic means. If the Franchisee wants additional copies the Franchisee must pay duplication costs.

13.5 National advertising, regional advertising, public relations, marketing, and promotions will be managed and maintained by the Franchisor, in the Franchisor's sole and absolute discretion, and paid for completely or in part by Franchisor.

13.6 The Franchisor may spend up to twenty percent (20%) of Bark Busters' gross income (after federal and state taxes, and Franchisor Royalty Fees) for marketing, PR, Internet Search Engine Optimization (SEO), web based promotions etc. that it receives from Franchisee's gross royalty percentages (excluding franchise sales, re-sales or franchise renewal fee, technology fees, conference fees or any other sales or other business activity not related to the gross revenue royalty percentage collected by the Franchisor from the Franchisee's business activity). Franchisor has the absolute discretion in how these marketing monies will be used.

13.7 The Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new Bark Busters Products, new Bark Busters Services, new franchises or other marketing programs directed or approved by the Franchisor), which are prescribed from time to time by the Franchisor. The Franchisee shall be responsible for the costs of such participation. In addition, the Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of the Franchisor at the Franchisee's sole cost unless otherwise specified in writing by the Franchisor.

14. INSURANCE AND INDEMNITY

14.1 Franchisee shall, upon commencement of the Term, purchase and at all times maintain in full force and effect:

(a) Insurance policies, in such amounts and on such terms, as prescribed by the Operating Manual, issued by an insurance company acceptable to Franchisor at all times during the Term of this Agreement and any Successor Terms. Insurance coverage must include, but is not limited to, comprehensive general liability, combined single limit, automobile, bodily injury and all-risk property damage insurance and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Operating Manual and adjusted by Franchisor periodically in Franchisor's sole discretion, unemployment and workers compensation insurance. Insurance policies must insure Franchisee, Franchisor, Franchisor's Affiliates, and Franchisor's and Franchisor Affiliates' respective officers, directors, shareholders, managers, members and all other parties designated by Franchisor, as additional named insured against any liability which may accrue against them because of the ownership, maintenance or operation by Franchisee of the Bark Busters Business. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance (collectively, "**Certificates of Insurance**") acceptable to Franchisor, including

original endorsements affecting the coverage required by this Section, shall be furnished to Franchisor together with proof of payment within ten (10) days of issuance thereof. Franchisee shall also furnish Franchisor with certificates and endorsements evidencing such insurance coverage within ten (10) days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance, within five (5) days of the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 19 of this Agreement. Franchisee shall also procure and pay for all other insurance required by state or federal law. Franchisor reserves the right to modify minimum insurance requirements or the types of coverage required at any time in its sole discretion by updating the Operating Manual.

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

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

14.2 The Franchisee shall, during the Initial Term, any Interim Period, and Successor Term and after the termination or expiration of the Franchise, indemnify the Franchisor and its officers, directors and employees, defend and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by the Franchisee or any of its property) (collectively, "**Damages**") for which they are held liable, or which they incur (including reasonable attorneys' fees, costs, travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

(a) a breach of this Agreement, or any other agreement between the parties, by the Franchisee;

(b) any injury to, or loss of property of, any person in, or on, the Franchisee's Premises or other Bark Busters Business Premises or at the home of any of Franchisee's customers;

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

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

(e) any advertising or promotional material distributed, broadcast or in any way disseminated by the Franchisee, or on its behalf unless such material has been produced, or approved in writing, by the Franchisor.

15. RELATIONSHIP

15.1 The Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venture, or employee of the Franchisor. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. The Franchisee shall conspicuously identify itself in all dealings with the public as an entity separate from the Franchisor. It is expressly agreed that the parties intend by this Agreement to establish between the Franchisor and the Franchisee the relationship of franchisor and franchisee. It is further agreed that the Franchisee has no authority to create or assume in the Franchisor's name or on behalf of the Franchisor, any obligation, express or implied, or to act or purport to act as an agent or representative on behalf of the Franchisor for any purpose whatsoever. The Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of the Franchisor. All employees hired by or working for the Franchisee shall be the employees of the Franchisee and shall not, for any purpose, be deemed employees of the Franchisor or subject to the Franchisor's control. Each of the parties agrees to file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party of and from any liability of any nature whatsoever by virtue thereof.

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

15.3 Franchisee shall prominently display a notice as required by Franchisor, as well as a statement on Franchisee's letterhead and on all forms, printed materials and marketing

materials to be distributed to the public, which clearly states that "EACH FRANCHISE IS INDEPENDENTLY OWNED AND OPERATED."

15.4 The Franchisee shall ensure that the notice required in Section 10.21 shall state that the Franchisee is the sole operator and that the Franchisor has no liability for the Bark Busters Business being conducted from the Bark Busters Business location or any other location from which Franchisee conducts its Bark Busters Business.

16. RESTRICTIVE COVENANTS

16.1 The Franchisee acknowledges that its entire knowledge of the operation of a Bark Busters Business is derived from Franchisor's Confidential Information. Such Confidential Information is proprietary and constitutes valuable trade secrets of the Franchisor and Licensor. The Franchisee acknowledges and agrees that all of the Confidential Information is the property of the Franchisor and/or Licensor and that the Franchisor has the right to use the Confidential Information in any manner it wishes at any time. The Franchisee shall maintain the confidentiality of the Confidential Information and will not use the Confidential Information in an unauthorized manner or disclose the same to any unauthorized person without first obtaining the Franchisor's written consent. The Franchisee acknowledges that the Proprietary Marks and System have valuable goodwill attached to them, that the protection and maintenance thereof is essential to the Licensor and the Franchisor and that any unauthorized use or disclosure of the Proprietary Marks, the System or the Confidential Information will result in irreparable harm to the Franchisor.

(a) The Franchisee acknowledges that the Confidential Information is a valuable asset of the Licensor and the Franchisor, includes Trade Secrets of the Franchisor and is disclosed to the Franchisee on the condition that the Franchisee, and the Franchisees' owners and employees who have access to the Confidential Information, agree that during and after the Initial Term of the applicable agreement they:

(i) will not use the Confidential Information in any other business or capacity;

(ii) will maintain the absolute confidentiality of the Confidential Information;

(iii) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other tangible form; and

(iv) will adopt and implement all reasonable procedures the Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information including requiring employees and owners who have access to the Confidential Information to execute nondisclosure and non-competition agreements as the Franchisor may require periodically, and provide the Franchisor, at the Franchisor's request, with signed copies of each of those agreements.

(b) The restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information, and knowledge which are or become generally known in the dog training service business within the Territory, other than through disclosure the Franchisee makes (whether deliberate or inadvertent); and (b) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that the Franchisee is legally compelled to disclose the information, if the Franchisee has notified the Franchisor before disclosure and used the Franchisee's best efforts, and afforded the Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

16.2 The Franchisee covenants and agrees that during the Initial Term of this Agreement, any Interim Period, and Successive term thereof, it shall not, without the prior written consent of the Franchisor, either individually or in partnership or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating in connection with either pet services or pet products of any type ("**Competitive Business**").

16.3 Upon termination or expiration of the Initial Term, any Interim Period, Successive Term, or the transfer, sale or assignment of this Agreement by the Franchisee, neither the Franchisee nor its owners will have any direct or indirect interest (i.e., through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years, in any business offering dog training services or guidance anywhere within seventy- five (75) miles of a currently operating Bark Busters Franchise.

If any person restricted by this provision refuses voluntarily to comply with the foregoing obligations, the two (2) year period will commence with the entry of any order of a court or arbitrator enforcing this provision.

THE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE THE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

16.4 The parties have attempted in Section 16.3 above to limit the Franchisee's right to compete only to the extent necessary to protect the Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Section 16.3 is disputed at any time by the Franchisee, a court or arbitrator, as the case may be, may modify Section 16.3 to the extent that it deems necessary to make such provision enforceable under applicable law. In addition, the Franchisor reserves the right to reduce the scope of said provision without the Franchisee's consent, at any time or times, effective immediately upon notice to the Franchisee.

16.5 During the Initial Term (including any Interim Period), and Successive Term of this Agreement and for a period of two (2) years thereafter, the Franchisee shall not attempt to attain an unfair advantage over other associates or the Franchisor or any affiliates thereof by soliciting for employment any person who is, at the time of such solicitation, employed by the Franchisor or any such affiliates, nor shall the Franchisee directly or indirectly induce or attempt to induce any such person to leave his or her employment as aforesaid.

16.6 Nothing in this Section shall prevent any active officer of Franchisee or member of the Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934.

16.7 The Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to the Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. The Franchisee acknowledges that a breach of the covenants contained in this Section 16 will be deemed to threaten immediate and substantial irreparable injury to the Franchisor. Accordingly, the Franchisee agrees that the Franchisor will have the right, without prior notice to the Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies.

(a) In the event that the Franchisee is not an individual, this Section 16 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of the Franchisee, the Franchisee, and any persons controlled by, controlling or under common control with Franchisor reserves the right to assign the Master License or the franchise system to anyone including the operator of a competing franchise system. Franchisor shall have the absolute right to transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person.

17. ASSIGNMENT

17.1 The Franchisee acknowledges and agrees that the Franchisor's obligations under this Agreement are not personal, and the Franchisor can unconditionally assign, in its sole and absolute discretion, this Agreement and the Master License to another corporation or any other party at any time.

(a) The Franchisee acknowledges and agrees that, to the extent permitted by the Master License, the Franchisor may sell its assets, the Proprietary Marks or the System to any third party of the Franchisor's choice, including to the Licensor; may offer its securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without the Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform the Franchisor's obligations in all material respects, free of any responsibility or liability whatsoever to the Franchisee after the transaction occurs.

(b) With regard to any of the above sales, assignments and dispositions, the Franchisee expressly and specifically waives any claims, demands, or damages against

the Franchisor and the Licensor arising from or related to the transfer of the Proprietary Marks or the System from the Franchisor to any other party.

17.2 The Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to the Franchisee. Accordingly, this Agreement, the Franchisee's rights and interests hereunder, the property and assets owned and used by the Franchisee in connection with the Bark Busters Business and any shares, stock or interest in any corporation or other entity having an interest in the Bark Busters Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of the Franchisee if the Franchisee is an individual) (collectively, "**Transfer**"), in whole or in part, in any manner whatsoever without the prior written approval of the Franchisor, which approval shall not be unreasonably withheld, conditioned or delayed, and compliance with all terms of this Section 17. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by the Franchisor.

17.3 If the Franchisee is a general partnership, limited partnership, corporation, or other business entity, no initial personal interest in the entity is assignable or transferable without the Franchisor's prior written consent and compliance in all other respects with the terms of this Section 17.

17.4 If the Franchisee takes on an additional partner, in accordance with Section 17.6(b) and 17.6(c), in no matter what form of business entity, Franchisee shall pay to Franchisor fifteen percent (15%) of half of the current value of the business at the time of the transfer. The valuation will be determined by GAAP and certified by an independent Certified Public Accountant.

17.5 With and after each valid Transfer of this Agreement pursuant to this Section 17, the assignee or assignees of the Franchisee shall be deemed to be the Franchisee under this Agreement and will be bound by and liable for all of the Franchisee's existing and future obligations. No stockholder in any corporation which becomes the Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, and the name of such corporation shall not include any of the Proprietary Marks

17.6 No Transfer of this Agreement will be approved by the Franchisor or be effective unless and until all the following conditions are satisfied:

(a) the Franchisee being then in full compliance herewith and paying to the Franchisor all outstanding debts or amounts owing to the Franchisor or any affiliate of Franchisor;

(b) the transferee ("**Transferee**") executing the Franchisor's then current franchise agreement (which may contain provisions substantially different from those contained herein, including a higher Royalty and greater expenditures for advertising and promotion than are provided hereunder, and such other documents then customarily used by the Franchisor to grant franchises), all other documents as may be reasonably requested by the Franchisor and paying to the Franchisor a transfer fee described in

Section 17.6(c) below ("**Transfer Fee**") and a five thousand dollar ($5,000.00) **Training Fee** payable by the Transferee when an established franchise is sold.

(c) Franchisee shall pay to Franchisor a **Transfer Fee** of fifteen percent (15%) of the Gross Sale Price or value of Transfer of Franchise not to exceed twenty thousand dollars ($20,000.00). If a Transfer Fee is paid there will be no charge for the Initial Franchise Fee, but the Training and Territory Fee must still be paid.

(d) Franchisee shall also pay to Franchisor, prior to the Transfer, a legal reimbursement fee (**"Legal Reimbursement Fee**") equal to one thousand dollars ($1,000.00) to reimburse Franchisor for legal expenses and other costs incurred in documenting the Transfer;

(e) the Franchisee's execution of a general release of the Franchisor, including its officers, directors, agents and employees, from its obligations under the Agreement;

(f) the Transferee purchasing all of the Franchisee's assets used in the Bark Busters Business in accordance with all applicable bulk sales laws and regulations and assuming all of the liabilities of the Bark Busters Business unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock of the Franchisee;

(g) the Transferee shall be an individual having adequate financial resources who shall meet all criteria established by the Franchisor for franchisees, and complete the Franchisor's then current training program (with the assistance of Franchisee as required in the Franchise Disclosure Document and the Franchise Agreement) established by the Franchisor for franchisees unless: (i) the Transferee is a current franchisee in good standing in the System, or (ii) the Transferee is or has been an Operating Principal for a period of one (1) year or more of a Bark Busters Business in good standing;

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

(i) the parties to the proposed transaction will have entered a binding agreement subject only to the rights of the Franchisor. Franchisor shall be furnished a copy of this binding agreement ("**Purchase Offer**"), and such Purchase Offer shall be subject to the Franchisor's approval in writing. The Franchisee must advise each prospective Transferee of this provision and the other terms of this Agreement;

(j) the proposed Transferee or the stockholders, partners or owners of a beneficial interest in a proposed corporate, partnership, or other entity Transferee, providing jointly and severally such personal guarantees which the Franchisor may

request, guaranteeing the proposed Transferee's performance of its obligations under the agreements to be entered into;

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

17.7 Notwithstanding anything to the contrary herein contained, the Franchisor shall, upon the Franchisee's compliance with such requirements as may from time to time be prescribed by the Franchisor (including the obtaining of all necessary approvals to the assignment of leases, if any, of the premises), consent to a Transfer of the Franchisee's right title and interest in and to this Agreement, and the property and assets owned and used by the Franchisee in connection therewith and any other agreement then in effect between the Franchisee and the Franchisor to a corporation which is wholly owned and controlled by the Franchisee, subject to the following (provided that such assignment shall in no way release the Franchisee from any liability under this Agreement):

(a) Contemporaneously with such assignment and thereafter upon the appointment or election of any person as director or officer of such corporation, such corporation shall cause each shareholder, director(s) and officer(s) of the corporation to execute a written agreement with the Franchisor under seal, personally guaranteeing full payment and performance of the Franchisee's obligations to the Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement

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

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

"The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with Bark Busters North America, LLC Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation."

(d) The articles of incorporation and by-laws of the corporation shall provide that its objectives or business is confined exclusively to the operation of the Bark Busters Business as provided for in this Agreement, and recite that the issuance and transfer of any shares of the corporation is restricted by the terms of this Agreement, and copies thereof shall be furnished to the Franchisor upon request;

(e) The corporation shall not use the name "**Bark Busters**" or any other of the Franchisor's Proprietary Marks or any name confusingly similar thereto as part of its corporate name or trade name;

(f) In the event of a violation of the provision of this Section the Franchisor shall have the option, after giving the corporation thirty (30) days written notice in which to cure such violation, to forthwith cancel and terminate this Agreement;

(g) The Franchisor's consent to a Transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee; The corporation shall advise the Franchisor and keep the Franchisor current as to the names and addresses of the directors and shareholder of and those persons financially involved in the corporation;

(h) The Franchisee agrees to devote its full-time and best efforts to manage the day-to-day operations of the Bark Busters Business unless it has an Operating Principal approved by the Franchisor;

(i) The Franchisee acknowledges that the assumption of the Franchisee's obligation by any corporation, partnership or trust does not limit the Franchisee's personal obligations under this Agreement, and that the Franchisee and the corporation, partnership, trust, or other entity will be jointly and severally liable.

17.8 Upon the death of a Franchisee shareholder, the rights granted by this Agreement may Transfer to the next of kin or legatees, provided that the Franchisee's legal representatives shall within sixty (60) calendar days of the Franchisee's death apply in writing to the Franchisor for the right to Transfer to the next of kin or legatee the Franchisee's rights under this Agreement. Franchisor shall not unreasonably withhold its permission so long as the proposed Transferees meet each of the requirements set forth in this Section 17 within thirty (30) days of the receipt of conditional permission for the Transfer.

17.9 Any attempt by the Franchisee to Transfer any of its rights or interest under this Agreement or the License, without having received the Franchisor's prior written consent, will constitute a material breach of this Agreement. However, if the Franchisee dies and its personal representative does not desire to sell the Bark Busters Business, and if under controlling local law the Franchisee's interest in the Bark Busters Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then, such attempted assignment by operation of law will not be deemed in violation of this Agreement, provided that such heirs or legatees accept the conditions imposed on otherwise permitted assignees.

17.10 The Franchisee shall not have the right to grant a sub-franchise.

17.11 If the Franchisee shall at any time determine to sell, in whole or in part, the Bark Busters Business, the Franchisee shall obtain a bona fide, executed, written offer to purchase the Bark Busters Business together with all real or personal property, leasehold improvements and other assets used by the Franchisee in its Bark Busters Business from a responsible, arms' length, and fully disclosed purchaser ("**Purchase Offer**") and shall submit an exact copy of such offer to the Franchisor, which shall, for a period of fifteen (15) days from the date of delivery of such offer to the Franchisor, have the right, but not the obligation, exercisable by written notice to the Franchisee, to purchase all of the Bark Busters Business and the said assets of the Franchisee, for the price and on the terms offered to the Franchisor subject to the provisions of Sections 17 and 18, and provided that:

(a) there shall be deducted from the purchase price the amount of any commissions or fees that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of such property to the offeree; and the Franchisor shall have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

18. OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL

18.1 Unless otherwise explicitly provided by this Agreement, the Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

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

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

(c) The receipt by the Franchisor of a copy of a Purchase Offer in accordance with Section 17.

18.2 Upon any event described in Section 18.1, the Franchisor shall have the option to purchase all of the Franchisee's rights, title and interest in the Bark Busters Business, and all its improvements, furniture, fixtures, equipment, Bark Busters Supplies and Bark Busters Products, and all of the Franchisee's accounts, contract rights, customer and vendor lists, work in progress and other business assets.

18.3 The purchase price for assets itemized in Section 18.2 will be: (i) the current fair market value if Section 18.1(a) or 18.1(b) is applicable; or (ii) the price specified in the Purchase Offer received by the Franchisee if Section 18.1(c) is applicable. If the Franchisee and the Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by each of the Franchisee and the Franchisor and an average of the two appraised values will be binding. Appraised values will exclude any and all consideration for

goodwill or going concern value created by the Proprietary Marks and the System licensed to the Franchisee.

If the Franchisor elects to exercise any option to purchase provided in this Section 18, the Franchisor will have the right to set off all amounts due from the Franchisee under the Franchise Agreement and the cost of the appraisal, if any, against any payment.

18.4 Franchisor will notify the Franchisee of its intention to exercise its rights to purchase ("**Notice of Intent**") within sixty (60) days following an event described in Section 18.1(a) or 18.1(b), or within fifteen (15) days following an event described in Section 18.1(c). The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by the Franchisor. The Franchisee will have fourteen (14) days following receipt of the Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 18.3. If the Franchisor declines to exercise its rights under this Section within sixty (60) days, the Franchisee may thereafter sell or dispose of the Bark Busters Business to a third party, but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, and subject to the prior written permission of the Franchisor and satisfaction of the other conditions to assignment set forth in Section 17.

18.5 The purchase and sale contemplated in this Section shall be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Section 18.4, the Franchisor or the Franchisee's designee shall have the right to take possession of the Bark Busters Business and to carry on and develop the Bark Busters Business for the exclusive benefit of the Franchisor or its designee.

19. DEFAULT AND TERMINATION

19.1 The Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted the Franchisee hereunder, subject to the provisions of applicable state law governing franchise termination and renewal, effective upon receipt of notice by the Franchisee, addressed as provided in Section 21, upon the occurrence of any of the following events:

(a) The Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operating Manual or any other Trade Secrets or Confidential Information of the Franchisor;

(b) The Franchisee voluntarily abandons the Bark Busters Business for a period of five (5) consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the Bark Busters Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee;

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

(d) Any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for thirty (30) days or longer (unless a superseding or other appeal bond has been filed); or if execution is levied against the Franchisee's business or any of the property used in the operation of the Bark Busters Business and is not discharged within five (5) days; or if the real or personal property of the Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable;

(e) The Franchisee or any owner of greater than twenty percent (20%) of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, cruelty to animals, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the System, Proprietary Marks, goodwill or reputation thereof;

(f) The Franchisee fails to pay any amounts due the Franchisor or affiliates within ten (10) days after receiving notice that such fees or amounts are overdue;

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

(h) The Franchisee has received two (2) notices of default with respect to Franchisee's obligations hereunder from the Franchisor within a twelve (12) month period, regardless of whether the defaults were cured by the Franchisee;

(i) The Franchisee sells, Transfers or otherwise assigns the Franchise, an interest in the Franchise or the Franchisee entity, this Agreement, the Bark Busters Business or a substantial portion of the assets of the Bark Busters Business owned by the Franchisee without complying with the provisions of Section 17;

(j) The Franchisee submits on two (2) or more occasions during the Initial Term or any Interim Period a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than five percent (5%), unless the Franchisee demonstrates that such understatement resulted from inadvertent error;

(k) The Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five (5) days late on two (2) or more occasions during the Initial Term or any Interim Period unless due to circumstances beyond the control of the Franchisee;

(l) The Franchisee sells or offers for sale any unauthorized merchandise, product or service;

(m) The Franchisee terminates this Agreement;

(n) No site has been designated and accepted pursuant to Section 20;

(o) The Franchisee loses possession or the right of possession of all or a significant part of the Bark Busters Business through condemnation, casualty, lease termination or mortgage foreclosure and the Bark Busters Business is not relocated or reopened as provided in Section 20;

(p) The Franchisee contests in any court or proceeding the validity of, or the Licensor's or Franchisor's ownership of the Proprietary Marks;

(q) The Franchisee is a corporation or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without the Franchisor's prior written consent;

(r) The Franchisee fails to successfully complete the Franchisor's training or retraining course(s);

(s) The Franchisee fails to meet its Minimum Sales Quota during any twelve (12) month period; or

(t) The Franchisee receives from the Franchisor during the Initial Term and any Interim Period three (3) or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by the Franchisee.

19.2 The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon thirty (30) days written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such thirty (30) day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the thirty (30) day period. Defaults shall include, but are not limited to, the following:

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

(b) The Franchisee engages in any unauthorized business or practice or sells any unauthorized product or service under the Proprietary Marks or under a name or mark which is confusingly similar to the Proprietary Marks;

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

(d) The Franchisee fails or refuses to comply with the then-current requirements of the Operating Manual;

(e) The Franchisee defaults under any term of the lease of the Premises, any other franchise agreement with the Franchisor or any other agreement material to the Bark Busters Business and such default is not cured within the time specified in such lease, other franchise agreement or other agreement;

(f) The Franchisee fails, refuses or neglects to submit a statement of bi-weekly revenues accompanying the Royalty and the Marketing Advertising and Promotions Fund payment or fails to submit the Royalty or the Marketing Advertising and Promotions Fund payment when due;

(g) The Franchisee fails or refuses to attend the Supplemental Training Program or Franchisee is unable to complete the Supplemental Training Program to Franchisor's satisfaction;

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

(i) Failure to provide franchisor a profit and loss statement within sixty (60) days of the close of the Fiscal Year.

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

19.3 A termination of this Agreement by the Franchisee shall be deemed to be a termination without cause and a breach hereof, by the Franchisee.

19.4 The Franchisee agrees to pay within five (5) days of the effective date of termination or expiration of the Franchise all amounts owed to the Franchisor, the landlord of the premises (if applicable) and the Franchisee's trade and other creditors which are then unpaid. All periodic payments to the Franchisor shall be deemed to accrue daily and shall be adjusted accordingly and shall include interest at the rate of twelve (12%) per annum or the highest rate permitted by law, whichever is lower.

19.5 The Franchisee agrees that upon termination or expiration of the License, it shall take such action within five (5) days as may be required to cancel or assign, in Franchisor's sole and absolute discretion, all registrations relating to its use of any of the Proprietary Marks and Copyright Works. It shall notify the telephone company, all listing agencies, and all Internet service providers of the termination or expiration of the Franchisee's right to use any telephone number, any classified or other telephone directory listings, User Generated Content, and any domain names and e-mail addresses associated with the Proprietary Marks and Copyright Works and shall authorize the transfer of same to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in all telephone numbers, directory listings, domain names, User Generated Content, and e-mail addresses used by Franchisee to promote the Bark Busters Business and/or associated with the Proprietary Marks and Copyright Works. The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an

interest; to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Such appointment is evidenced by **Attachment D**. In addition, the Franchisee shall:

(a) Immediately discontinue the use of all Proprietary Marks, signs, structures, forms of advertising, telephone listings and service, domain names, e-mail addresses, the Operating Manual, and all materials, Bark Busters Products and Bark Busters Supplies of any kind which are identified or associated with the System and return all these materials, Bark Busters Products and Bark Busters Supplies to the Franchisor;

(b) Immediately discontinue the use and turn over to Franchisor any and all User Generated Content published on Franchisee's website, advertising materials, and social media accounts, including but not limited to Facebook, Instagram, Twitter, Yelp!, and Google My Business;

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

(d) Make no representation nor state that the Franchisee is in any way approved, endorsed or licensed by the Franchisor or associated or identified with the Franchisor or the System in any manner;

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

(f) Provide the Franchisor the option to purchase as set in Section 18; and

(g) Comply with the provisions of Section 6.9 and 16.3.

19.6 If, within thirty (30) days after termination of this Agreement by the Franchisor, the Franchisee fails to remove all displays of the Proprietary Marks from the Franchisee's business location which are identified or associated with the System, the Franchisor may enter the Franchisee's business location to effect removal. In this event, the Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

19.7 If, within thirty (30) days after termination the Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Proprietary Marks, the Franchisee hereby irrevocably appoints the Franchisor as the Franchisee's true and lawful attorney-in-fact for the Franchisee, and in the Franchisee's name, place and stead and on the Franchisee's behalf, to take action as

may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable the Franchisor to protect the System.

19.8 Termination of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which the Franchisor may have against the Franchisee, whether such claims or rights arise before or after termination.

19.9 All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Sections 10, 14, 16 and 18, hereof shall survive termination or expiration of this Agreement.

19.10 In the event that this Agreement expires or is terminated for any reason whatsoever and the Franchisor is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever ("**Security Interest**") from the Franchisee concerning assets used at any time by the Franchisee in the Bark Busters Business or which are situated on the Bark Busters Business premises, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

19.11 If, as a result of any default or breach by Franchisee or its owners, this Agreement is terminated prior to the natural expiration of the Term of this Agreement, the damages that Bark Busters would suffer for the loss of prospective fees, damage to the Bark Busters' Marks and the Bark Busters' System, damage to Bark Buster's franchise system and other amounts payable to or for Bark Busters in this Agreement would be difficult if not impossible to ascertain, such that Franchisee agrees to pay non-compliance damages based on a reasonable estimate of the probable damages that Bark Busters would suffer in the form of lost fees, damage to the Bark Busters' Marks and the Bark Busters System, damage to Bark Busters' franchise system and other amounts payable hereunder, and not as a penalty, in an amount of fifty thousand dollars ($50,000.00).

19.12 THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

20. CONDEMNATION AND CASUALTY

20.1 The Franchisee shall promptly advise the Franchisor upon the Franchisee's receipt of a notice of default or termination under the Franchisee's lease or mortgage, and shall promptly provide the Franchisor a copy of the notice. The Franchisee shall also give the Franchisor notice of any proposed taking of the Bark Busters Business location or any portion thereof through the exercise of the power of eminent domain at the earliest possible time. If the Bark Busters Business or a substantial part thereof is to be taken, the Bark Busters Business may be relocated within the Territory specified in **Attachment A**, or elsewhere with the Franchisor's written

approval in accordance with the Franchisor's relocation procedures. If the Franchisee opens a new business at another location in accordance with the Franchisor's standards and general specifications within one (1) year of the closing of the old Bark Busters Business, the new Bark Busters Business shall be deemed to be the Bark Busters Business licensed under this Agreement. If a condemnation, lease termination or mortgage default takes place and a new Bark Busters Business does not, for any reason, become the Bark Busters Business as provided in this Section, then the License shall terminate upon notice by the Franchisor.

20.2 If the Bark Busters Business is damaged, the Franchisee shall expeditiously repair the damage. If the damage or repair requires closing the Bark Busters Business, the Franchisee shall immediately notify the Franchisor in writing, and shall:

(a) Relocate the Bark Busters Business as provided in Section 20.1; or

(b) Repair or rebuild the Bark Busters Business in accordance with the Franchisor's then existing standards and general specifications, and reopen the Bark Busters Business for continuous business operations as soon as practicable (but in any event within twelve (12) months after closing the Bark Busters Business), giving the Franchisor thirty (30) days advance notice of the date of reopening.

If the Bark Busters Business is not (or, in the opinion of the Franchisor cannot be) reopened in accordance with this Section 20.2, or relocated pursuant to Section 20.1, the License shall terminate upon notice to the Franchisee.

20.3 The Initial Term will not be extended by any interruption in the Bark Busters Business's operations, except for an act of God that results in the Bark Busters Business being closed not less than sixty (60) days nor more than one hundred eighty (180) days. The Franchisee must apply for any extension within thirty (30) days following the reopening of the Bark Busters Business. No event during the Initial Term, any Interim Period, or Successive Term will excuse the Franchisee from paying Royalty Fees or Advertising Fees as provided in this Agreement and Franchisee is advised to carry sufficient business interruption insurance to satisfy Franchisee's obligations under this Section 20.3.

21. NOTICE

21.1 Any notice of default under this Agreement shall be delivered personally or by courier to the appropriate location. Any other notice, request, demand, approval, consent or other communication which the parties hereto may be required or permitted to be give hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery or delivering it to such party by mailing it by prepaid registered mail, in the case of the Franchisor to:

In the case of Franchisor to:

BARK BUSTERS NORTH AMERICA, LLC
ATTENTION: CARL & HEATHER PETERSON
318 Diablo Road, Suite 265
Danville, CA 94526

with a copy to (which shall not constitute notice):

DAWN NEWTON, ESQ.
Donahue Fitzgerald LLP
1999 Harrison Street, 26th Floor
Oakland, CA 94612

In the case of the Franchisee to:

_____
_____
_____
ATTENTION: _____

with a copy to (which shall not constitute notice):

_____
_____
_____
ATTENTION: _____

Any such notice or other document delivered personally or by electronic transmission shall be deemed to have been received by and given to the addressee on the day of delivery and any such other notice or other document mailed as aforesaid, shall be deemed to have been received by and given to the addressee on the third (3rd) business day following the date of mailing, except that notices mailed to Licensor shall be deemed to have been received on the tenth (10th) business day following the date of mailing. Any party may at any time give notice in writing to any other party of any change of address.

22. MISCELLANEOUS

22.1 Should the Franchisee, or any partnership or joint venture or corporation in which the Franchisee has a controlling equity interest, be a franchisee pursuant to another franchise agreement with the Franchisor, respecting another Bark Busters Business, using the Proprietary Marks, a default under this Agreement shall constitute a default under such other franchise agreement and vice versa, with like remedies available to the Franchisor. Should such other franchise agreement cease to be valid, binding and in full force and effect for any reason then the Franchisor may, at its option terminate this Agreement and this Agreement shall be forthwith surrendered by the Franchisee and terminated, and likewise should this Agreement cease to be valid, binding, and in full force and effect for any reason, the Franchisor may, at its option, terminate the other franchise agreement and the other franchise agreement shall be forthwith surrendered and terminated. In the event that there is more than one Franchisee, or if the Franchisee should consist of more than one legal entity, the Franchisee's liability hereunder shall be both joint and several. A breach hereof by one such entity or the Franchisee shall be deemed to be a breach by both or all.

22.2 All royalty and advertising contributions, all amounts due for goods purchased by the Franchisee from time to time from the Franchisor or its affiliates and any other amounts

owed to the Franchisor or its affiliates by the Franchisee pursuant to this Agreement or otherwise shall bear interest after the due date at the rate of twelve percent (12%) per annum or the highest rate permitted by law, whichever is lower, calculated and payable weekly, not in advance, both before and after default, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment shall not be construed as a waiver by the Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to the Franchisor's right to terminate this Agreement in respect of such default.

22.3 Time shall be of the essence of this Agreement and of every part thereof.

22.4 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the State of California, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of California, which laws shall prevail in the event of any conflict of law.

22.5 The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the Franchisee, its officers or directors and the Franchisor, its officers, directors or sales employees both parties agree that the exclusive venue for disputes between them shall be in the State of California and each waive any objection either may have to the personal jurisdiction of or venue in the State of California. Furthermore, venue shall be the Northern District of California or the Superior Courts of Contra Costa County. The Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection the Franchisee may have to either the jurisdiction or venue in such court.

22.6 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions. The Franchisor shall have the right unilaterally to reduce the scope of any covenants of the Franchisee contained in this Agreement upon notice to the Franchisee, whereupon the Franchisee shall comply therewith as so modified.

22.7 All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

22.8 The Franchisee represents that it is not a party to or subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Initial Term, any Interim Period, or Successive Term.

22.9 If either party institutes a legal proceeding, including court proceeding and arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to

recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law..

22.10 Reasonable Business Judgment (as defined herein) applies in all circumstances involving or requiring Franchisor's approval or consent, unless provided otherwise in the Agreement. Reasonable Business Judgment means that Franchisor's determinations or choices shall prevail, even if other alternatives are also reasonable or arguably preferable, if Franchisor intends to benefit or is acting in a way that could benefit the Franchisor System by, for example, enhancing the value of the Franchisor Marks, increasing customer satisfaction, minimizing possible customer confusion as to the Franchisor Marks or location, or increasing the financial strength of Franchisor. Except where otherwise indicated in this Agreement, Franchisor agrees to use Reasonable Business Judgment when discharging its obligations and exercising its rights and discretion. Franchisee has agreed to this concept of Reasonable Business Judgment in recognition of the fact that Franchisor should have at least as much discretion in administering the Franchisor System as a corporate board of directors has in directing a corporation, and because the long-term interests of the Franchisor System and all franchisees, and Franchisor and its shareholders, taken together, require that Franchisor have the latitude to exercise Reasonable Business Judgment. Franchisor shall not be required to consider Franchisee's particular economic or other circumstances or to slight its own economic or other business interests when exercising its Reasonable Business Judgment. Franchisee acknowledges that Franchisor has a legitimate interest in seeking to maximize the return to its shareholders and the fact that Franchisor benefits economically from an action will not be relevant to showing that Franchisor did not exercise Reasonable Business Judgment. Neither Franchisee nor any third party (including but not limited to any third party acting as a trier of fact) shall substitute its judgment for Franchisor's Reasonable Business Judgment. Franchisee has the sole burden of proving that Franchisor failed to exercise this Reasonable Business Judgment in any respect.

22.11 No failure, forbearance, neglect or delay of any kind on the part of the Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish the Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by the Franchisee or the Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by the Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of the Franchisor's right to enforce that provision at any future time.

22.12 This Agreement, together with the Operating Manual, any written related agreements, all Attachments, and the State Addenda attached to the Franchise Disclosure Document as **Exhibit E**, constitutes the entire agreement between the Franchisee and the Franchisor and supersedes all prior negotiations, understandings, representations and agreements whether oral or written, pertaining to this Agreement, License, System or Bark Busters Business. Nothing in this Agreement or any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to franchisee. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon the Franchisee or the Franchisor or effective unless in writing signed by the Franchisee and the Franchisor's CEO, except that a waiver need be signed only by the party waiving. The Franchisee acknowledges that the rights in

this Agreement have been granted in reliance upon the information supplied to the Franchisor in the Franchisee's application for a Bark Busters Franchise.

22.13 The Franchisee agrees that it shall not, on grounds of an alleged nonperformance by the Franchisor of any of its obligations or any other reason, withhold payment of any amount\due to the Franchisor whatsoever. No endorsement or statement on any check or payment of any sum less than the full sum due to the Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and the Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. The Franchisor may apply any payments made by the Franchisee against any past due indebtedness of the Franchisee as the Franchisor may see fit. The Franchisor may set off against any payment due to the Franchisee hereunder any outstanding debts of the Franchisee to the Franchisor, and may, at the Franchisor's option, pay the Franchisee's trade creditors out of any sum otherwise due to the Franchisee.

22.14 The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

22.15 The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections. The term "Franchisee" as used herein is applicable to one or more persons, a corporation or a partnership, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine. The term "Lease" shall include any sublease, and a renewal or extension of a lease or sublease. When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded; if the last day of such period is a non-business day, the period in question shall end on the next business day.

22.16 The parties hereto declare that they are independent contractors and not agents or partners, and no training or supervision given by, or assistance from, the Franchisor shall be deemed to negate such independence. The Franchisee shall conspicuously identify itself at its Bark Busters Business premises as the owner and tenant of the premises and a licensed Franchisee of the Franchisor. Neither party hereto shall make any agreements, representations or warranties (except by the Franchisor in advertising as provided herein) in the name of, or an behalf of, the other party; neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by the Franchisor in advertising as provided herein) nor shall the Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of the Franchisee's Bark Busters Business, whether caused by the Franchisee's negligent or willful action or failure to act. The Franchisor shall have no liability for any sale, use, excise, income, property, or other tax levied upon the Franchisee's location or the Bark Busters Business or its assets or in connection with the services performed or sales made by the Franchisee.

22.17 Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes,

lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God. Any such delay shall extend performance only so long as such event is in progress.

22.18 The Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained.

22.19 This Agreement shall be binding upon, and subject to Section 17 hereof, shall inure to the benefit of, the Franchisee's successors and permitted assigns.

22.20 This Agreement may only be modified or amended by a written document executed by the Franchisee and the Franchisor. The Franchisee acknowledges that the Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Operating Manual unilaterally under any conditions and to the extent in which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Proprietary Marks, and the quality of the System.

22.21 The Franchisee shall not be allowed to offset amounts owed to the Franchisor for the Royalty Fee, Advertising and Promotions Fee, or other amounts due hereunder, against any monies owed to the Franchisee, which right of set off is hereby expressly waived by the Franchisee.

22.22 From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide such services. The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder.

22.23 This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be deemed an original; and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. In addition, this Agreement can be signed by facsimile or electronic signatures and still be deemed binding.

22.24 If any term hereof may be construed to obligate Franchisee to pay interest in excess of the highest legal amount, it is agreed that such term is a mistake in calculation or wording and, notwithstanding same, it is agreed that neither Franchisee nor any other person or entity obligated for the payment of any sums hereunder shall ever be obligated to pay interest in excess of the highest lawful amount. The highest lawful interest rate in California is ten percent (10%).

22.25 Nothing herein shall prevent the Franchisor or the Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies. If it is necessary for the Franchisor to seek preliminary or permanent injunctive relief, the Franchisor may do so without a bond.

22.26 This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations,

and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

23. ARBITRATION AND MEDIATION

23.1 Except as otherwise provided in this Section 23, any controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by the Franchisee or any person in privity with or claiming through, on behalf of or in the right of the Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by the Licensor or the Franchisor, or Franchisor's subsidiaries or affiliates, and the Franchisee, any claim against a past or present employee, officer, director or agent of the Licensor or the Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. Persons in privity with or claiming through, on behalf of or in the right of the Franchisee include but are not limited to, spouses and other family members, heirs, executors, representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. The arbitration shall be held in Danville, California. The costs of the arbitration will be split equally by the Franchisor and the Franchisee. However, arbitration will not be used for any dispute which involves the Franchisee's continued usage of any of the Proprietary Marks or the System, business concept or any issue involving injunctive relief against the Franchisee or any issues related to disclosure or misuse of Confidential Information, all of which issues will be submitted to a court within the State of California. The parties expressly consent to personal jurisdiction in the State of California and agree that such court(s) will have exclusive jurisdiction over any such issues not subject to arbitration.

(a) The arbitrator shall be selected from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method. The parties each shall bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The prevailing party shall be entitled to actual costs and attorneys' fees incurred in any such arbitration. The award or decision by a majority of the arbitrators shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning such matters.

(b) Parties to arbitration under this Agreement shall not include, by consolidation, joinder or in any other manner, any person other than the Franchisee and any person in privity with or claiming through, in the right of or on behalf of the Franchisee, the Franchisor, or the Licensor unless all parties to the arbitration consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent

such issue may have been determined in another proceeding between the Franchisor, the Licensor, and the Franchisee or any person in privity with or claiming through, in the right of or on behalf of the Franchisee, the Licensor, or the Franchisor.

(c) The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between the Franchisor, the Licensor, and the Franchisee and no other franchisees. The Franchisee agrees not to join or attempt to join other franchisees or licensees.

24. ACKNOWLEDGEMENT

This entire Agreement, including corrections, changes, and all Attachments and addenda, will only be binding upon the Franchisor when executed or initialed by the Franchisor's authorized representative.

[Signatures on Following Page]

The Franchisee and the Franchisor, intending to be legally bound, have duly executed, sealed, and delivered this Agreement via e-signature technology on the date specified below.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

ATTACHMENT A
TO BARK BUSTERS FRANCHISE AGREEMENT

TERRITORY AND DESIGNATED TRAINING DATE

ATTACHMENT A
TO FRANCHISE AGREEMENT

TERRITORY AND DESIGNATED TRAINING DATE

Territory Type: ☐ Full Market Territory ☐ Small Market Territory

Territory:_____

Designated Training Date: _____

Franchisor Acknowledgment:

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

Franchisee Acknowledgement:

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

ATTACHMENT B
TO BARK BUSTERS FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

ATTACHMENT B
TO FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement executed between_____("**Franchisee**"), and **BARK BUSTERS NORTH AMERICA, LLC** ("**Franchisor**"), each of the undersigned ("Guarantor(s)") hereby personally and unconditionally:

1. Guarantees to the Franchisor and Franchisor's successors and assigns, for the Initial Term, including any Interim Period thereof, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to the terms of Section 6.8, Ownership of Business Records, Section 16.2, Non-Competition During Initial Term, Section 16.3, Post-Termination Covenant Not to Compete, Section 16.1, Confidentiality of Proprietary Information, and Sections 16.5, 16.7, and 16.8.

Each of the undersigned waives the following:

3. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;

4. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

5. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

6. Any right he or she may have to require that any action be brought against the Franchisee or any other person as a condition of liability; and

7. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

8. His or her direct and immediate liability under this guaranty shall be joint and several;

9. He or she shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so;

10. Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person; and

11. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the 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 Initial Term, any Interim Period, including any Successive Term thereof.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed.

GUARANTOR

_____

[Signature]

Printed Name:_____

Date:_____

GUARANTOR

_____

[Signature]

Printed Name:_____

Date:_____

GUARANTOR

_____

[Signature]

Printed Name:_____

Date:_____

GUARANTOR

_____

[Signature]

Printed Name:_____

Date:_____

ATTACHMENT C
TO BARK BUSTERS FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

ATTACHMENT C
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee:_____

Trade Name (if different from above):_____

Form of Ownership (Check One)

☐ Individual ☐ Partnership ☐ Corporation ☐ Limited Liability Company

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

_____
_____
_____
_____

The Franchisee acknowledges that this Statement of Ownership applies to the Bark Busters Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

_____ _____
Date Printed Name

_____
Signature

_____ _____
Date Printed Name

_____
Signature

Date

Printed Name

Signature

Date

Printed Name

Signature

Date

Printed Name

Signature

Date

Printed Name

Signature

ATTACHMENT D
TO BARK BUSTERS FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS, AND DOMAIN NAMES AND USER GENERATED CONTENT

ATTACHMENT D
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS, DOMAIN NAMES, AND USER GENERATED CONTENT

This Assignment is entered into this _____ day of _____, 20___, in accordance with the terms of that certain Bark Busters North America, LLC, Franchise Agreement ("**Franchise Agreement**") between _____ ("**Franchisee**") and **BARK BUSTERS NORTH AMERICA, LLC**, a California Limited Liability Company ("**Franchisor**"), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a Bark Busters Franchise located at _____ ("**Franchise Business**").

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**") and (2) those certain Internet website addresses ("**Domain Names**") associated with Franchisor's trade and service marks and used from time to time in connection with the operation of the Franchise Business at the address provided above, and (3) any and all User Generated Content published on Franchisee's website, advertising materials, and social media accounts, including but not limited to Facebook, Instagram, Twitter, Yelp!, and or Google My Business. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "**Telephone Company**") and/or Franchisee's Internet service provider ("**ISP**") hereof and/or Franchisee's social media account provider to effectuate the assignment pursuant to the terms.

Upon termination or expiration of the Franchise Agreement (without the extension of Franchisee's rights to operate the Franchise Business), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the Domain Names, and any and all User Generated Content, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers, Listings, Domain Names, and User Generated Content and shall remain liable to the Telephone Company, the ISP, and the social media account provider for all past due fees owing to the Telephone Company, the ISP, and the social media account provider on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers, Listings, Domain Names, and any and all User Generated Content, and Franchisee appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest and is irrevocable, to direct the Telephone Company, and the ISP to assign same to Franchisor, and/or to remove any and all User Generated Content from any and all social media accounts and execute such documents and take such actions as may be necessary to effectuate the assignment and/or removal of

content. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the Domain Names to Franchisor and remove or assign any and all User Generated Content to Franchisor.

If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the Domain Names to Franchisor and to remove or assign any and all User Generated Content, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor and/or direct any and all social media account providers to remove any and all User Generated Content.

The parties agree that the Telephone Company, the ISP, and any and all social media account providers may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers, Listings, Domain Names, and User Generated Content upon such termination or expiration and that such assignment and/or removal shall be made automatically and effective immediately upon Telephone Company's, ISP's, and any and all social media account provider's receipt of such notice from Franchisor or Franchisee.

The parties further agree that if the Telephone Company , the ISP, or any and all social media account provider requires that the parties execute the Telephone Company's, the ISP's, or any and all of the social media account provider's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment and/or removal.

The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment and/or removal described herein upon termination or expiration of the Franchise Agreement.

[Signatures on Following Page]

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

ATTACHMENT E
TO BARK BUSTERS FRANCHISE AGREEMENT

NON-COMPETITION, CONFIDENTIALITY AND CONFLICT OF INTEREST AGREEMENT

ATTACHMENT E

TO FRANCHISE AGREEMENT

NON-COMPETITION, CONFIDENTIALITY AND CONFLICT OF INTEREST AGREEMENT

This Non-Competition, Confidentiality and Conflict of Interest Agreement is entered into this _____ day of _____, 20___, by and between **BARK BUSTERS NORTH AMERICA, LLC,** ("**Franchisor**") and _____ and its principals or shareholders (collectively the "**Franchisee**") and is effective on the date it is signed by the last signatory. The Franchisor and the Franchisee are referred to in this Agreement together as the "**Parties**," "**we**," "**our**" or "**us**," or individually as a "**Party**."

RECITALS

WHEREAS, the Franchisor has granted the Franchisee a franchise pursuant to that Franchise Agreement dated _____ ("**Franchise Agreement**"). Pursuant to the Franchise Agreement, the Franchisee will receive certain rights to Franchisor's assets, in particular Franchisee will receive use of Franchisor's proprietary information, confidential information, and trade secrets.

WHEREAS, due to the special training, experience, and knowledge that the Franchisee will acquire about the Franchisor's business as a result of the business relationship pursuant to the Franchise Agreement, this Agreement is meant to protect the Franchisor from competition by the Franchisee for a period and in the location(s) stated below.

WHEREAS, the Franchisor owns certain confidential information crucial to its business, including trade secrets and other information not clearly known to the public about the Franchisor's operations, services, customers, products, and business. The Franchisor's trade secrets and other proprietary and confidential information include the whole or any portion or phase of any of the following: designs, processes, procedures, formulas, improvements, confidential business or financial information, other information relating to the Franchisor's business (including information about the Franchisor's financial affairs, research and development, marketing plans, techniques, operations, products, services, contracts, forms) and all other trade secret information not clearly known to the public ("**Confidential Information**").

WHEREAS, due to the value of the Franchisor's Confidential Information and the difficulty of replacing it if disclosed, taken, or misused for any reason, the Franchisor seeks by this Agreement to protect the Confidential Information that the Franchisee acquires as a result of the Franchise Agreement.

WHEREAS, the Franchisee recognizes and respects the value of the Confidential Information.

WHEREAS, the Franchisee will comply with this Agreement's conflict of interest provision to ensure that the Franchisee devotes its best efforts to conduct and further the business described in the Franchise Agreement (and in the Franchisor's Policy & Procedure Manual).

WHEREAS, the Franchisee understands the terms of the Franchise Agreement.

NOW, THEREFORE, in consideration of our respective rights and obligations set out below, the parties agree as follows:

AGREEMENTS

1. AGREEMENT NOT TO COMPETE

(a) Prohibited Actions. During the applicable time period specified in subsection (c) below, the Franchisee will not compete with the Franchisor This means that the Franchisee will not: (i) convert for personal benefit any business opportunity the Franchisee knows or has reason to know the Franchisor is pursuing or would be interested in pursuing; (ii) become associated (directly or indirectly) with any of the Franchisor's Competitors based on trade secrets that has been disclosed by the Franchisor to the Franchisee; or (iii) solicit or accept any business from any customer or prospective customer and use disclosed trades secrets with any customer or prospective customer other than in conformance with the Franchise Agreement.

(b) Definitions. The Franchisor's "Competitors" include any business or individual whose services or products compete with or are substantially similar to the Franchisor's services or products.

(c) Period During Which The Franchisee Will Not Compete. The term of this agreement not to compete will begin on the effective date of this Agreement, will be in force during the duration of the Franchise Agreement and will end two (2) years after the termination or expiration of the Franchise Agreement. If the Franchisee violates this agreement not to compete, however, the term will automatically extend during all such competition and will not run again until after the Franchisee stops competing with the Franchisor.

(d) Area In Which the Franchisee Will Not Compete. The area(s) within which the Franchisee will not compete with the Franchisor in a competitive business in any location within seventy-five (75) miles of a currently operating Bark Busters Franchise.

(e) Acknowledgments. The Franchisee acknowledges that the term of this Agreement Not to Compete is a minimum period of time, that the prohibited actions are reasonably limited, and that the area of restriction is reasonable and necessary to protect the Franchisor, consistent with the provisions of California Business & Professions Code §16601 and California's Uniform Trade Secrets Act, C.R.S. §3426, et seq.

2. AGREEMENT TO REIMBURSE THE FRANCHISOR FOR EDUCATIONAL EXPENSES The Franchisor has offered to provide the Franchisee with extensive education and training. The Franchisee wants this education and training and understands the Franchisor is willing to incur significant expenses in providing them. Therefore, the Franchisee agrees to repay the Franchisor for the reasonable expenses Franchisor incurs in providing this education and training if, at any time before five (5) years after receiving the education and training, the Franchisee in any way competes with the Franchisor.

3. CONFIDENTIAL INFORMATION BELONGS SOLELY TO FRANCHISOR The Franchisor's Confidential Information is the Franchisor's exclusive property, and the

Franchisee, therefore, agree that:

(a) All notes, data, reference materials, sketches, drawings, memoranda, disks, documentation and records in any way incorporating or reflecting any of the Confidential Information and all proprietary rights, including copyrights, trade secrets, and patents, shall belong exclusively to the Franchisor;

(b) At all times during the duration of the Franchise Agreement, the Franchisee will keep secret and will not disclose to any third party the Confidential Information or any other proprietary information the Franchisee acquires or has access to because of its franchise;

(c) At any time during or after the duration of the Franchise Agreement, the Franchisee will not use or seek to use any of the Confidential Information or other proprietary information for its own benefit or for the benefit of any other person or business or in any way adverse to the Franchisor's interests;

(d) On the Franchisor's request or on the termination of the Franchise Agreement, the Franchisee will promptly return to the Franchisor all its property, specifically including all documents, disks or other computer media, or other materials in the Franchisee's possession or control that contain any of the Confidential Information or any other proprietary information;

(e) After termination of the Franchise Agreement, the Franchisee will preserve the secrecy of and will not disclose directly or indirectly to any other person or business any of the Confidential Information or any other proprietary information; and

(f) The Franchisee will promptly advise the Franchisor of any unauthorized disclosure or use of the Confidential Information or any other proprietary information by any person or entity.

The Parties agree this provision is intended to express the Franchisor's rights and the Franchisee's duties to the Franchisor, including under the California Uniform Trade Secrets Act, Civil Code Section 3426, et seq.

4. AGREEMENT TO AVOID CONFLICTS OF INTEREST The Franchisee agrees to be devoted full-time to the Franchisor's businesses. The Franchisee agrees not to enter into any agreement with or to accept any pay, salary, retainer, commission or consulting fee from any entity or individual without first making full disclosure to and obtaining the prior written approval of the Franchisor. Subject to the non-competition agreement stated in Paragraph 1, the confidential information agreement stated in Paragraph 3, and the other terms of this Agreement, the Franchisor will permit the Franchisee to hold outside jobs which do not create a conflict of interest or compete with the Franchisor, are unrelated to the Franchisor's business and do not unreasonably interfere with the Franchisee's performance under the Franchise Agreement. In any event, no outside work may be done by Franchisee during standard business hours and the Franchisee may not use any of the Franchisor's facilities, equipment, labor, or supplies for any outside activity. If the Franchisee does any outside work, the Franchisee must advise the Franchisor's other clients, in writing, that the outside work is not by or for the Franchisor or in the Franchisor's name, and, on request, the Franchisee must provide the Franchisor a copy of each such notice.

Neither the Franchisee nor family members of the principals or shareholders may directly or indirectly receive any gift or remuneration from, or borrow from, lend to, invest in or engage in any substantial financial transaction with an actual or potential competitor, customer, client, or supplier of the Franchisor without full disclosure to and prior written approval from the Franchisor's Chief Executive Officer. Permitted exceptions to the "no loan and no financial transaction" provision of this Agreement are for loans obtained through normal application and approval processes through accounts opened or maintained with a bank, savings and loan, or other financial institution which is a customer, client, potential customer, or supplier.

5. RELIEF THE FRANCHISOR MAY SEEK The Franchisee further agrees that, if the Franchisee violates this Agreement, it would be difficult to determine the damages and lost profits which the Franchisor would suffer as a result of such breach including, but not limited to, losses attributable to lost confidential information and increased competition. Accordingly, the Franchisee agrees that if it violates this Agreement:

(a) Injunctive Relief. The Franchisor will be entitled to an Order for injunctive relief and/or specific performance, or their equivalent, from a court, including requirements that the Franchisee take action or refrain from action to avoid competing with the Franchisor, to preserve the secrecy of the Confidential Information, to avoid conflicts of interest and to protect the Franchisor from additional damages. The Franchisee agrees that the Franchisor does not need to post a bond to obtain an injunction and waives the Franchisee's right to require such a bond; and

(b) Liquidated Damages. The parties hereby agree that the Franchisor will be entitled to liquidated damages in the amount of fifty thousand dollars ($50,000) for each idea, concept, product, process, application, or customer the Franchisor loses as a result of the Franchisee's violation of this Agreement, which amount is the Parties' best approximation in entering into this Agreement of the value of the obligations the Franchisee is agreeing to meet and of the damages the Franchisor will suffer if the Franchisee breaches any of the Franchisee's obligations.

6. OTHER PROVISIONS

(a) Each Party has read and considered this Agreement carefully, understands each provision, and has conferred, or has had the opportunity to confer, with the Party's own attorney before executing this Agreement.

(b) This Agreement shall be governed by the laws of the State of California, without regard to conflict of laws principals.

(c) This Agreement shall inure to the benefit of and be binding upon the Parties, as well as their respective agents, heirs, administrators, representatives, executors, successors, and assigns. This Agreement may be assigned at any time by Franchisor to any third party without the consent of Franchisee.

(d) Should any provision of this Agreement be declared or determined to be null and void, inoperative, illegal, or invalid for any reason, then the remaining parts, terms, or provisions shall not be affected thereby and shall retain their full force and effect.

(e) This Agreement may be executed in multiple, original counterparts, each of which constitutes and serves as the original hereof.

(f) In the event of any judicial, arbitration, or other adversarial proceeding between the Parties concerning this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorney fees and other costs.

(g) In the event of any conflict between the terms of this Agreement and the Guaranty and Assumption of Franchisee's Obligations signed by the parties, the terms of this Agreement shall prevail.

[Remainder of Page Intentionally Left Blank]

IN WITNESS OF OUR AGREEMENTS, the Franchisor and the Franchisee have executed this Agreement on the date(s) indicated below.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

_____
Principal/Shareholder

_____
Principal/Shareholder

_____
Principal/Shareholder

ATTACHMENT F
TO BARK BUSTERS FRANCHISE AGREEMENT

SAMPLE FORM ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT

ATTACHMENT F
TO FRANCHISE AGREEMENT

SAMPLE ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT

This ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT (the "Agreement") is entered into this ____ day of _____, 20___, between Bark Busters North America LLC ("Franchisor") and _____ ("Franchisee").

The Franchisee and the Franchisor will collectively be referred to herein as the "Parties."

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain franchise agreement ("Franchise Agreement ") dated _____in which Franchisor granted Franchisee the right to operate a Bark Busters Franchise in the authorized territory ("Territory") described in Attachment A of the Franchise Agreement; and

WHEREAS, on _____, Franchisee's rights under the terms of the Franchise Agreement were terminated ("Termination") as a result of failure to pay royalty and technology fees within ten (10) days of receiving a request pursuant to Section 19.1(f) of the Franchise Agreement.

WHEREAS, the Parties desire to enter into this Agreement for the purpose of acknowledging the Termination; acknowledging Franchisor's retention of all rights and remedies under the Franchise Agreement including, but not limited to, Franchisor's right to retain all Franchise Fees, Royalties, Marketing, Advertising and Promotions Fees, Transfer Fees, Additional Assistance Fees, Additional Training Fees, and Operations Manual Replacement Fees, and right to audit Franchisee's books and records; and fully and finally resolving all legal and equitable claims, known or unknown, of Franchisee existing against Franchisor that were or could have been asserted by Franchisee in any action.

NOW, **THEREFORE**, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows:

Section One. ACKNOWLEDGEMENT OF TERMINATION

Franchisee acknowledges and agrees that all of its rights under the Franchise Agreement and other franchise related documents (the "Franchise Documents"), were fully and finally terminated on _____, including but not limited to any territorial right set out in the Franchise Agreement and the right to receive compensation from franchisor or any third party for the sale of the Territory. Franchisee agrees to abide by all provisions which expressly survive the Termination of the Franchise Documents, as more fully set forth in the Franchise Agreement, including but not limited to Sections 10, 12, 16 and 19 of the Franchise Agreement.

Section Two. PAYMENT OF FRANCHISE BILLINGS

Franchisee shall pay _____to franchisor within *five* (5) days, all unpaid franchise billings for all periods to and including the period ending at _____. The net sum due the franchisee according to the Franchise Agreement shall be paid within *five* (5) days from termination of the Franchise Agreement.

Section Three. INTELLECTUAL PROPERTY

The Franchisee agrees that upon termination or expiration of the License, it shall take such action within five (5) days as may be required to cancel or assign, in Franchisor's sole and absolute discretion, all registrations relating to its use of any of the Proprietary Marks. It shall notify the telephone company, all listing agencies, and all Internet service providers of the termination or expiration of the Franchisee's right to use any telephone number, any classified or other telephone directory listings, and any domain names or e-mail addresses associated with the Proprietary Marks and shall authorize the transfer of same to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in all telephone numbers, directory listings, domain names, and e-mail addresses used by Franchisee to promote the Bark Busters Business and/or associated with the Proprietary Marks. The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing.

In addition, the Franchisee shall immediately discontinue the use of all: Proprietary Marks; signs; structures; forms of advertising; telephone listings and service; domain names; e-mail addresses; and User Generated Content, inclusive of but not limited to customer reviews, Facebook account, Google+ account, Twitter accounts, Angie's List account, Instagram accounts, and Yelp! accounts. Additionally, discontinue the use of the Operating Manual, all materials, Bark Busters Products and Bark Busters Supplies of any kind which are identified or associated with the System and return all these materials, Bark Busters Products and Bark Busters Supplies to the Franchisor.

Make no representation nor state that the Franchisee is in any way approved, endorsed or licensed by the Franchisor or associated or identified with the Franchisor or the System in any manner.

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

Section Four. ARBITRATION

Except as otherwise provided in this Section, any controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by the Franchisee or any person in privity with or claiming through, on behalf of or in the right of the Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by the Licensor or the Franchisor, or Franchisor's subsidiaries

or affiliates, and the Franchisee, any claim against a past or present employee, officer, director or agent of the Licensor or the Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. Persons in privity with or claiming through, on behalf of or in the right of the Franchisee include but are not limited to, spouses and other family members, heirs, executors, representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. The arbitration shall be held in Danville, California. However, arbitration will not be used for any dispute which involves the Franchisee's continued usage of any of the Proprietary Marks or the System, business concept or any issue involving injunctive relief against the Franchisee or any issues related to disclosure or misuse of Confidential Information, all of which issues will be submitted to a court within the State of California. The parties expressly consent to personal jurisdiction in the State of California and agree that such court(s) will have exclusive jurisdiction over any such issues not subject to arbitration.

a. The arbitrator shall be selected from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method. The parties each shall bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The prevailing party shall be entitled to actual costs and attorneys' fees incurred in any such arbitration. The award or decision by a majority of the arbitrators shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning such matters.

b. Parties to arbitration under this Agreement shall not include, by consolidation, joinder or in any other manner, any person other than the Franchisee and any person in privity with or claiming through, in the right of or on behalf of the Franchisee, the Franchisor, or the Licensor unless all parties to the arbitration consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the Franchisor, the Licensor, and the Franchisee or any person in privity with or claiming through, in the right of or on behalf of the Franchisee, the Licensor, or the Franchisor.

c. The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between the Franchisor, the Licensor, and the Franchisee and no other franchisees. The Franchisee agrees not to join or attempt to join other franchisees or licensees.

Section Five. INDEMNIFICATION

The Franchisee shall, during the Initial Term and any Interim Period and after the termination or expiration of the Franchise, indemnify the Franchisor and its officers, directors and employees, defend and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by the Franchisee or any of its property) (collectively, "Damages") for which they are held liable, or which they incur (including reasonable attorneys' fees, costs, travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

i. a breach of this Agreement, or any other agreement between the parties, by the Franchisee;

ii. any injury to, or loss of property of, any person in, or on, the Franchisee's Premises or other Bark Busters Business Premises or at the home of any of Franchisee's customers;

iii. the Franchisee's taxes, liabilities, costs or expenses of its Bark Busters Business;

iv. any negligent or willful act or omission of the Franchisee, its employees, agents, servants, contractors or others for whom it is, in law, responsible; or any advertising or promotional material distributed, broadcast or in any way disseminated by the Franchisee, or on its behalf unless such material has been produced, or approved in writing, by the Franchisor.

Section Six. NO COERCION

The Parties acknowledge that they are freely and voluntarily entering into this Agreement, uncoerced by any person, and that they have been advised and afforded the opportunity to seek the advice of independent legal counsel of their choice with regard to this Agreement.

Section Seven. NOTICES

Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

Section Eight. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section Nine. AMENDMENTS

This Agreement may not be changed or modified except in a writing signed by all of the parties hereto.

Section Ten. SEVERABILITY

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

Section Eleven. AUTHORIZATION

Each Party warrants that each individual executing this Agreement on behalf of the respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he or she is acting within the scope of his or her employment and authority in executing this Agreement.

Section Twelve. COUNTERPARTS AND TELECOPIES

This Agreement may be executed in counterparts or by copies transmitted by telecopier, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

Section Thirteen. CHOICE OF LAW AND VENUE

The interpretation and performance of this Agreement will be governed by the laws of the State of California, excluding its conflicts of law rules, and applicable Federal law. Jurisdiction and venue with respect to any suit in connection with this purchase order shall reside in the Courts of the County of Contra Costa, State of California.

Section Fourteen. ATTORNEY'S FEES

If any legal action, including arbitration, is brought to enforce or interpret the provisions of this contract, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party. These fees, which may be set by the court in the same action or in a separate action brought for that purpose, are in addition to any other relief which the prevailing party may be entitled.

Section Fifteen. RELEASE BY FRANCHISEE

As of the date of this Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the "Franchisee Releasing Parties"), the Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the "Franchisor Released Parties"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions,

causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with the Franchisee's Bark Busters business or the Franchise Documents or any other contractual relation between Franchisee and Franchisor and/or any Affiliate of the Franchisor, which the Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Franchisor Released Parties are not releasing any claim which they may have against the Franchisee Releasing Parties or any rights or remedies the Franchisor Released Parties may have under the Franchise Agreement or the Non-Disclosure and Non-Competition, Confidentiality And Conflict Of Interest Agreement, (including but not limited to the right to retain all Franchise Fees, Royalties, Marketing, Advertising and Promotions Fees, Transfer Fees, Additional Assistance Fees, Additional Training Fees, and Operations Manual Replacement Fees and any other sums paid to the Franchisor or its Affiliates by the Franchisee or its Affiliates and any audit rights), under law or equity, or under any other contractual relationship between the Franchisee and the Franchisor and/or any Affiliate of the Franchisor.

Section Sixteen. AFFILIATES

When used in this Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.

Section Seventeen. FULL RELEASE

Except as is set forth in this Agreement, the Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release as to the Franchisor Released Parties and shall extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which the Franchisee Releasing Parties may have against the Franchisor Released Parties. The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release the Franchisor Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts.

Section Eighteen. ENTIRETY

This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her or its own free will, and have executed this Agreement below

acknowledging that each Party has completely read and fully understands the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

_____

Franchisee

_____

Franchisor

Franchisee

EXHIBIT C

LIST OF CURRENT FRANCHISE LOCATIONS

Exhibit C – List of Current Franchise Locations as of December 31, 2023

Franchisee Name	Territory Name	Address	City	State	Zip	Main Phone
ALABAMA						
Rodgers Rachel & Prickett Betty Lou	Mobile & Baldwin Counties AL	2854 Longleaf Dr	Mobile	AL	36693	917-532-2945
ARIZONA						
Hayes Kristyn	Mesa AZ	5136 E Evergreen St # 1076	Mesa	AZ	85205	(480) 818-3473
Willey Connor, Briestensky Hanna	Scottsdale AZ	3219 E. Camelback Rd #252	Phoenix	AZ	85018	402-999-6089
Willey Michelle	West Valley AZ	14175 W. Indian School Rd Ste B4-409	Goodyear	AZ	85395	623-322-3579
Wilson Devin	Tuscon AZ	1925 W River Rd # 10108	Tuscon	AZ	77433	630-272-4045
CALIFORNIA						
Chapman Justin	San Diego North	2336 Commonwealth Ave	San Diego	CA	92104	858-285-5121
Curtis Stephanie	San Fernando Valley	1051 N Curson Ave	Los Angeles	CA	90046	518-416-5330
Doyle Sue	South Bay CA	4814 Towers Street	Torrance	CA	90503	310-750-7772
Furchess Josh	Orange County Southwest	26033 Getty Drive Unit 328	Laguna Niguel	CA	92677	561-584-4404
Gaines Karen, Kravetz Adam	Marin County & San Francisco CA	7 Catalina Blvd	San Rafael	CA	94901	415-720-3143
Gonzalez Karina	Los Angeles CA	6606 Variel Avenue # 513	Canoga Park	CA	91303	702-741-8475
Hagan Christen & Kevin	Downtown & Greater Los Angeles	1851 Winona Blvd #201	Los Angeles	CA	90027	212-767-9995
Hagan Michael	Ventura County	3591 Spanish Gate Drive	Newbury Park	CA	91320	407-489-9930
Harrington Sarah	Central Valley CA	3520 W. Alpine Ave	Stockton	CA	95204	209-897-1195
Hinz Paula	Los Gatos Morgan Hill, Monterey	405 Hecker Pass Road	Watsonville	CA	95076	916-300-1273
Jumper Johnny	East Orange County	3311 N Cottonwood St	Orange	CA	92865	714-345-0372
Lan Franco Dan	Walnut Creek, Concord, Pleasanton	3 Shannon Lane	San Rafael	CA	94901	415-717-0830
Minyard Gusty	Oakland & Alameda Counties	415 Lagunitas Ave # 311	Oakland	CA	94610	707-272-7381
O'Connor Ryan	San Mateo, CA	1012 Brunswick St	Daly City	CA	08087	978-809-2290
Rombro Josh	West Santa Clara Couty, CA	3630 S. Sepulveda Blvd #125	Los Angeles	CA	90034	310-947-1247
Scher Justin, Finch Jenna	San Diego Metro CA	3704 Texas Street	San Diego	CA	92104	858-692-2453
Turnage Nancy	W Inland Empire CA	8724 Monte Vista Street	Rancho Cucamonga	CA	91701	909-969-3699
COLORADO						
Brown Ryan	Pikes Peak CO	4117 Round Hill Dr	Colorado Springs	CO	80922	719-963-1319
Denton Holly, Schwab Scott	Denver Northeast CO	2725 E 33rd Ave	Denver	CO	80205	303-513-4436
Greene Adrienne	Denver East CO	3262 Meade Street	Denver	CO	80211	303-669-3813
Marcotte Scott, Larson Holly	Northern Colorado CO	2552 Riverside Dr	Steamboat Springs	CO	80487	970-846-4809
Schwab Scott	Central Denver West CO	7667 Torrey Court	Arvada	CO	80007	303-898-9900
Stradley Gary & Andrea	Boulder CO	715 S. Longmont Ave	Lafayette	CO	80026	303-875-0136
CONNECTICUT						
Distassio Michael	Southern Connecticut CT	60 Lindbergh St	Fairfield	CT	06824	203-258-6317
Konstantaras Michael	Lower Coastal CT	51 Bank Street Apt 2A	Stamford	CT	06901	203-313-7613
Martel Nicole	Westchester-Putnam CT	35 Tally Ho Lane	Stamford	CT	06905	914-364-2722
Masamery Scot	North CT & West MA	35 Lance Dr	Somers	CT	06071	860-716-8393

Franchisee Name	Territory Name	Address	City	State	Zip	Main Phone
FLORIDA						
Bard Kevin	Gainesville FL	Kevin Bard	Webster	FL	33597	352-446-9176
Bell Nathan	Jacksonville FL	1915 Ashmore Green Dr	Jacksonville	FL	32246	706-988-8920
Corr John & Elizabeth	Naples FL	7805 Bristol Circle	Naples	FL	34120	301-676-3673
Deppe Marc and Karen	Treasure Coast FL	736 Hampton Woods Lane SW	Vero Beach	FL	32962	407-864-2214
Escobar Luis	Miami FL	2221 NE 164 St. Suite 300	North Miami Beach	FL	33160	786-609-2227
Evans Jef	Tampa, FL	1512 E 12th Street # 107	Tampa	FL	33605	917-806-2337
Heathman Ann, Casey, Haley	The Villages FL	419 Flossmoor Court	The Villages	FL	32162	352-753-4654
Kaplan Harvey	Brevard Cty FL	5124 Millenia Waters	Orlando	FL	32839	949-877-2990
Kondash Sharon	Pinella County & W Pascoe FL	500 Treasure Island cswy# 103	Treasure Island	FL	33706	410-507-7326
Logue Patrick	South West FL	10958 Long Wing Drive	Fort Myers	FL	33912	239-810-4765
McNichol Susan	Sarasota FL	5518 America Dr	Sarasota	FL	34231	941-564-7333
Rice Joanne	SE Tampa Bay FL	10407 Alcon Blue Dr	Riverview	FL	33578	813-240-6848
Torres John	Boca Raton FL	605 N. Broughton Circle	Boynton Beach	FL	37027	352-361-3509
Twardzik Pamela	Space Coast FL	142 Dickinson St. NE	Palm Bay	FL	32907	321-446-9836
Vermeere John	North Orlando FL	1437 Spalding Rd	Winter Springs Rd	FL	32708	503-709-9485
Williams Lindsey	Red Hills, GA	1973 Huckabee Road	Tallahassee	FL	32311	850-225-7580
GEORGIA						
Murphy Cody	Alpharetta GA	4530 Valence Drive	Cumming	GA	30040	808-798-6094
Nichols Theresa	Columbus GA, Auburn AL	2201 Wellborn Drive	Columbus	GA	31907	530-953-6514
IOWA						
Boswell Debra	Greater des Moines IA	7730 Wistul Vista Dr # 504	west Des Moines	IA	50266	515-240-2023
Fairchild Janie	Cedar Valley IA	925 17th Street	Marion	IA	52302	(319) 560-4580
ILLINOIS						
Harper Victoria L.	Orland Park IL	9935 Constitution Ct	Orland Park	IL	60462	(708) 805-2236
Marks Marlene, Howard, Brandon	Chicago IL	1954 1st street, Suite 208	Highland Park	IL	60035	(847) 648-2275
KANSAS						
Johnston Jeff	Kansas City South KS	23422 West 90th St	Lenexa	KS	66227	913-961-7829
KENTUCKY						
Rountree Doug	E Louisville KY	1413 Cadet Court	Louisville	KY	40222	(502) 744-6238
Monroe Tycocki Kendra	Central KY	2412 Lake Park Dr. Unit 101	Lexington	KY	40502	(859) 797-9351
LOUISIANA						
Richard Kurt & Pauline	Arnaudville LA	269 Carmen Drive	Arnaudville	LA	70512	(337) 962-5262
MARYLAND						
Engel Marsha	Montgomery & Howard Counties MD	11036 Harding Rd	Laurel	MD	20723	240-505-1986
Medaglia Maxine, Trobaugh John	Frederick County MD	13028 Tower Road	Thurmont	MD	21788	301-271-3030
Miller Ben & Kelly	Mid Maryland MD	1819 Locust Rd	Pasadena	MD	21122	443-827-1326
Pellatiro Chris, Schroeter Jack	Central MD	138 Lyndale Ave	Nottingham	MD	21236	410-322-1035
Schroeter Jack	Baltimore MD	8610 Valleyfield Rd	Lutherville	MD	21093	443-909-8825
MASSACHUSSETTS						
Ober Bonnie	Boston Northwest	101 Jimney Drive	Westford	MA	01886	508-527-3726

Franchisee Name	Territory Name	Address	City	State	Zip	Main Phone
Rezendes Randy & Kayla	Boston North NV	124 Deerfield Rd	Candia	NH	03034	K 603-327-7802
MICHIGAN						
Allen Barbara	West Michigan MI	6616 Teal Waters Dr	Jennison	MI	85704	616-443-6891
Kars Pamela	Kalamazoo, MI	5111 Fighter Road	Freeport	MI	49325	616-291-1622
Miller Erin	Grand Rapids, MI	11967 108th Street	Freeport	MI	49325	616-443-3597
Richter Evan	Detroit, No Subs MI	Evan Richter	Kalamazoo	MI	49006	847-732-0803
Skinner Ruth & Buck	SE Michigan MI	11291 Faussett Road	Fenton	MI	48430	248-974-8000
Zbik Maril & Bob	Greater Detroit & W Metro MI	24103 Shearwater Circle	Commerce TWP	MI	48390	248-752-7782
MINNESOTA						
O'Leary Michael & Lydia	Minneapolis North	1005 Gramsie Rd #113	Shoreview	MN	55126	952-300-7237
O'Leary Michael & Lydia	Minneapolis West	1005 Gramsie Rd #113	Shoreview	MN	55126	952-300-7237
Rubio Ryanne & Omar	Dakota County MN	720 Vikings Parkway #308,	Eagan	MN	55121	612-427-6305
MISSOURI						
Murray Stan	SW Missouri MO	908 Breann Ct	Nixa	MO	65714	(417) 300-9772
NEBRASKA						
Merritt Deb	Omaha NE	7504 Hartman Ave	Omaha	NE	68134	(402) 670-9820
NEW JERSEY						
Axsom Keith	Central Jersey NJ	808 Windsor Perrineville Rd	E. Windsor	NJ	08520	609-529-3269
Borgfield Stephen	Essex & Morris Counties NJ	17 Edgewood Ave N.	West Orange	NJ	07052	973-324-0123
Kleva Greg	Bergen County NJ	50 E Ridgewood Ave	Ridgewood	NJ	07450	201-207-6190
Pagano Nicholas	Monmouth Ocean NJ	154 Newport Way	Tuckerton	NJ	08087	732-905-5065
Pagano Paul	Jersey Shore NJ	64 Lamp Post Drive	Barnegat	NJ	08005	732-674-6073
NEW HAMPSHIRE						
Vogeley Mariah	Manchester NH	106 eaton Road	Pittsfield	NH	03263	603-660-9968
NEW MEXICO						
Landers James & Lorie	Alburquerque West NM	6350 Roadrunner LP NE	Rio Rancho	NM	87144	(505) 977-9828
NEVADA						
Anovick Lissette & Derek	Las Vegas NV	228 Glenn Lee Street	Henderson	NV	89012	646-295-8911
Ehrhart Elaina	Reno, NV	1865 Simpson Ave	Reno	NV	89503	775-229-1681
NEW YORK						
Bainbridge Sarah	Manhattan NY	4040 203rd Street #11B	Bayside	NY	11361	516-851-6287
Fassett Barbara	Dutchess County NY	105 North Cross Rd	Staatsburg	NY	12580	845-489-0764
Gent Josh	Queens, NY	19 Russell St 3rd Floor	Brooklyn	NY	11222	347-937-4728
Machi Rob	Brooklyn & Staten Island NY	174 Amsterdam Ave	Staten Island	NY	10314	718-513-4764
McCarthy Michelle	Rockland & Orange Counties NY	22 Terrace Drive	Nyack	NY	10960	845-405-1484
Molfetto Jason	Suffolk County NY	9 Lonscreek Place	Mastic Beach	NY	11951	516-220-1689
Trimble Lee	Rochester East NY	1146 Willowbrook Bend	Farmington	NY	14425	703-307-6559
NORTH CAROLINA						
Benson Diane, Levitt John	Lake Norman NC	12421 Kane Alexander Dr	Huntersville	NC	28078	203-434-3569
Hickey Patrick	Charlotte South NC	3214 Mayfield Ave	Charlotte	NC	28209	702-306-1108
Hvizdos Gerard	RTP North Carolina NC	4909 Gaithers Point Dr	Durham	NC	27713	(412) 610-2491
Warner Sonja	Greater Raleigh NC	8005 Caliber Woods Drive	Raleigh	NC	27616	(919) 600-8484

Franchisee Name	Territory Name	Address	City	State	Zip	Main Phone
OHIO						
Frecker Robert	NW Columbus OH	2255 Atlee Court	Columbus	OH	43220	(614) 487-8909
Kravetz Noah	South Columbus OH	895 N 6th St Apt 212	Columbus	OH	43201	415-686-3012
OREGON						
Munoz Miguel	Portland Southwest OR	7005 SW Algonkin St	Tualatin	OR	97062	541-720-1705
PENNSYLVANIA						
Agocs Stephen	Oxford Valley PA	28 Cornflower lane	Levittown	PA	19055	267-994-4776
Cohen Donald	Berks/Chester Counties PA	234 Independence Ct	Collegeville	PA	19426	(484) 744-3016
Marciano Peter	Bucks County PA	199 Liberty Drive	Newton	PA	18940	215-805-3434
Wagner Jeri	Collegeville PA	404 Tudor Road	Collegeville	PA	19426	(610) 564-7241
SOUTH CAROLINA						
Rodriguez James & Michelle	Charleston SC	1511 Royal Colony Rd	John's Island	SC	29455	(843) 864-1938
Rudginsky Larry	Greenville SC	108 W. Park Ave Apt. 3	Greenville	SC	29601	(864) 905-3839
TENNESSEE						
Montalvo Karen	So Nashville TN	1704 Rosecrans Place	Brentwood	TN	37027	615-414-6588
Pinkerton Constance	Knoxville TN	4405 Falcon Ridge Way	Knoxville	TN	37921	(630) 809-6664
Cypert Bill	Nashville North	1704 Rosecrans Place	Brentwood	TN	37027	202-600-6084
TEXAS						
Adams Amanda	Austin South TX	11508 Ashbrook Dr	Manchaca	TX	78652	989-737-5796
Archer Connie	Houston South TX	3314 Trail Hollow Drive	Pearland	TX	77584	713-436-4808
Britton Damon	Round Rock TX	2100 Whispering Drive	Round Rock	TX	78664	571-232-9921
Buonopane Anthony, Johnston Jessica	Austin West TX	602 Kinney Ave unit B	Austin	TX	78704	908-675-2450
Conn Pat & Sheryl	Sugarland, Kathy & Waller TX	11226 Victoria Hollow Trace	Richmond	TX	77406	832-654-0556
Deinlein Risto	Denton County TX	4176 N. Colony Blvd	The Colony	TX	75056	214-675-7408
Erwin Mason	Houston South	23403 Kingsland Blvd Apt 7212	Katy	TX	77494	702-337-6157
Furchess Amber	Arlington, TX	2606 Jewel Drive	Arlington	TX	76016	808-389-4250
Higgins Nancy	Fort Worth TX	7915 Rogue River Trail	Ft. Worth	TX	76137	817-514-0404
Householder Marcus	San Antonio North	16333 Vance Jackson Rd	San Antonio	TX	78257	731-514-7606
Roberts Alexis & John	Montgomery Cty TX	1810 Ranch Trail Ct	Magnolia	TX	77354	936-271-0377
Shamp Mike & Judy	Dallas TX	611 Tolleson Drive	Celine	TX	75009	407-797-6379
Williams Robert	Houston NW TX	15506 Scenic Point Ct.	Cyress	TX	77433	281-733-1077
UTAH						
Gonzalez Kevin	Salt Lake City UT	1240 Stringham Ave # 430	Salt Lake City	UT	84106	787-564-3647
VIRGINIA						
Bieniek Jeanie	North VA Beltway VA	3430 Reedy Dr	Annandale	VA	22003	(703) 554-5611
Meyerhoeffer Thomas	Fairfax VA	2051 Westmoreland Street	Falls Church	VA	22043	703-861-6346
Milwit Kyle	Richmond VA	10813 Correnty Dr	Glen Allen	VA	23059	240-687-3448
Renshaw Mark	Northern VA	21377 Fitzgerald Dr	Ashburn	VA	20147	703-729-6939
WASHINGTON						
Briggs Karen	Olympia WA	5840 Meridian Rd SE	Olympia	WA	98513	206-427-1004
Claudon Jen,Jordan,Jeff	Eastside King County/Seattle Metro	5571 Perdemco Ave SE	Port Orchard	WA	98367	425-765-0406

Franchisee Name	Territory Name	Address	City	State	Zip	Main Phone
Claudon Jen,Jordan,Jeff	Seattle Metro	5571 Perdemco Ave SE	Port Orchard	WA	98367	425-765-0406
DuBois Connie	North Seattle WA	1801 Baker Ave	Everett	WA	98201	(206) 225-9292
WASHINGTON DC						
Pascoe Andy	Washington DC	8332 Leighlex Ct	Manassas	VA	20111	908-894-4333

EXHIBIT C-1

LIST OF FRANCHISEES WHO HAVE LEFT THE
SYSTEM AS OF DECEMBER 31, 2023

Exhibit C-1

Franchisees who Closed in 2023

Franchisee Name	Territory Name	Address	City	State	Zip	Phone Number
Primrose Brent	Southern Utah/Mesquite	1385 Morane Manor Dr	St George	UT	84790	831-334-4010
Reetz Greg	Dane County WI	3056 Bradbury Road	Madison	WI	53419	(608) 467-7523

Note: Henri Maire was a franchisee in Texas who transferred his business to a buyer in Texas. We have included him in the table of transfers below rather than closures above, but his Massachusetts unit is among the three closures listed in Table 3 of Item 20.

Franchisees who Transferred their Territory in 2023

Franchisee Name	Territory Name	Address	City	State	Zip	Phone Number
Atwood Jean	Minneapolis West MN	4638 Bulrush Blvd	Shakopee	MN	55379	952-994-9596
Carr Lori	Austin West TX	3005 S Lamar Blvd	Austin	TX	78704	512-831-1883
Deppe Marc and Karen	Boca Raton FL	736 Hampton Woods Lane SW	Vero Beach	FL	32962	407-864-2214
Garelick Jeffrey	Tuscon AZ	3510 North Craycroft Rd # 6305	Tuscon	AZ	85718	510-414-2905
Gazley Barbara	Central Valley CA	3520 W. Alpine Ave	Stockton	CA	95204	209-337-5859
Greenberger Sheri	West Michigan MI	194 W. 27th Street	Holland	MI	49423	616-218-1997
Maire Henri	Boston North & West	12 Scotia St	Salem	MA	01970	978-473-2382
Ortiz Dalila (Gaines)	San Matteo, CA	123 Serrano Drive	San Francisco	CA	94132	917-900-6557
Wakefield Jordan	Charlotte South NC	14038 Wolf Den Lane	Charlotte	NC	28277	678-491-6875
Rezendes Randy & Kayla	Manchester NH	124 Deerfield Rd	Candia	NH	03034	603-327-7802

EXHIBIT D

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California:	California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 213-576-7500 866-275-2677
Florida:	Florida Department of Agriculture and Consumer Services Division of Consumer Services The Mayo Building 407 South Calhoun Street Tallahassee, Florida 32399 850-410-3800 800-435-7352
Hawaii:	Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 808-586-2744
Illinois:	Office of the Attorney General, Franchise Bureau 500 South Second Street Springfield, Illinois 62701 217-782-1090 877-844-5461
Indiana:	Indiana Secretary of State, Securities Division 302 West Washington, Room E-111 Indianapolis, Indiana 46204 317-232-6681
Maryland:	Maryland Office of the Attorney General, Securities Division 200 Saint Paul Place Baltimore, Maryland 21202 410-576-6360 888-743-0023
Michigan:	Michigan Department of the Attorney General Consumer Protection Division – Franchise Section G. Mennen Williams Building 525 W. Ottawa Street P.O. Box 30212 Lansing, Michigan 48909 517-335-7622

Minnesota:	Minnesota Department of Commerce, Securities Division 85 7th Place East, Suite 280 Saint Paul, Minnesota 55101 651-539-1500
New York:	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 212-416-8222
North Dakota:	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 5th Floor Bismarck, North Dakota 58505 701-328-2910 800-297-5124
Rhode Island:	State of Rhode Island and Providence Plantations Department of Business Regulation Securities Division, Franchise Section 1511 Pontiac Avenue, Bldg. 69-2 Cranston, Rhode Island 02920 401-462-9527
South Dakota:	South Dakota Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid Avenue, Second Floor Pierre, South Dakota 57501 605-773-3563
Utah:	Utah Department of Commerce Division of Consumer Protection 160 East 300 South, Second Floor Salt Lake City, Utah 84144 801-530-6601
Virginia:	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 804-371-9051 800-552-7945
Washington:	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 360-902-8760

Wisconsin:	Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 608-261-9555

EXHIBIT E

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

The following modifications are to the Bark Busters North America, LLC Franchise Disclosure Document and may supersede certain portions of the Franchise Agreement dated ____ _____, 20___.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Pursuant to the CA 2023 Corporations Code Book, Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Neither we, any person or franchise broker in ITEM 2 of the FDD is subject to any currently effective order of any national securities association of national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78(a) et seq., suspending or expelling these persons from membership in this association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

A contract which restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code section 16600.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law. However, certain exceptions apply under California Business & Professions Code §16601 and California's Uniform Trade Secrets Act, C.R.S. §3426, et seq.

Section 31125 of the California Corporation Code requires us to provide you a disclosure

document, in the form and containing the information as the Commissioner may by rule or order require, before we ask you to consider a proposed material modification of your franchise agreement.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§3100 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur in Danville, California with the costs being split equally between the franchisor and franchisee. Prospective franchisees are encouraged to consult independent legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement.

The following URL address is for the franchisor's website:

www.barkbusters.com

FRANCHISOR'S WEBSITE, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

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.

HAWAII

THESE FRANCHISES 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. 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.

ILLINOIS

Illinois law governs the Franchise Agreement.

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

MARYLAND

ITEM 5 is amended to state that:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore,, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

ITEM 17 of the Franchise Disclosure Document, sections of the Franchise Agreement and the Sample Release requiring that you sign a general release, estoppel or waiver as a condition of the renewal and or assignment shall not pursuant to COMAR 02.02.08.16L apply to liability under the Maryland Franchise Registration and Disclosure Law.

ITEM 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

ITEM 17 of the Franchise Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws.

The sections of the Franchise Agreement and Statement of Franchisee are amended to the extent required by Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibiting a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver as a condition of renewal and assignment of any liability under the Maryland Franchise Registration and Disclosure Law.

Section 23 of the Franchise Agreement is amended as follows: This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement if legally enforceable.

All representations requiring prospective franchisees to assent to a release, estoppel or waive of liability is not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims 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.

MICHIGAN

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

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

a) A prohibition on your right to join an association of franchisees.
b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment,

fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than five (5) years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least six (6) months advance notice of our intent not to renew the franchise.

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

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

g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
    i. The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
    ii. The fact that the proposed transferee is a competitor of us or our subfranchisor.
    iii. The unwillingness of the proposed transferee to agree in writing to comply with lawful obligations.
    iv. Your or proposed transferee's failure to pay any sums owning to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

ESCROW REQUIREMENTS (IF ANY):

_____

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division – Franchise Section

G. Mennen Williams Building
525 W. Ottawa Street
P.O. Box 30212
Lansing, Michigan 48909
Telephone Number: (517) 335-7622

MINNESOTA

We will comply with Minnesota Statute 80C.14 sub-divisions 3, 4, and 5, which require except in certain specific cases, that you be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Franchise Agreement.

We will comply with Minnesota Statute 80C.17 Subd. 5 which requires that no action may be commenced pursuant to this section more than three (3) years after the cause of action accrues.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Franchise Disclosure Document and the Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Franchise Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement and ITEM 13 of the Franchise Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure

Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following is added to the end of the "Summary" section of Item 17(d), titled "Termination by franchisee"::

   You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law"::

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

VIRGINIA

The following statements are added to ITEM 17h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

WASHINGTON

Items 5 and 7 are amended to say that the franchisee's payment of the Initial Franchise Fee will be deferred until Franchisor has fulfilled its initial pre-opening obligations to franchisee, and franchisee is open for business.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or

mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20___.

_____	_____
FRANCHISOR	FRANCHISEE

WISCONSIN

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision(s):

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that ninety days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has sixty (60) days to cure the deficiency and if the deficiency is so cured the notice is void. The Franchise Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, the Wisconsin

Fair Dealership Law. SEC 32.0(3), Wis. Adm. Code.

[Signatures on following page]

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20___, and of the Franchise Disclosure Document but only state law as of the date above, prior to or at the time of execution.

DATED this _____day of _____, 20_____.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

EXHIBIT F

STATE ADDENDA TO FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

1. Section 19.2 is amended to read:

The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon sixty (60) days written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such sixty (60) day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the sixty day period. Defaults shall include, but are not limited to, the following

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

(b) The Franchisee engages in any unauthorized business or practice or sells any unauthorized product or service under the Proprietary Marks or under a name or mark which is confusingly similar to the Proprietary Marks;

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

(d) The Franchisee fails or refuses to comply with the then-current requirements of the Operating Manual;

(e) The Franchisee defaults under any term of the lease of the Premises, any other franchise agreement with the Franchisor or any other agreement material to the Bark Busters Business and such default is not cured within the time specified in such lease, other franchise agreement or other agreement;

(f) The Franchisee fails, refuses or neglects to submit a statement of bi-weekly revenues accompanying the Royalty and the Marketing Advertising and Promotions Fund payment or fails to submit the Royalty or the Marketing Advertising and Promotions Fund payment when due;

(g) The Franchisee fails or refuses to attend the Supplemental Training Program or Franchisee is unable to complete the Supplemental Training Program to Franchisor's satisfaction;

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

(i) Failure to provide franchisor a profit and loss statement within sixty (60) days of the close of the Fiscal Year.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such sixty (60) day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such sixty (60) day period, the Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than sixty (60) additional days, and this Agreement shall not terminate.

2. 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.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

5. A contract which restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code section 16600.

6. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law. However, certain exceptions apply under California Business & Professions Code §16601 and California's Uniform Trade Secrets Act, C.R.S. §3426, et seq.

7. Section 31125 of the California Corporation Code requires us to provide you a disclosure document, in the form and containing the information as the Commissioner may by rule or order require, before we ask you to consider a proposed material modification of your franchise agreement.

8. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§3100 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

9. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

10. The franchise agreement requires binding arbitration. The arbitration will occur in Danville, California with the costs being split equally between the franchisor and franchisee. Prospective franchisees are encouraged to consult independent legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement.

[Signatures on following page]

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20___, and of the Franchise Disclosure Document but only state law as of the date above, prior to or at the time of execution.

DATED this _____day of _____, 20____.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement.

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

[Signatures on following page]

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20___, and of the Franchise Disclosure Document but only state law as of the date above, prior to or at the time of execution.

DATED this _____day of_____, 20____.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

1. The laws of the State of Maryland may supersede the Franchise Agreement, including Section 3, concerning renewal of the License and Section 19, concerning termination.

2. Section 5.1 is amended to read:

In consideration of the Bark Buster's Franchise granted in this agreement by Franchisor to the Franchisee, the franchisee shall pay the sum of forty-nine thousand five hundred dollars ($49,500.00) plus, if due and payable, all applicable federal, state or municipal taxes, as a non- reoccurring and non-refundable initial franchise fee ("**Initial Franchise Fee**") to the Franchisor. The Initial Franchise fee shall be paid by means of certified funds or a bank check. Based upon franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Subsection 22.5 is amended to provided that a franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within 3 years after the grant of the License.

[Signatures on following page]

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20___, and of the Franchise Disclosure Document but only state law as of the date above, prior to or at the time of execution.

DATED this _____day of_____, 20____.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

1. Section 3 and Section 19 are amended to provide that Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. 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.

2. Under Minnesota law, Franchisor must indemnify Franchisee against liability to third parties resulting from claims by third parties that Franchisee's use of Franchisor's trademarks infringes trademark rights of the third party. Under Subsection 10.22, Franchisor may, but is not required to indemnify Franchisee against the consequences of Franchisee's use of Franchisor's trademarks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim and tender the defense of the claim to Franchisor within ten (10) days after the claim is asserted. If Franchisor accepts the tender of defense, Franchisor has 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.

3. The first sentence of Subsection 22.4 of the Franchise Agreement is amended to read as follows:

"The Parties agree that, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, this Agreement will be governed by the laws of the State of California without recourse to California choice of law or conflicts of law principles, provided, however, that this Section shall not in any way abrogate or reduce any rights of Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota."

4. The following language will appear at the end of Subsection 22.5 of the Franchise Agreement: "Minnesota Statutes, Sections 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of 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."

[Signatures on following page]

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20___, and of the Franchise Disclosure Document but only state law as of the date above, prior to or at the time of execution.

DATED this _____day of _____, 20____.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. Section 22.5 of the Franchise Agreement is amended to provide this.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including in the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. Sections 3 and 19 of the franchise agreement are amended to provide this.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington. Section 22.5 and 23.1 of the franchise agreement as well as the Franchise Disclosure Document are amended to provide this.

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. Section 5.1 is amended to read:

In consideration of the Bark Buster's Franchise granted in this agreement by Franchisor to the Franchisee, the franchisee shall pay the sum of forty-nine thousand five hundred dollars ($49,500.00) plus, if due and payable, all applicable federal, state or municipal taxes, as a non- reoccurring and non-refundable initial franchise fee ("**Initial Franchise Fee**") to the Franchisor. The Initial Franchise fee shall be paid by means of certified funds or a bank check. Payment of the Initial Franchise Fee

will be deferred until Franchisor has fulfilled its initial pre-opening obligations to franchisee, **and franchisee is open for business.**

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the ___ day of _____, 20___, and of the Franchise Disclosure Document but only state law as of the date above, prior to or at the time of execution.

DATED this_____day of____, 20_____.

FRANCHISOR

BARK BUSTERS NORTH AMERICA, LLC

By:_____
Its:_____
Date:_____

FRANCHISEE:

IF A PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY

Entity Name_____

By:_____
Its:_____
Date:_____

IF FRANCHISEE IS ONE OR MORE INDIVIDUALS:

_____
[Signature]
Printed Name:_____
Date:_____

_____
[Signature]
Printed Name:_____
Date:_____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT G

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013	**New York** Secretary of State 99 Washington Avenue Albany, NY 12231
Florida Florida Department of Agriculture and Consumer Services The Mayo Building 407 South Calhoun Street Tallahassee, FL 32399	**North Dakota** Securities Commissioner 600 East Boulevard Avenue State Capital, 5th Floor Bismarck, ND 58505
Hawaii Commissioner of Securities 335 Merchant Street, Room 205 Honolulu, HI 96813	**Rhode Island** Director of Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-2 Cranston, RI 02920
Illinois Illinois Attorney General 500 South Second Street Springfield, IL 62701	**South Dakota** Director of Division of Securities 124 S. Euclid Avenue, Second Floor Pierre, SD 57501
Indiana Indiana Secretary of State 302 West Washington, Room E-111 Indianapolis, IN 46204	**Utah** Utah Department of Commerce 160 East 300 South, Second Floor Salt Lake City, Utah 84144
Maryland Maryland Securities Commissioner 200 Saint Paul Place Baltimore, MA 21202	**Virginia** Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219
Michigan Michigan Department of the Attorney General Consumer Protection Division - Franchise Section G. Mennen Williams Building P.O. Box 30212 525 W. Ottawa Street Lansing, MI 48909	**Washington** Director of Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 Saint Paul, MN 55101	**Wisconsin** Wisconsin Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53703

EXHIBIT H

OPERATING MANUAL TABLE OF CONTENTS

Exhibit H

Manual Name	Subject Matter	Page #	No. of Pages
Policy & Procedures Manual	Table of Contents	I – VII	7
	Introduction to the Company & System	1-18	18
	Training Techniques	19-44	26
	Specific Training Techniques for Behaviors	45-88	44
	Home Therapy Session	89-99	11
	Dealing with Clients	100-107	8
	General Dog Care	108-111	4
	Legal and General	112-125	14
	Diagrams and Forms	126-128	3
Stand Rite No Bite Dog Safety	Table of Contents	1	1
	Techniques to Avoid Attacks	2-8	7
Business Management Manual	Code of Honor	1	1
	Contact Information	2	1
	Frequently Used Websites	3	1
	Vendor Contacts	4	2
	Transfer of Support	6	3
	Order Form	9	3
	Social Media	12	5
	Bookkeeping	17	2
	Insurance	19	2
	Directory	21	1
	Phone System	22	6
	CRM	28	11
Flip Chart	Lesson Training Materials	1-17	17
Other Training Materials Available:			
Dog Rehab & Assessment	Table of Contents	i	1
	Bark Busters Dog Rehab Program	1-6	6
	The Training Program	7-8	2
	Day One	9-14	6
	Day Two and Three	15-16	2
	Rehab Course for Shelter Dogs	17-22	6
	Summing Up	23	1
TOTAL PAGES			**222**

EXHIBIT I

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This 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:

California	Effective Date:	(Pending)
Hawaii	Effective Date:	(Pending)
Illinois	Effective Date:	(Pending)
Indiana	Effective Date:	(Pending)
Maryland	Effective Date:	(Pending)
Minnesota	Effective Date:	05/17/2024
New York	Effective Date:	(Pending)
Rhode Island	Effective Date:	05/08/2024
South Dakota	Effective Date:	04/24/2024
Virginia	Effective Date:	(Pending)
Washington	Effective Date:	(Pending)
Wisconsin	Effective Date:	05/16/2024

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

RECEIPTS

RECEIPT

(RETURN ONE COPY TO US)

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 Bark Busters North America, LLC offers you a Franchise, it must provide this Disclosure Document to you fourteen (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.

New York law requires a franchisor to provide the franchise disclosure document at the earliest of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Bark Busters North America, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on **Exhibit D**.

The issuance date of this Disclosure Document is: March 30, 2024

The franchise seller for this offering is **Carl and Heather Peterson, Bark Busters North America, LLC** located at **318 Diablo Road, Suite 265, Danville, CA 94526**. Its telephone number is **(925) 263-9545.**

Bark Busters North America, LLC authorizes the respective state administrators identified on **Exhibit H** to receive Service of Process in that particular State.

I have received a Disclosure Document dated _____ that includes the following Exhibits:

A. Financial Statements
B. Franchise Agreement (and exhibits)
C. List of Current Franchise Locations
D. List of State Administrators
E. State Addenda to Franchise Disclosure Document
F. State Addenda to Franchise Agreement
G. List of Franchisees Who Have Left the System as of December 31, 2023
H. Agents for Service of Process
I. Operating Manual Table of Contents
J. State Effective Dates
K. Receipts

Date: _____

_____
Signature of Prospective Franchisee

_____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Bark Busters North America, LLC at 318 Diablo Road, Suite 265, Danville, CA 94526 or by emailing a copy of the receipt to Carl Peterson at office@barkbusters.com.

RECEIPT

(RETURN ONE COPY TO US)

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If Bark Busters North America, LLC offers you a Franchise, it must provide this Disclosure Document to you fourteen (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.

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Print Name

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