FRANCHISE DISCLOSURE DOCUMENT

Dog Training Elite Franchising, LLC
A Utah Limited Liability Company

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Lehi, Utah 84043
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www.dogtrainingeliteinc.com
franchise@dogtrainingelite.com

®

Dog Training Elite franchises offer general obedience training, including basic puppy training and basic support dog training for large and small dogs. You may also choose to purchase the option to offer specialty dog training such as advanced puppy, advanced service, autism support, force fetch & mobility support, and personal protection. You must purchase a minimum of 3 franchise territories.

The total investment necessary to begin operation of a 3-territory Dog Training Elite franchise is $159,050 to $186,750. This includes $124,150 to $126,000 for a 3-territory franchise that must be paid to the franchisor or affiliate.

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

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

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

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

Issuance Date: April 13, 2023

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 that 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 "B" 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 Dog Training Elite 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 Dog Training Elite 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 clients, 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 "E."

Your state may also 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 Utah. 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 Utah than in your own state.

2. **Sales Performance Required**. You must maintain minimum sales performance levels during each of your first three years of operation. 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.

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

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.

STATE REGULATIONS
FOR THE STATE OF MICHIGAN

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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 under a franchise:

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

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

3. A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure failure after being given written notice thereof and a reasonable opportunity, which in no event need to be more than 30 days, to cure failure.

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

5. A provision that permits the franchisor 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.

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

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

a. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

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

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

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

9. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice may be directed to the following address:

Michigan Attorney General's Office
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-7117

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RECEIPTS

FRANCHISE DISCLOSURE DOCUMENT

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

The Franchisor

The name of the franchisor is Dog Training Elite Franchising, LLC. In this disclosure document Dog Training Elite Franchising, LLC is referred to as "we" or "us" or "our" or "Dog Training Elite." "Franchisee," "you" or "yours" means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership or other entity.

Our limited liability company was organized on November 14, 2014 in the state of Utah under the name Dog Training Elite Franchising, LLC. Our principal place of business is 2971 West 560 South, Lehi, Utah 84043. Our agents for service of process in various states are disclosed in Exhibit "D."

Franchise Business Activities

We do not do business under any name other than Dog Training Elite and Dog Training Elite Franchising, LLC. As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering franchises for Dog Training Elite businesses in January 2015. Franchising is our only activity, and we do not conduct the type of business to be operated by our franchisees.

Parents, Affiliate, and/or Predecessor Business Activities Involving Dog Training Elite

Our affiliate The Malinois Corporation, a Utah non-profit corporation, was incorporated on April 10, 2013. Its principal place of business is 2971 West 560 South, Lehi, Utah 84043.The Malinois Corporation does not conduct a business of the type you will operate, but it conducts a charity that helps veterans in need through canine assistance. You will be required to sponsor a promotion or fundraising campaign once per year in which all the proceeds are donated to The Malinois Corporation.

Our affiliate DTE Retail L.L.C. was organized on February 11, 2020 in the state of Utah. Its principal place of business is 2249 West 13035 South, Riverton, Utah 84065. DTE Retail L.L.C. is an approved supplier of dog training equipment to our franchisees. It does not operate a Dog Training Elite business.

None of our affiliates offer, or have offered, franchises in this line of business or any other line of business. We have no other parents, predecessors or affiliates required to be disclosed in this Item.

Franchise Offered

Dog Training Elite businesses offer general obedience training, including basic puppy training and basic support dog training for large and small dogs. You may also choose to purchase the option to offer specialty dog training such as advanced puppy, advanced service, autism support, force fetch & mobility support, and personal protection.

Most trainings take place in the client's home, at a park, or at another open facility. However, we recommend and can require that you use an indoor facility if your franchise business will be located in a major metropolitan city or area. This helps to cut down on the loss of time driving to appointments. You may also qualify to open an indoor facility after 12 months of operating. Additionally, in the past, our

franchisees have offered an adventure program to help clients' dogs get out of the home, as well as training for dogs with anxiety. Some trainings and client meetings can be done through video conferencing.

You will be required to purchase and carry specific materials, supplies and equipment and to strictly follow our standards, methods, policies and procedures in the operation of your franchise business, that are described in more detail in our franchise agreement attached as Exhibit "A" to this disclosure document. Your operating principal and trainer will be required to pass a background check before you can purchase a Dog Training Elite franchise.

General Description of Market and Competition

The general market for dog training services is competitive and well-developed. You will typically compete with other established dog businesses. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Dog Training Elite franchises operated by our affiliates or other franchisees outside your territories. Your franchise may be operated year-round but may have increased sales in the months of milder temperatures due to the nature of the services provided.

Laws and Regulations

You are required to follow all laws and regulations that apply to businesses generally. You must investigate local zoning rules because they may limit where you can operate your business such as at a public park. Additionally, if you are allowed to operate from an indoor facility, local laws may limit where you can locate your indoor facility and may affect the design features including the building façade and signs. The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost to operate your business, or limit which services you can offer (e.g., personal protection services, guide dog services, etc.). You will be required to comply with state, county, and local dog specific laws including vaccine, spay, neuter, registration, licensing and other applicable laws. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city or town.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements. You are not permitted to collect, store, transfer, etc., any unnecessary client information. Additional information can be found at https://www.pcisecuritystandards.org/.

ITEM 2
BUSINESS EXPERIENCE

John Mestas – President and Founder

John is the founder of Dog Training Elite Franchising, LLC and has been our President since our inception in November 2014. John has also been the President and owner of Arrow Kennels, Inc., a dog training company in Northern Utah since 1995.

Robin Mestas – Officer

Robin has been an officer of Dog Training Elite, LLC since its inception in November 2014.

Kelley Rosequist – CEO

Kelley has been our CEO since January 2018 and was our Administrator from January 2016 until January 2018. Kelley has also been the Operations Manager of the Dog Training Elite brand since October 2013. Kelley has also been an owner of the Dog Training Elite franchise in the Salt Lake City, Utah area since January 2016.

Aidan Rosequist – Media Director

Aidan has been our Media Director since January 2023. From January 2022 until January 2023, Aidan was our Technology and Continued Education Director. From January 2018 until December 2021, Aidan was our Franchise Support Director. Aidan has also been an owner of the Dog Training Elite franchise in the Salt Lake City, Utah area since January 2016.

Neal Mestas – Protection Training & Sales Director

Neal Mestas has been our Protection Training & Sales Director since January 2022. From January 2016 until December 2021, Neal was our Corporate Training Officer. Neal also owns a Dog Training Elite franchise in Queen Creek, Arizona. He has operated this business since 2012 and converted it to a franchise in 2015.

Nicole Evans – Chief of Staff

Nicole Evans has been our Chief of Staff since April 2022. Prior to joining Dog Training Elite, she was the Payroll Manager/HR Assistant for Magleby Professional Services in Lindon, Utah and had been there since 2013.

Emily Wheeler – Director of Operations

Emily Wheeler has been our Director of Operations since February 2023. Prior to this, Ms. Wheeler was our Operations Manager from August 2022 to February 2023. From February 2022 to August 2022, she was the Operations Manager for American Stone in Murray, Utah. From October 2019 to December 2021, she was the Operations Manager for Homefolk.com in Mansfield, Missouri. From November 2018 to October 2019, Emily was the Personal Assistant/Project Manager for Quality Contracting Services based in Texas, and from March 2018 to October 2018, she was the Office Manager for House Calls also based in Texas.

KC Owens – Training Director

KC Owens has been our Training Director since July 2021. From May 2016 to June 2021, KC was a manager for Crossroads Urban Center in Salt Lake City, Utah, which is a company specializing in providing services to local homeless and low-income populations.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

Our officer, Robin Mestas, filed a voluntary petition for personal bankruptcy under Chapter 13 of the U.S. Bankruptcy Code in December 2010. The bankruptcy court confirmed the debtor's plan on March 1, 2011, and the case was completed on July 23, 2013. US Bankruptcy Court – District of Utah, Central Division. Case No. 10-37422.

Other than described above there are no bankruptcy matters to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

The minimum initial franchise fee is $110,000 for 3 territories. Purchase of additional territories is $59,000 per territory. We offer a discount of 10% off of the initial franchise fee on the first franchise territory purchase to veterans of the U.S. armed forces who have been honorably discharged.

Each territory will be listed on Exhibit "A-1" of your franchise agreement, and you must service all the territories from the beginning of operations. A territory generally consists of approximately 175,000 people depending on whether the territory is in a rural or metropolitan area.

Initial Training

There is no training fee for up to 2 people to attend the initial training program, but we charge a training fee of $750 per day, per additional person trained (up to 2 people). You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). The initial training will include dog training techniques for obedience, behavioral modification, and therapy. We also offer advanced service training and personal protection training for additional costs, but these trainings are not offered prior to you beginning operations.

Start-Up Packet

All franchisees must purchase an initial start-up packet with a minimum of 10 e-collars, a canopy, an A-frame, a tablecloth, 2 place cots, uniforms, first aid kits, a training briefcase, and a group class kit at a cost of $4,150 to $5,000.

Launch Support Fee

All franchisees pay us a $10,000 launch support fee in a lump sum at the time of signing the franchise agreement. This fee is for us to provide grand opening support to you, assist you in the setup of your various Dog Training Elite accounts, including QuickBooks, the CRM, and our document management system. This fee also includes us providing 3 days of trainer or administrative support training after you have been operating for at least 6 months. You can send your representatives to us (you would be responsible to cover the travel food and lodging of your trainees), or we can provide this training virtually. The curriculum for the 3-day training will be out of the Dog Training Elite University curriculum. You are responsible to schedule this training through our designated scheduling software.

Uniformity of Fees, Refunds and Payment Details

The costs and fees listed in this Item 5 are uniform and are non-refundable for all franchisees. The initial franchise fees must be paid in a lump sum at the time of signing the franchise agreement. Training fees for additional attendees or additional days of training must be paid half upfront with the remaining amount due within 10 days of completing the training. Payment for the initial start-up packet must be paid in full at the time of ordering.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Successor Franchise Fee[1]	$2,500	Prior to entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time of your timely election to enter into a successor agreement.
Royalty[1]	8% of gross sales	Payable weekly to be received by Tuesday of the following week (a sales week runs Sunday – Saturday)	Gross sales include all revenue from the franchise business, including trades, but do not include sales tax. We reserve the right to require royalties to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed.
Brand Fund Fee[1,4,5]	1% of gross sales	Same as royalties	See Note 4 below.
Online Advertising and SEO Fee [1,4]	Currently, $500 per month	Payable monthly	This fee will be for our designated third-party provider to manage Google AdWords and SEO campaign in your market. This fee may be charged by a third-party supplier or us and may be updated periodically in our manuals. You will also be required to set a budget for monthly Google AdWords with the third-party provider. This amount can be applied toward your 1% local marketing obligation.
Late Charges[1,2,3]	$50 per day (up to $500 per late fee)	Payable with royalty or on demand	Charges will begin to accrue after the due date of any required payment or report.
Interest on Late Fees and Reports[1]	18% interest or maximum rate permitted by state law	Payable with royalty or on demand	Interest begins to accrue on the total amount (fee plus any later charge) after the due date of any required payment or report.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Non-Sufficient Fund Fees[1,3]	$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	Or maximum allowed by state law (see state specific addendum)
Sales or Use Tax[1]	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge[1]	Cost of audit	On billing	Payable only if an audit shows an understatement of 2% or more of gross sales for the time period audited, or records are unorganized or unavailable.
Tech Fee[7]	Currently, $275 per month	Upon billing	See Note 7.
System Non-Compliance Fines and Charges[1,2, 3, 8]	Between $50 and $2,000	As incurred	See Note 8.
Insurance Reimbursement Fee[1]	Reimbursement of premium amount, plus $50 an hour for our time	Upon demand	You are required to hold and maintain your own insurance, but in the event you fail to do so, we have the right to obtain insurance on your behalf.
PCI and DSS Audit Reimbursement Fee[1]	Costs of the audit	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.
Replacement Training[1,3]	$750 per person, per day	In advance of training	Any new operating principal must complete the initial training program before taking over as operating principal. New managers, trainers, and administrative support personnel may be trained by your operating principal, or you can request us to train them at our facilities. We can also require them to be trained by us if we reasonably believe such training would be in the best interest of your franchise. You must pay all associated travel, food, and lodging associated with such training.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Additional Training[1,3]	$750 per person, per day	Upon billing	Depending on advanced notice and our availability, you may request additional in-person training. This does not include advanced classes. In such case, you will also be required to pay all travel, lodging, food, and other expenses of your attendees or our representatives during this additional training. We reserve the right to limit additional in-person training. This training only applies to services you already provide and does not include training for new services, such as advanced services training if you have not already received such training.
Interim Management Fee[1,3]	$750 per day, per representative	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or after you have been given a notice of default and failed to cure. You must also pay all travel, lodging, food, and other expenses for our representative(s) that may be incurred by us to perform such services, plus royalties, advertising fees, and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.
Annual Management Training[1,3]	$500 per person/per day	In advance of training	At our discretion, we can require that your operating principal and manager meet with us for the purpose of discussing and reviewing your franchise business operations. At least 1 attendee per franchise territory or location is required to attend. If we determine that such a meeting is necessary, you will be responsible to cover the costs of travel, food and lodging.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Advanced Services Training[1]	Currently, $3,500 to $20,000	In advance of training	Includes advanced trainings such as advanced puppy, personal protection, autism support, force fetch & mobility support, and advanced service dog training. Each training will last 1 to 8 weeks. You will be required to pay all travel, lodging, food, and other expenses of your attendees or our representatives during this additional training. Unless otherwise approved by us based on your skill or experience, these trainings are not available to you until you have been operating your franchise business for at least 12 months. The fees for these trainings are subject to change.
Supplier Evaluation Fee[1,3]	$250, plus expenses, at cost	The set fee is due before we evaluate potential suppliers. The amount of expenses is due within 30 days of evaluation.	Payable if you want to have unapproved suppliers evaluated for our approval.
Additional Copies of Marketing Materials[1]	Our costs plus 10%, and the costs for shipping and handling	Upon delivery	We may develop and provide you samples of marketing and promotional materials.
Gift Card; Prepaid Services Reimbursement Fee[1]	Varies	Upon demand	Due upon termination of your franchise. Outstanding gift cards and pre-paid services must also be taken into account if you transfer your franchise.
Fees on Default[1]	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us
Franchise Agreement Transfer Fee[1]	$10,000, plus applicable broker fees	At time of approved transfer	Payable when you sell your franchise and prior to our signing any approval or new agreement. If you would like to use our designated brokers to assist with the sale, then you will be responsible to cover the applicable brokers fees related to the sale.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Minority Interest Transfer Fee[1]	Our legal fees and administrative costs related to the transfer	On demand	This fee applies to transfers of up to 40% of your franchisee entity – cumulative during the term of the franchise agreement. All guarantors will remain guarantors unless otherwise released by us. Subject to state law.
Transfer Training Fee[1]	$15,000	At time of approved transfer	You or the transferee must pay this initial training fee to have us train the transferee as well as all travel, lodging, food, and other expenses during the training. The training provided to the transferee will include training for all the types of services and dog training that you offer at the time of transfer.
Indemnification[6]	Varies	As incurred or on demand	See Note 6.
Dispute Resolution Fees[1,6]	Varies	As incurred or on demand	You are required to pay half of the mediation and/or arbitration fees. Additionally, the prevailing party will be entitled to reimbursement of its legal fees and expenses.

NOTES

[1] Royalty and Fees. Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable. You should verify with third-party payees whether such payments, deposits, or fees are refundable or not. You must use a Chase bank account for your franchise business. We require payment to be made by bank sweep, draft, Chase QuickPay, or other similar type of electronic funds transfer ("EFT") in the manner, times and dates established, developed and amended by us, and we may automatically access such account for any payment due to us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You cannot close or terminate any EFT account without receiving our prior written consent. If you fail to timely report gross sales, we may sweep an estimated amount of fees due to us. You will be responsible to pay us any amount owing if we underestimate your payment to us, and we will credit you with any overage that we charge.

[2] Reports. You must submit reports such as gross sales reports, financial statements, local marketing reports, tax returns, and other reports as required by us.

[3] Fee Increases. We may increase these fees by up to 10% per year during the term of the franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

[4] Advertising Fees. If not already instituted, we have the right to implement a brand fund fee upon 60 days' notice to you. The brand fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. In addition, you must spend at least 1% of your gross sales each month to advertise your franchise business locally. We reserve the right to increase the minimum

local marketing requirement if we determine, in our sole discretion, that to do so will be in the best interest of the franchise system. We may increase the required local marketing amount upon 60 days' notice to you. However, the increase will not be more than 2% of gross sales. These fees are uniformly imposed.

[5] Marketing Events. You must also attend a minimum of 6 large marketing events and 6 smaller marketing events each year. Home shows, RV shows, and similar types of events are considered large marketing events, and farmers' markets, city, county or state fairs, and other similar venues are considered small marketing events, as otherwise described in our manuals. The amount you spend attending these marketing events can be counted toward your 1% local marketing expenditure requirement. Upon our request, you must provide us with a report of your attendance at such events along with a report of the leads generated from each event.

[6] Indemnification. You must defend, indemnify, and hold us harmless from any and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees arising out of or related to, or in any way connected with you or your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. You are not required to indemnify us for liability caused by our willful misconduct or gross negligence.

[7] Tech Fee. The Tech Fee will include the following (fees, terms, and conditions subject to change by the applicable provider):

- G-Suite account setup for up to 2 accounts (additional accounts can be purchased)
- Cloud based document storing and setup
- Website hosting for the brand website and each franchisee landing page
- Domain name for the brand website and each franchisee landing page
- General website maintenance and upkeep
- Blog maintenance and upkeep
- Social media set up for Facebook & Instagram
- Access to the social media posting guide
- General social media brand posting
- Google Analytics for the national advertising
- SEO and PPC management for national advertising
- CRM setup for 2 users and our brand features (additional users can be purchased)
- Advertising materials portal. Includes one user license for the worker who will be creating documents, fliers, etc. (Additional user licenses can be purchased).
- QuickBooks account manager access and QuickBooks setup and training. (The monthly user fee is a separate charge).
- Learning management system with corporate training provided. Includes one manager user license and two employee user licenses. (User licenses are transferable with employee turnover. Additional user licenses can be purchased.)
- Access to the Dog Training Elite online store, with wholesale equipment discounts
- General tech maintenance and upkeep for the brand

[8] System Non-Compliance. We may issue you a fine for certain violations of the franchise agreement and/or manuals. The amount of the fine will be set forth in the manuals and are paid to us to reimburse us for our administrative and management costs for us to address the violation. If you do not correct the violation within the time required by us, we have the right to put you in default. All fines are to be paid in accordance with our electronic funds transfer or automatic withdraw program.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(3-TERRITORY FRANCHISE)

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee[1]	$110,000	$110,000	Lump sum	At signing	Us
Travel, lodging, food and other expenses while training[2]	$1,500	$10,000	As incurred	Prior to and during training	Us and airlines, hotels and restaurants
Real estate and Improvements[3]	$0	$0	Not applicable	Not applicable	Not applicable
Start-up packet[4]	$4,150	$5,000	As incurred	Before opening	Affiliate
Launch support[4]	$10,500	$11,100	As incurred	Before opening	Us and affiliates
Additional equipment and mobile device[5]	$500	$3,000	As incurred	As negotiated	Suppliers
Vehicle wrap[6]	$3,500	$5,000	As incurred	As negotiated	Suppliers
Banners and signs[7]	$750	$3,000	As incurred	Before opening	Suppliers
Demo dog and demo dog equipment[8]	$1,500	$6,500	As incurred	As negotiated	Suppliers
Misc. opening costs[9]	$1,500	$4,500	As incurred	As incurred	Suppliers, utilities, etc.
Marketing – 3 months[10]	$3,000	$4,000	As incurred	As negotiated	Suppliers
Additional funds – 3 months[11]	$22,150	$23,650	As incurred	As incurred	Us, suppliers, accountants, employees, etc.
*TOTAL[12]	$159,050	$186,750			

NOTES

[1] Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee. We offer a discount of 10% off of the initial franchise fee on the first franchise territory purchase to veterans of the U.S. armed forces who have been honorably discharged. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

[2] Training. There is no training fee for up to 2 people to attend training, but we charge a non-refundable training fee of $750 per day, per additional person trained (up to 2 additional persons). You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). You should expect to pay approximately $1,500 to $3,000 for each additional person trained, plus their cost of travel, food and lodging during training. We estimate that you will have 1 to 2 people attend training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals and transportation.

[3] Real Estate Improvements. We do not anticipate that you will need to purchase or lease real estate for the operation of your franchise business. Our franchisees typically operate their office from their home and provide dog training at the client's home or from a public park. You will generally need a 50-yard by 100-yard space to hold group lessons. Some cities may require you to pay a fee to hold a training in a public park.

[4] Start-up Packet and Launch Support Fee. You must purchase a non-refundable start-up packet with at least 10 e-collars, 2 place cots, uniforms, first aid kits, a training briefcase and a group class kit at a cost of $4,150 to $5,000 that must be used by you and purchased from us or our affiliate. Additionally, you must pay us a non-refundable launch support fee of $10,000 for us to provide grand opening support to you, assist you in the setup of your various Dog Training Elite accounts, and a 3-day follow-up training after you have been operating for at least 6 months.

[5] Additional Dog Training Equipment and Mobile Device. Additional dog training equipment must be purchased from our designated suppliers or meet our specifications as pre-approved by us. You must also purchase the proper uniforms with shirts, pants, shoes, hats, etc., as directed by us. Additionally, you must purchase a computer tablet or smart phone that is compatible with Google Calendar and Google Drive. At this time, we require that you use the Chase merchant mobile POS software and hardware.

[6] Vehicle Wrap. You are required to wrap your vehicle used in the operation of your franchise business with a high-quality wrap as directed by us. Your vehicle must be wrapped before you open your business. You must keep your vehicle wrap in good condition, free from unsightly or unprofessional wear and tear. Your vehicle (which must be a van, SUV, mini-motorhome or a truck with a hard-top shell over the bed of the truck unless otherwise approved by us) must also be in good condition and repair with no external damage or unreasonable wear and tear, must not be more than 10 years old, must accommodate all the equipment needed in providing dog training services, must have a climate controlled system, and must be approved by us. If approved, you may also purchase an enclosed trailer, to carry and store your equipment.

[7] Banners and Signs. You will need at least 2 banners and an A-frame sign displaying our trademark, which must be pre-approved by us before production or use.

[8] Demo Dog and Demo Dog Equipment. You are required to have a demo dog for your franchise business. This dog must be at least 4 to 6 months old (depending on the dog) and no older than 4 to 5 years old (depending on the dog). We do not require a specific breed of dog, but your demo dog must have the following qualities: be trainable, biddable (docile, agreeable, and willing to do what you ask), have good work ethic and good energetic flash, be confident, well-groomed, and be stable, non-reactive with no previous aggression issues. If you do not already have a qualifying demo dog, we highly recommend that you work with us to select the best fit. You must also purchase all necessary collars and equipment for your demo dog. Your demo dog must be approved by us and must attend and pass our bootcamp training before it can be used in any of your trainings or marketing events.

[9] Miscellaneous Opening Costs. These miscellaneous costs include legal fees, business entity organization expenses, employee training, deposits, insurance and licenses. The cost of insurance may vary depending

on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, and other professionals to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

[10] Marketing – 3 Months. This estimates the cost of advertising for the first 3 months of operations. Your opening should coincide with an event such as a home show or farmers' market.

[11] Additional Funds – 3 Months. This estimates other initial startup and operating expenses that you may incur during the first 3 months of operation, including subscriptions such as the tech fees paid to us, which are non-refundable, and accounting software. You must maintain a minimum amount in your operating account sufficient to cover at least 3 months of operations not including cash flows. This amount cannot be less than $10,000, provided that in any 30-day period, the operating account may have less than such amount for a period of not more than 5 days. It is a default of the franchise agreement if your operating account drops below this amount at any time. Upon request, you must send us a monthly bank statement of your operating account by the 10th day of each month. We have relied upon the experience of our principals and franchisees to compile these estimates.

[12] Total. These figures are estimates for a 3-territory franchise, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in this Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers and Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items or services according to our specifications and/or from approved suppliers. You must not deviate from these methods, standards and specifications without our prior written consent.

You must purchase or lease the following products from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this Item?	Is the franchisor or an affiliate the only approved supplier of this Item?
Dog Collars (including e-collars)	Yes	No
Start-Up Packet	Yes	Yes
Dog Leashes	Yes	No
All Other Dog Related Products	Yes	No
Bite Suits	No	No
Dog Training Equipment	Yes	No
Vehicle Wrap	No	No
SEO and PPC Campaigns	No	No
Cell Phone Carrier	No	No
Online Marketing	No	No
POS Systems	No	No

Merchant Processor	No	No
Computer Tablet and Software	No	No
Smartphone and Software	No	No
E-Signature Software	Yes	Yes
Advertising Materials	Yes	Yes
Learning Management System	Yes	Yes
Accounting Software	Yes	Yes
CRM	Yes	Yes
Demo Dog	No	No
Document Management	No	No
G-Suite	No	No

We may also require you to purchase advertising materials from us or approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from us or other sources designated or approved by us.

Insurance

You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated "A-" or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time in our sole discretion:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate, whichever is greater
Commercial automobile insurance	At least $1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Canine liability coverage	$1,000,000 per occurrence and $2,000,000 in the aggregate
Government required insurances	You must maintain and keep in force all worker's compensation and employment insurance on your employees that is required under all federal and state laws.

These policies (excluding worker's compensation) will insure you, us and our officers, directors and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. Our insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of $50 per hour for our time. We do not derive revenue as a result of your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement.

If your premises are damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days from receiving the proceeds, unless we consent otherwise in writing.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications.

Ownership in Approved Suppliers

Some of our principal officers have an ownership interest in DTE Retail L.L.C., which is one of our approved suppliers.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent approximately 75% to 85% of your overall purchases in opening your franchise business and 75% to 85% of your overall purchases in operating your franchise business.

Revenue to Us and Our Affiliates from Required Purchases

We or our affiliates may derive income from required purchases or leases of goods or services made by our franchisees from approved sources. In the year ending December 31, 2022, we did not generate any revenue from the sale or lease of products and services to franchisees or earn any revenue from suppliers based on franchisee purchases, but our affiliate DTE Retail L.L.C. generated $123,308.44 from sales to franchisees.

Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use a particular supplier and if that supplier meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier.

You may establish suppliers on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source: the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurance systems; the financial condition of the supplier; the ability and willingness of the supplier to train you and us on the effective and safe use of the product and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system.

If you desire to purchase any of the items listed in this Item 8 from an unapproved supplier, you must submit to us a written request for this approval or request the supplier itself to do so. We may require you

to submit sufficient information and data to permit us to ascertain whether a supplier meets our specifications. Before beginning our evaluation, you must pay a supplier evaluation fee of $250. You must also reimburse us for our costs associated with the evaluation within 30 days of the completion of our evaluation. The evaluation fee and other costs are not refundable regardless of whether or not we approve of a supplier. We will notify you in writing, within 60 days after completing our evaluation as to whether the supplier has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers. At our discretion, we may revoke our approval from an approved supplier upon 30 days' written notice to you.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to do so) issue new or revised specifications only after thorough testing in our headquarters, in affiliate-owned territories, and/or a limited market test in multiple territories.

Other than as stated above, there is no obligation for you, under the terms of the franchise agreement, to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

Negotiated Arrangements

At this time, there are no purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers, including price terms for the benefit of franchisees.

Benefits Provided to You for Purchases

We do not provide material benefits to franchisees based on the franchisee's purchase of particular products or services or use of particular suppliers.

Non-Profit Promotion

At least once per year, you are required to sponsor a promotion or fundraising campaign for which all the proceeds are donated to our affiliate The Malinois Corporation. We or our affiliate may derive income or may receive a fee or other compensation for operating the non-profit corporation.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 4.1 and 4.3	Item 11
b.	Pre-opening purchases/leases	Section 4.1 and paragraphs 6.1.3, 6.1.10, and 6.1.12	Item 8

	Obligation	Section in Agreement	Disclosure Document Item
c.	Site development and other pre-opening requirements	Sections 4.2, 4.3 and paragraph 6.1.14	Items 7 and 11
d.	Initial and ongoing training	Paragraph 6.1.4 and sections 7.3, 7.4, and 7.6	Item 11
e.	Opening	Sections 4.2, 7.2 and paragraph 7.3.1	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2 and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16
j.	Warranty and client service requirements	Section 8.6 and Paragraph 6.1.2	Item 11
k.	Territorial development and sales quotas	Paragraph 1.1.3	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.8	Item 11
n.	Insurance	Paragraph 6.1.10	Item 8
o.	Marketing	Section 5.3 and Article X	Items 6 and 11
p.	Indemnification	Section 15.2	Item 6
q.	Owner's participation/ management/staffing	Paragraphs 6.1.6, 6.1.7, 6.1.9 and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(v)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17

	Obligation	Section in Agreement	Disclosure Document Item
y.	Compliance with government regulations	Section 4.3 and paragraphs 6.1.1 and 6.1.9	Item 12
z.	Guarantee of franchisee obligations	Section 6.3	Item 15

ITEM 10
FINANCING

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

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

Except as listed below, Dog Training Elite Franchising, LLC is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

1) Designate your territories [franchise agreement section 1.1].

2) Make available general written specifications for those items listed in Item 8. For purchase, delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not offer assistance in delivery or installation of any of these items [franchise agreement section 7.1 and paragraph 6.2.2(iii)].

3) Provide you with the names of approved suppliers [franchise agreement section 7.1].

4) Loan you a copy or provide electronic access to our confidential operations manual and dog training manual (collectively the "manuals") containing mandatory policies, operating procedures, rules, dog training techniques, employee guide, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with your Dog Training Elite franchise business and only during the term of the franchise agreement. You must keep the contents of all manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents of the operations manual is included as Exhibit "F" to this disclosure document. Our operations manual is in electronic format and is equivalent to approximately 156 pages [franchise agreement article IX].

5) We provide an initial training program and opening assistance for your operating principal and trainer, described at the end of this Item 11 [franchise agreement paragraph 6.1.4].

6) Assist you in selecting your demo dog if needed [franchise agreement section 7.5].

Office Location

You are required to select an office location for your franchise business within 30 days of signing the franchise agreement. Your office location must be within your purchased territories. If you use your primary residence as your office location, you must have a separate and dedicated room as your franchise office with a lockable door [franchise agreement section 4.1]. We generally do not own the premises or lease premises to you or other franchisees for their office location. We also do not provide assistance in the construction, remodeling, or decorating of your office, in obtaining required permits, or confirming your office premises to local ordinances and building codes.

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 3 to 6 months. Factors affecting this length of time usually include obtaining and training your dog, financing arrangements, modification of your approved vehicle, local ordinance compliance, and completing training. You are required to commence operations not later than 6 months from signing the franchise agreement. You must give us at least 20 days' notice of the opening date [franchise agreement section 4.2].

Assistance During Operation

During the operation of your franchise business, we will:

1) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the systems including the development of or change in products and services [franchise agreement section 9.1]. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify. Other than modifications due to health or government mandates or guidelines, or public concerns, we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement [franchise agreement paragraph 6.2.2(iv)].

2) At your reasonable request or at our discretion, provide training either remotely or in person. For additional in-person training, you may be charged a fee and be required to cover travel, lodging, food, and other expenses of your attendees or our representatives [franchise agreement paragraph 6.1.4 and section 7.3].

3) Maintain a website for the Dog Training Elite brand that will include your business information and telephone number for your franchise[franchise agreement section 7.7].

During the operation of your franchise business, we may:

4) Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live conferencing. Upon our request, at all reasonable times, you will provide to us a video and/or digital images of your training sessions or group classes, vehicles, or indoor facility, or any combination of these as further set forth in the manuals [franchise agreement paragraph 6.2.2(v)].

5) Hold conferences to discuss improvements, new developments, mutual concerns and business issues. If held, attendance is mandatory for your operating principal, or alternatively, you may send

another owner to the conference that is involved in the business at the executive level, if approved by us. Currently, there is no conference fee; however, it will be your responsibility to cover travel, lodging, food, and other expenses for your attendees. Depending on the event, we may offer arranged accommodations and provide up to 2 meals per day for your attendees. These conferences will be held at various locations chosen by us [franchise agreement paragraph 6.1.13].

6) Conduct additional seminars, which may be through online webinars, videos, live video conferencing or other electronic media, phone conference or in person, to discuss improvements, new developments, mutual concerns and business issues, sales, marketing, personnel training, bookkeeping, accounting, and performance standards. We may charge a seminar fee, and if held at a physical location, you may be required to pay all your travel, lodging, food, and other expenses. In-person seminars are normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.13].

7) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement sections 7.2 and 7.6].

8) To the degree permitted by law, suggest retail price, specify maximum and minimum pricing above and below which you will not provide any goods or services, and you will honor all coupon, price reductions and other programs established by us [franchise agreement paragraph 6.1.11 and 6.2.2(ii)].

9) Provide you with an email address which, if given, must be used in all correspondence and communications involving your franchise business. You are not allowed to use a non-approved email for business purposes involving the franchise business. If we provide you with an email account/address, we have the right to access your email account [franchise agreement paragraph 6.2.2(i)].

10) Approve of you operating from an indoor facility. During your first 12 months of operations, all dog training must be conducted at your clients and customers homes or at public locations such as parks. After 12 months of operations, we may permit you to operate from an indoor facility if you are in good financial standing with us, have met or exceeded the requirement of your first year's sales benchmark, are in good standing with our training team and operations team (i.e., meeting regularly as scheduled), and you are showing proof of continuous financial and team growth. Operating from an indoor facility may increase your operating costs. We may but are not required to assist in locating an indoor facility site—that is your responsibility. We must also approve of your indoor facility before a lease is entered into and before you begin construction or operate from real estate you already own. Our approval of your building site is based upon the following general criteria: access, appearance, traffic, general population, number of and types of businesses in the territory, parking, square feet, and general vicinity. We do not prepare demographic studies or otherwise evaluate the potential success of your proposed building site location, nor do we provide you with a site checklist or other similar information or warrant or guarantee the success of your indoor facility. We do provide a facilities guide to assist you in brand color selection and other key facility features that must be met in your facility selection. Building site approval or disapproval should be completed by us and notice provided to you in writing within 30 days after you have submitted a prospective location. If we are unable to agree on the site for an indoor facility, you will not be able to operate from an indoor facility. You must adapt your indoor facility to our general specifications at your own expense, in accordance with local, state, and federal laws, rules and ordinances. You are responsible to obtain any required permits. We do not provide assistance in the construction, remodeling, or decorating of your indoor facility, obtaining required permits, or in confirming your premises to local ordinances and building codes. You must continue to operate your franchise business during the buildout of your indoor facility. You are also required to have the landlord consent to an assignment of the lease if the lease or your franchise agreement is terminated [franchise agreement section 4.3]. We generally do not own the premises or lease premises you or other franchisees use for their franchise business. Your

indoor facility or any other approved facility cannot be used for boarding or as a replacement for in-home training.

11) Refine and develop products or services that you will offer to your clients [franchise agreement paragraph 6.2.2(iv)].

Employment Matters

We do not assist you with the hiring, firing, managing, training, or compensation of your employees. That is your responsibility. We may provide you with an employee guide or manual, but it would only be an example of certain employment matters unless otherwise indicated by us. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.9].

Advertising and Promotion

We may provide you with samples of marketing materials developed by our design team and provide new marketing techniques as developed [franchise agreement section 10.4]. You may request the development of marketing assets from our design team for your use. All marketing material developed or used by you must have our prior written approval. Any marketing you create becomes our property and will be considered a "work-made-for-hire" that can be used by us and other franchisees without compensation to you. If you do not receive written approval or disapproval within 10 business days of the date we received your submission of advertising materials, the materials submitted are deemed unapproved. Design lead times can be up to two weeks, and you must plan accordingly [franchise agreement sections 3.10 and 10.4 to 10.5].

Brand Fund

Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system, or to spend any amount on advertising in your territory, we have the right to maintain and administer a national advertising, marketing and development fund (referred to as the "brand fund" in the franchise agreement) for local or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We may utilize the brand fund to develop and test various media and technologies for potential utilization and/or improvement of the system and marketing of the system [franchise agreement section 10.1].

When implemented, you must contribute 1% of your gross sales to the fund. Our affiliate owned outlets will contribute to this fund on the same basis as the franchisees. All franchises will be required to contribute to the brand fund [franchise agreement section 10.1].

We will direct all uses of the fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (that may include television, Internet, radio and print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement and allocation of these programs (that may be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement paragraph 10.1.1].

We are not required to spend any amount on marketing directly in the area or territories where you are located. We make no representations that advertising expenditures from the brand fund will benefit you or any other franchisee directly, on a pro rata basis, proportionally, or at all. We are not required to segregate the brand fund from our general operating funds. We do not use brand funds to solicit new franchisees [franchise agreement paragraph 10.1.2].

We may use the brand fund to offset a portion of direct costs to manage and maintain the fund, to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the brand fund [franchise agreement paragraph 10.1.2].

Advertising Council

No franchisee advertising council is anticipated at this time.

Advertising Expenditures in the Last Fiscal Year

We did not collect any brand funds in 2022, so we do not have a breakdown of how brand funds were spent in the last fiscal year. Any unused brand funds in any calendar year will be applied to the following year's fund. The brand fund is unaudited. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year [franchise agreement paragraph 10.1.2].

Advertising Cooperative

You are not required to participate in a local or regional advertising cooperative. However, if you choose to attend a home show, farmers' market, etc., outside of your territories (that is not in the territory of another franchisee), and another franchisee would also like to participate in that event, the cost of the event, and all leads generated through the event will be split evenly between you and the other participating franchisee(s) [franchise agreement section 10.2].

Other Marketing Funds

At this time, you are not required to participate in any other marketing funds.

The Internet

You may not create a website for your franchise business. However, our third-party administrator will create a webpage for you on our website and set up your Google business listing, and we may allow you to place pre-approved information concerning your franchise business on our website, as developed by us. You cannot engage in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon without our prior written permission. You may not claim any web listing on sites such as Yelp. We have the right (but not the obligation) to manage and control all online reviews for your franchise [franchise agreement paragraph 10.6].

Social Media

We will own the social media accounts related to the brand, but we may provide you access to the social media account for your territories for certain management responsibilities and functions. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. All social media for our brand must strictly comply with our policies and procedures. We can alter, remove, or require that you alter or remove a post. You must sign our Digital and Social Media Authorization for Assignment attached as Exhibit "A-8" to your franchise agreement. We reserve the right to restrict your use of social media in the future [franchise agreement section 10.6.2].

Required Software

You are required to use and pay for our designated CRM in the operation of your franchise as well as software for document management and storage. You must also use and pay for all other software as required by us [franchise agreement section 6.1.16].

Computer / Point of Sale System

We require that the use of a point of sale system designated by us to be purchased or leased from our designated supplier. We require that you use the Chase merchant mobile POS software and hardware, or as otherwise designated by us [franchise agreement paragraph 6.1.12]. The POS system currently provides:

- Reporting of sales
- Tracking of costs and costs of goods sold
- Client payment database
- Credit card payment

You must purchase a computer tablet and a smart phone that is compatible with Google Calendar and Google Drive. You must purchase a wireless carrier plan for your tablet and smart phone, approved by us. The estimated cost of purchasing or leasing the POS system is $100 to $500. We reserve the right to change the POS system at any time, and you are required to comply with and are solely responsible for the fees associated with such changes. We will have independent access to the information and data collected or generated by the computer and the POS. There are no contractual limits on our rights to do so. You are also required to subscribe to the software subscriptions designated by us. You must keep these systems available for our access 24 hours a day, 7 days a week. We may require updates, maintenance and upgrades to your computer hardware, software and POS system, at your expense during the term of the franchise agreement. There are no contractual limitations on our right to do so. We estimate the cost to maintain, upgrade and support your computer and POS system to be under $500 per year. We are not required to maintain, repair, update and/or upgrade your computer or POS system [franchise agreement paragraph 6.1.12]. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer [franchise agreement paragraph 6.2.2(iii)].

Loyalty Programs

You are required to participate in the loyalty, gift card, discount, and coupon programs we develop [franchise agreement paragraph 6.2.2(ii)].

Accounting

We require you to use a current version (not more than 1-year old) of the QuickBooks accounting system. We reserve the right to have independent access to your account. Generally, QuickBooks is updated annually for a cost of up to $500 per year if purchased, and there is currently a monthly fee of approximately $25 to $35 per month if you purchase a monthly subscription [franchise agreement paragraph 6.1.12 (iv)]. We can change the required accounting software at our discretion.

You must follow our accounting procedures and line items including standardized profit and loss statement templates, balance sheet templates, and charts of account as we may designate [franchise agreement section 5.5].

Miscellaneous

We may approve exceptions to our changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to this variance yourself [franchise agreement paragraph 6.2.2(iv) and Section 20.15].

Initial Training

We provide an initial training program referred to as "bootcamp." Your operating principal and your trainer, if other than your operating principal, are required to attend a training program which is held in Salt Lake County, Utah or Utah County, Utah. The training program is held as needed [franchise agreement section 6.1.4].

Your "operating principal" is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us. The operating principal must be involved with the business as described in Item 15 [franchise agreement article XXI].

The length of in-person training should last approximately 14 to 20 days. You will receive operational and dog training about 6 weeks prior to bootcamp and following bootcamp. Successful completion of training must be completed at least 15 days before you may open your franchise business. Training must be successfully completed to our satisfaction. Successful completion will be determined by our trainers. The following measures will be used to help determine successful completion: business plans presentations, dog training testing (both in classroom and in the field), and a training test for your demo dog. There is no training fee for up to 2 people to attend training, but we charge a training fee of $750 per day, per additional person trained (up to 2 people). You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). The estimated cost of attending the initial training is listed in Item 5 and Item 7 [franchise agreement paragraph 6.1.4].

All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement section 6.1.4(iii)]. Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM[1]

Subject	Hours Of Classroom Training	Hours Of On – The - Job Training	Location
Operations	10-15	8-10	Lehi, Utah or other location we designate
Basic Dog Techniques	15-20	40-80	Lehi, Utah or other location we designate
Marketing and Sales	18-20	15-20	Lehi, Utah or other location we designate
Advanced and Service Dog Training Techniques	15 -20	40-80	Lehi, Utah or other location we designate

Subject	Hours Of Classroom Training	Hours Of On – The - Job Training	Location
Manage Group Training Class	6-10	10	Lehi, Utah or other location we designate
Accounting	8-10	8	Lehi, Utah or other location we designate
Use of Dog Training Elite Platforms	15-20	8-10	Lehi, Utah or other location we designate
Total	87-115	129-218	

[1]The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those people being trained.

The initial training is provided by instructors whose experience is described below in Item 2 if the trainer is part of management. Our trainers include the following individuals:

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
John Mestas	Advanced Dog Training Techniques, Force Fetch, Mobility Support Task Training	40+ years	9 years	Founder & President of Dog Training Elite; developed and implemented the techniques used in in the Dog Training Elite system; competed (and won) as well as judged Field Trial and Hunt Tests
Kelley Rosequist	Setting Up a Dog Training Elite Business, Marketing, Best Employment Practices, Business Administration, Service Dog Intake Procedures	15 years	9 years	Executive Director of the Malinois Foundation for 6 years; HR Administrator for 3 years; Office Manager of Dog Training Elite Utah for 5 years prior to franchising; developed and implemented the Personalized Autism Canines Program for the Dog Training Elite franchise system
Aidan Rosequist	Basic and Advanced Obedience, Therapy Dog Training, Service Dog Training, Client Relations, Group Class Training, Behavioral	20 years	9 years	Owner of Dog Training Elite franchise in Utah; 10 years of dog training experience; development of Dog Training Elite Service Dog Training Standards and Execution; recognized by the American Kennel Club as a certified

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
	Modification Training			instructor for AKC S.T.A.R. Puppy; Canine Good Citizen and Community Canine testing
Neal Mestas	Event Marketing, DEMOS and Sales, Community Partnerships	25 years	9 years	20+ years of sales experience; highest close rate in the Dog Training Elite franchise system; 10 years of exhibiting experience
KC Owens	Obedience and Service Dog Training	21 years	2 years	30+ years of experience training dogs for hunting and competition sports; 15+ years training Diabetic Alert Service Dogs through her company, Tattle Tails Scent Dogs; recognized by the American Kennel Club as a certified instructor for AKC S.T.A.R. Puppy; Canine Good Citizen and Community Canine testing
Emily Wheeler	Operations and Systems	11 years	1 year	Ms. Wheeler has 11+ years working in the customer service industry specializing in operations systems, billing, account management, building and facilitating meaningful relationships.
Cass Conder	Marketing	4 years	2 years	Ms. Conder has 4 years of management experience and used to worked with Franchise owners to execute all aspects related to the production and implementation of any given campaign. She has assisted numerous franchise owners in person with their grand opening events and implemented various SOPs to ensure your franchise experience runs smoothly from start to finish.

Materials Provided at the Initial Training

We will provide access to our manuals during the initial training and other handouts to facilitate training.

Opening Assistance and Additional Training

We offer 3 variations for your opening support: 1) the first option includes 5 days of on-site support where one of our representatives would travel to your franchise business (at our cost) and assist you with the various aspects of your grand opening or with your day-to-day operations and dog training within that timeframe; 2) the second option includes 1 advanced training course; and 3) the third option includes 2 DTE-U employee courses. There is no additional fee for any of these opening assistance options; however, you must cover the costs of travel, lodging and food for your employees should you choose one of the two training options. It is ideal for your grand opening to coincide with an event such as a home show or farmers' market in your territories [franchise agreement paragraph 7.3.1].

After you have been operating for at least 6 months, we will provide you with an additional 3 days of trainer or administrative support training. You can send your representatives to us (you are required to cover the travel food and lodging of your trainees), or we can provide this training virtually. The curriculum for the 3-day training will be out of the Dog Training Elite University curriculum. This is part of the launch support fee. [franchise agreement paragraph 7.3.2].

At our discretion, once each calendar year, at a time designated by us, your operating principal and your trainer(s) must meet with our representatives at a location specified by us, for the purpose of discussing and reviewing your operations, status, and financial performance. If we determine that such a meeting is necessary, the cost is $500 per day, plus travel, food, and lodging [franchise agreement paragraph 7.3.3].

Additional and Replacement Training

Any new operating principal or trainer must complete the initial training program prior to taking over as the operating principal. New managers, trainers, and administrative support personnel may be trained by your operating principal, but we can also require them to be trained by us if we reasonably believe such training would be in the best interest of your franchise [franchise agreement paragraph 6.1.4(i)].

Additionally, depending on availability and advanced written notice, if you would like us to assist in providing additional training, we may provide this training. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. Our fee for replacement or additional training is currently $500 per person, per day. You will also be responsible to cover the travel, food, and lodging for your attendees or our representatives (as applicable) [franchise agreement paragraph 6.1.4(ii)].

Specialty Training

You may also wish to be trained in advanced training services including advanced puppy, advanced service, or personal protection training. The cost is $2,500 to $20,000 (subject to change) for each type of training, and the training will last 1 to 8 weeks, depending on the type of specialty training. All demo dogs must be approved by the corporate team before they can be used for advanced training. You are allowed only to offer basic puppy training and our silver, gold, and platinum packages at the completion of bootcamp. Once you have met the training minimums and have completed the advanced courses, you may offer psych/PTSH service training, autism support, therapy dogs, mobility service dog. The location of this training will be at our discretion, and you will also be responsible to pay all travel, living, and other associated training expenses for your attendees during training [franchise agreement sections 6.8 and 7.4].

There are no additional trainings required.

ITEM 12
TERRITORY

Exclusive Territory

You will be assigned an exclusive territory for your franchise business meaning that we will not establish another franchise, affiliate or company owned unit using the Dog Training Elite trademark within your territory.

Grant of Territory

We will grant you the right to use the system and proprietary marks solely within a specific geographic area, the boundaries of which will be negotiated prior to signing the franchise agreement and will be described in the franchise agreement. You are not restricted from conducting business only at a specific location. You will generally operate the business from public parks, people's homes, and an indoor facility, (if approved after 12 months of operating your franchise).

Size of Your Territory

You must purchase at least a 3-territory franchise. Each territory will generally have a population of approximately 175,000 people, depending on whether your territories are in a metropolitan or rural area, and other comparable factors. The written boundaries of your territories will be included on Exhibit "A-1" of your franchise agreement. You must service all the purchased territories from the beginning of operations.

Adjustment of Territory Boundaries

We have the right to adjust the boundaries of your territories if the population increases by 50,000 or more inside of a territory.

Territory Restrictions

You are restricted to operations from within your territories. However, you may advertise and service clients outside of your territories if another franchisee or an affiliate of ours does not operate in that territory, but you will lose any rights to operate in an area if that area becomes part of another franchisee's territories.

Relocation

You do not have the automatic right to relocate your business, and we have the right to deny any relocation request. You must obtain our prior written permission if you want to relocate your franchise, and you must also be able to demonstrate to us that you have the financial ability to relocate. Approval to relocate is based on the then-current criteria used in approving a new franchisee's proposed site or territory.

Minimum Sales Requirement

Your franchise agreement is dependent upon achievement of a minimum sales volume, market penetration or other contingency. Specifically, you must generate at least $75,000 in gross sales in year 1 (annualized if your first year is less than 365 days), $150,000 in year 2, and $300,000 in year 3. After year 3, there is no minimum requirement to maintain the rights in your territories.

If you do not achieve the minimum gross sales in your territories, you will be given a notice of default and a 12-month period to cure. You will also be required to attend 3 to 5 days of our trainer and/or administrative support training. The fee for this training is $750 per person, per day. You can send your representatives to us (you would be responsible to cover the travel food and lodging of your trainees), or we can provide this training virtually. The curriculum for the training will be out of the Dog Training Elite University curriculum. You are responsible to schedule this training through our designated scheduling software.

If you have not cured by the end of the 12-month cure period, we have the right to adjust the size of your territories, remove one or more of your territories, terminate the franchise agreement, or place you under probation, so that you may continue to operate under the terms of the franchise agreement while we try to sell your franchise for a period of time designated. If we sell your franchise during the probation period, we will be entitled to a fee equal to 10% of the sales price to compensate us for time and expenses to sell your franchise. You will also be required to pay the transfer fee, and the buyer must pay us the training fee for us to train the new franchisee. We may also allow you to sell your franchise during your probation, but any such transfer or attempt of transfer must comply with the franchise agreement. We have the right to terminate the franchise agreement at any time during the probation period without providing you any further opportunity to cure; however, if the probation period lasts at least 12 months, and you achieve annual revenue quotas during that time, then you may cure the failure to achieve the minimum gross sales, and we will remove you from probation.

Advertising Outside the Territory

You can advertise outside of your territories so long as you do not advertise in another franchisee or affiliate's owned territory.

Your Rights to Use Channels of Distribution

You do not have the right to sell products or services through other channels of distribution, including the Internet, via apps or social media.

Options to Acquire Additional Franchises

You do not receive the right or option to acquire additional franchises.

Our Rights to Use Channels of Distribution in Your Territories

We and our affiliate reserve the right to market both within and outside your territories and to sell and distribute products and services under Dog Training Elite marks both within and outside your territories using distribution channels, such as through the Internet, websites, apps, social media, direct marketing, catalog sales, direct sales, retail or wholesale outlets, and/or co-branding with others. We do not pay you for soliciting or accepting orders for any products or services under the Dog Training Elite brand through these channels inside your territories.

Competition by Us Under Different Trademarks

Neither we nor an affiliate has any plans to operate or franchise a business under a different trademark that sells or offers services similar to those your franchise will offer, but we reserve the right to do so.

ITEM 13
TRADEMARKS

Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use future trademarks in the operation of your franchise business, as we designate. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

Agreements Regarding the Trademark

Under a license agreement entered into between Arrow Kennels, Inc. and us in 2014, we were granted the right to use and sublicense the trademarks for 50 years with the option to renew for 50 additional years. The license may be terminated for our default. However, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Registered Trademarks

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered with the United States Patent and Trademark Office on the Principal Register. All required affidavits and renewals have been filed.

Registration / Serial Number	Word or Design Mark	Type of Mark	Registry	Registration / Filing Date	Status
4,702,974	DOG TRAINING ELITE	Word mark	Principal	March 17, 2015	Registered
5,584,844		Composite	Principal	October 16, 2018	Registered

Registered Domain Names

We have registered the Uniform Resource Locator (domain name) dogtrainingelite.com. You may not register or own a domain name using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name, social media, email, etc., in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark

You must use all trademarks in strict compliance with our manuals and the Dog Training Elite system. You must promptly modify or discontinue the use of a trademark at your cost, if we modify or discontinue it, and you have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark. You cannot make application for registration for any of our Marks, or for any derivation thereof. You cannot use the name "Dog Training Elite" as part of your corporate name, but you must use the name Dog Training Elite as part of an assumed business name or DBA ("doing business as") registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of Dog Training Elite names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters "™" or "℠" or "®" as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You must follow all security procedures required by us for maintaining the secrecy of proprietary information.

Government Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights in or infringing uses of the trademarks that could materially affect your use of the trademarks in your territories.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We will have the discretion to take the action we deem appropriate. We are not obligated to protect any rights that you have to use the trademarks, or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the trademarks, and you will proceed in strict coordination and oversight by us. You may not act contrary to our rights in the marks. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademark(s). You may not contest our right and interest in our trademarks, names or marks, trade secrets, methods, and procedures, that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

You do not receive the right to use an item covered by a patent, and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals or logos with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent or an affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we, or our franchisees, develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us.

We or an affiliate may develop software or apps. In such cases, we claim copyright protection on all such items.

Proprietary Information

You can only use the proprietary information in our manuals only in connection with the system. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination, transfer or non-renewal of your franchise agreement. Portions of the "system," including certain processes, training techniques, curriculum, products, customer lists, etc., are a trade secret or confidential and proprietary to us.

You must promptly tell us when you learn about unauthorized use of our copyrights, manuals, and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. If applicable, we have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from a proceeding based on patents or copyright. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between Arrow Kennels, Inc. and us in 2014, we were granted the right to use and sublicense the patents, copyrights, and other intellectual property for 50 years with the option to renew for 50 additional years. The license may be terminated for our default. However, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Improvements to the System

Any improvements you make to the system will be owned by us and considered a "work-made-for-hire" or will otherwise be assigned to us.

Protection Against Infringement

You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. We have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the patents or copyrights, and you will proceed in strict coordination and oversight by us. You may not act contrary to our rights in the patents or copyrights.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights or infringing uses of the copyrights or patents that could materially affect your use of the copyrights or patents in your territories.

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

Participation and "On Premise" Supervision

We recommend but do not require on-premises supervision by your operating principal. However, we do require on-premises supervision by your designated manager who must be trained by us to manage your franchise business unless your operating principal will act as the full-time manager of the franchise business.

Although we do not require your operating principal to manage the franchise business fulltime, your operating principal is required to participate in your franchise business as follows: (i) be directly responsible for overseeing all accounting, reporting, bookkeeping, and all financial components of the franchise business; (ii) attend and complete all training and retraining courses required by us; (iii) attend any annual or special meetings of franchisees required by us; (iv) be directly involved in all personnel decisions affecting the franchise business; and (v) conduct frequent inspections of the franchise business operations to ensure the highest standards of professionalism, cleanliness, and compliance with our approved methods.

Unless your operating principal will act as the fulltime manager of the franchise business, your operating principal is not required to work a certain or minimum number of hours. However, your operating principal must work sufficient hours and maintain sufficient supplies and materials and employ adequate personnel to operate the franchise business at maximum capacity and efficiency.

Who Must Attend and Successfully Complete Initial Training

Your operating principal and trainer if different from your operating principal must attend and successfully complete our initial training program.

Restrictions on the On-Premises Supervisor

You must also have two full-time employees: one full-time trainer and one fulltime operations manager, one of which may be the operating principal. If the operating principal does not work full-time in the business, then they must have a separate full-time trainer and a separate full-time operations manager We do not put a limitation on whom you can hire as your trainer, but your operating principal and any trainer must submit to and pass a background check. Your on-premises supervisor is not required to have an equity interest in the franchise business. You are allowed to have only one trainer until you have 50 active clients after which you must hire an additional trainer. An "active client" means a client still receiving in-home lessons.

No Competing Enterprises

Neither your operating principal, nor your management employees can have an interest in or business relationship with any competing dog training or obedience training business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors,

members, shareholders, and operating principal must sign a standard brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 [franchise agreement exhibit A-4]. Your employees will also be required to sign brand protection agreements, and that agreement also imposes certain non-competition restrictions on management employees. Some states may impose certain restrictions on non-competition agreements. We provide you this form, but it is your responsibility to conform this agreement to the laws and regulations of your state [franchise agreement exhibit A-5].

Required Operations

You must operate the franchise business at least 5 days per week throughout the year (unless waived in writing by us), but depending on your market or location or territories and changes to the system, we reserve the right to require you to operate up to 7 days a week.

Personal Guarantees

Any individual who owns a 5% or greater interest in the franchise business must personally guaranty the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement. A spouse of an owner that is not also an owner of the franchise will not need to personally guaranty the obligations under the franchise agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide and sell only those products and services specified and approved by us in writing. No product or service may be added to, altered or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. You are not allowed to provide boarding as part of your franchise or provide or permit boarding from any facility in which your franchise operates. We reserve the right to add, modify, or delete products and/or services that you may offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all of our products and services. You are restricted to operations from within your territories. However, a client from another franchisee's territory is free to come to you in your territories.

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 disclosure document.

	Provision	Section in Franchise or other Agreement	Summary
a.	Length of the franchise term	Section 2.1	The term is 10 years. The franchise term will begin upon signing the franchise agreement.

	Provision	Section in Franchise or other Agreement	Summary
b.	Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the franchise term, you can enter into a successor franchise agreement for an additional term of 10 years. Your successor agreement may also provide an option to enter into a subsequent successor franchise agreement.
c.	Requirements for franchisee to renew or extend	Section 2.2	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to the then-current standards and sign the then-current franchise agreement. When renewing, you may be required to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement (subject to state law).
d.	Termination by franchisee	Section 11.4	There are no provisions in the franchise agreement that permit you to terminate the franchise agreement. However, some states may allow you to terminate as permitted by state law.
e.	Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f.	Termination by franchisor with cause	Section 11.1 and paragraph 11.3.5	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure (see (h) below).
g.	"Cause" defined – curable defaults	Paragraphs 11.1 N-S	You have 15 to 30 days to cure certain material defaults of the franchise agreement.
h.	"Cause" defined - non-curable defaults	Paragraphs 11.1 A-M	Non-curable defaults include: insolvency, bankruptcy, conviction of a felony, fraud, animal cruelty, harm or threat of harm to the public, abandonment, trademark misuse, etc.

	Provision	Section in Franchise or other Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	Section 12.1	Obligations include complete de-identification, payment of amounts due, and compliance with the brand protection agreement, etc. (See also (r), below).
j.	Assignment of contract by franchisor	Section 14.1	There are no restrictions on our right to assign.
k.	"Transfer" by franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, transfer of ownership interest, the sale of substantially all of your assets, etc.
l.	Franchisor approval of transfer by franchisee	Section 14.2	We must approve all transfers, but we will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Sections 14.3 - 14.8	Conditions to transfer include: you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for new transferee arranged, new transferee signs the then-current franchise agreement, a release is signed by you, etc. You must also coordinate with the transferee to ensure coverage of the franchise business during the transferee's initial training. These conditions are subject to state law. (See state specific addenda.)
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 14.9	We can match any offer for your franchise business or business assets within 90 days of written notice to us of the offer.

	Provision	Section in Franchise or other Agreement	Summary
o.	Franchisor's option to purchase franchisee's business	Section 13.1 and 14.12	Upon termination or expiration of the franchise agreement, we can elect to buy all or part of your business assets at fair market value within 60 days. Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all of your rights and interests in and under the franchise agreement and your franchise business at fair market value.
p.	Death or disability of franchisee	Section 14.10	Within 160 days of death or disability of your majority owner, your personal representative must be approved, and a new manager must be trained, if applicable, or the franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place for which fees will apply.
q.	Non-competition covenants during the term of the franchise	Section 16.1	No involvement in competing business anywhere without our written consent. Non-competition provisions are subject to state law.

	Provision	Section in Franchise or other Agreement	Summary
r.	Non-competition covenants after the franchise is terminated, transferred or expires	Sections 16.3 – 16.5	No competing business for 3 years within your former territories or within 50 miles of your territories, or within 50 miles of any other Dog Training Elite franchise, company or affiliate owned territory (including after assignment). If you compete within the time period, then this non-compete time period will be tolled for the period of your competition. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you may not solicit to or on behalf of a competing business any former client of your franchise business that you serviced as a Dog Training Elite franchisee, or client of ours or of an affiliate or of another Dog Training Elite with whom you interacted during the term of the franchise agreement.
s.	Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures and the manuals are subject to change by us.
t.	Integration / merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. No provision in any franchise agreement is intended to disclaim the express representations made in this franchise disclosure document. Any representations or promises made outside of the franchise disclosure document and other agreements may not be enforceable.

	Provision	Section in Franchise or other Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes there must be a face-to-face meeting, mediation and arbitration/litigation (see state specific addenda). All disputes must be resolved by arbitration in Utah (subject to applicable state law).
v.	Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Salt Lake City, Utah or the county where our then-current headquarters is located (subject to state law).
w.	Choice of Law	Sections 19.1 and 19.5	Utah law, the Federal Arbitration Act, and the United States Trademark Act apply (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure 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.

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Table 1

Table 1 contains the reporting group average and median gross revenue by maturity during the reporting period. The franchise locations included in the table operated during the full year of 2022.

	Open 5+ Years (2 Affiliate Locations)	Open 2-5 Years (7 Franchised Locations)	Open 12-23 Months (12 Franchised Locations)
2022 Average Gross Profit (AUV) within the Subset	$810,046	$356,333	$297,280[1]
Number and Percentage within the Subset at or Above the AUV	1 (50%)	3 (43%)	5 (42%)
Median Gross Revenues within the Subset	$822,588	$334,603	$268,374
Number and Percentage within the Subset at or Above the Median	1 (50%)	4 (57%)	6 (50%)
Highest Gross Revenue within the Subset	$867,443	$1,169,028	$912,931
Lowest Gross Revenue within the Subset	$752,650	$39,174	$75,672

[1] There was a discrepancy in the gross profit data from one franchisee in this subset (Franchise 12). Franchise 12 reported $1,003,032 in total gross sales through our CRM; however, its P&L shows gross sales at $561,361. Franchise 12 is aware of the discrepancy and is working to reconcile its books. Because of the uncertainty, we have calculated the above table using the lower number as reported on the P&L for Franchise 12.

General Notes for Table 1:

1. Gross Profit. The term "gross profit" means the total gross sales less the total costs of goods sold.

2. AUV. The term "AUV" means average unit volume.

3. Subsets of the Reporting Group by Operational History.

    a. "Reporting Locations 5+ Years" refers to the 2 affiliated locations that have been open and operating for at least 5 years (opened before December 31, 2016).

    b. "Reporting Locations Open 2-5 Years" includes 7 franchises in the reporting group that were open for at least 2 years (opened before December 31, 2021).

    c. "Reporting Location Open 12-23 Months" refers to 12 franchises that operated the full year of 2022 but that had been opened for less than 2 years at the end of the 2022 reporting period. All remaining franchises began operations in 2022 and did not operate the full year and were not included in this table.

Table 2

Table 2 shows a 3-year comparison of gross sales for our 2 affiliate owned outlets and our 1 franchise outlet that that had been opened for more than 4 years during the 2022 reporting period. Every other franchise in the system was opened for less than 4 years during the 2022 reporting period.

	Affiliate 1[1,3]		Affiliate 2[1,2,3]		Franchise 1[1,3]	
Year	**Gross Sales**	**% Difference From Prior Year**	**Gross Sales**	**% Difference From Prior Year**	**Gross Sales**	**% Difference From Prior Year**
2020	$1,484,942	+193%	$568,641	+57%	$304,594	-14%
2021	$1,196,755	-19%	$807,028	+42%	$534,164	+75%
2022	$1,080,022	-10%	$880,231	+9%	$961,016	+80%

[1] Although we do not require our franchisees to operate from a facility, each of these 3 franchises/affiliates operate part of their operations from a facility.

[2] Affiliate 2 sold 50% of their territories during 2022.

[3] Affiliate 1 opened February 2016 and operates 18 territories, Affiliate 2 opened May 2016 and operates 5 territories, and Franchise 1 opened March 2018 and operates 9 territories. We currently offer franchises at 175,000 people per territory, and therefore, we have calculated the number of territories based on a population of 175,000 people per territory even though prior to 2022 the number of people per territory was 250,000.

Table 3

Table 3 shows the gross sales, expenses, and net income for our 1 franchise outlet and 2 affiliate owned outlets that that had been opened for more than 4 years during the 2022 reporting period. Every other franchise in the system was opened for less than 4 years during the 2022 reporting period.

EXPENSES AND NET INCOME FOR THE 2022 REPORTING PERIOD						
	Franchisee 1		**Affiliate 1**		**Affiliate 2**	
	TOTAL	PERCENT	TOTAL	PERCENT	TOTAL	PERCENT
GROSS SALES	$961,016	100.00%	$1,080,022	100.00%	$880,231	100.00%
COGS	$153,326	15.95%	$212,579	19.68%	$127,582	14.49%
GROSS PROFIT	$807,690	84.05%	$867,443	80.32%	$752,650	85.51%
OPERATING EXPENSES						
OCCUPANCY						
RENT	$54,876	5.71%	$53,202	4.93%	$58,212	6.61%
UTILITIES	$4,688	0.49%	$24,277	2.25%	$3,716.14	0.42%

TELEPHONE & INTERNET	$3,965	0.41%	$2,394	0.22%	$8,743	0.99%
REPAIRS & MAINTENANCE	$1,901	0.20%	$278	0.03%	$11,957	1.36%
SECURITY	$1,535	0.16%	$620	0.06%	$55	0.01%
TOTAL OCCUPANCY	**$66,965**	**6.97%**	**$80,771**	**7.48%**	**$82,683**	**9.39%**
DIRECT OPERATING EXPENSES						
INSURANCE	$2,283	0.24%	$36,325	3.36%	$12,507	1.42%
GENERAL & ADMINISTRATIVE	$17,510	1.82%	$24,102	2.23%	$69,354[1]	7.88%
ADVERTISING & PROMOTION	$59,677	6.21%	$50,134	4.64%	$32,260	3.66%
PROFESSIONAL & OUTSIDE SERVICES	$26,612	2.77%	$68,790	6.37%	$27,721	3.15%
ACCOUNTING	$4,330	0.45%	$4,600	0.43%	$5,511	0.63%
EDUCATION & TRAINING	$9,336	0.97%		0.00%	$25	0.00%
PET BOARDING, GROOMING, VET	$906	0.09%	$6,118	0.57%	$2,221	0.25%
AUTOMOBILE	$28,020	2.92%	$47,932	4.44%	$31,611	3.59%
TOTAL DIRECT OPERATING EXPENSES	$148,674	15.47%	$238,001	22.04%	$181,209	20.59%
PAYROLL EXPENSES						
WAGES & SALARIES	$192,522	20.03%	$184,116	17.05%	$195,529	22.21%
PAYROLL TAX	$22,693	2.36%	$73,527	6.81%	$58,248	6.62%
TOTAL PAYROLL	$215,215	22.39%	$257,643	23.86%	$253,777	28.83%
OTHER EXPENSES						
OWNER SALARY	$157,092	16.35%	$96,056	8.89%	$84,072	9.55%
MEALS & ENTERTAINMENT	$1,444	0.15%		0.00%		0.00%
TRAVEL	$2,964	0.31%		0.00%		0.00%
TOTAL OTHER EXPENSES	$161,500	16.81%	$96,056	8.89%	$84,072	9.55%
TOTAL EXPENSES	$592,354	61.64%	$672,471	62.26%	$601,741	68.36%
NET INCOME	$215,832	22.46%	$194,972	18.05%	$150,908	17.14%

[1] A remodel to the facility in 2022 for Affiliate 2 contributed to much of the general & administrative numbers.

Table 4

Table 4 shows the total gross sales of all franchises that operated for the full 2022 calendar year. The table also shows the month/year that each franchise opened, and the number of franchise territories operated by each franchise during the 2022 reporting period.

Franchise	Gross Sales	Month/Year Opened	Number of Territories[1]
Franchise 1	$961,016	3/2018	9
Franchise 2	$581,129	11/2020	3
Franchise 3 (Area 1**)**	$1,169,028	7/2020	5
Franchise 3 (Area 2**)**	$219,475	12/2020	2
Franchise 4	$162,128	5/2020	4
Franchise 5	$39,174	10/2020	1
Franchise 6	$673,032	10/2020	5
Franchise 7	$250,431	2/2021	9
Franchise 8	$503,783	2/2021	5
Franchise 9	$487,101	3/2021	4
Franchise 10	$257,762	4/2021	2
Franchise 11	$243,561	7/2021	1
Franchise 12	$912,931[2]	7/2021	29
Franchise 13	$526,738	7/2021	7
Franchise 14	$293,470	8/2021	6
Franchise 15	$437,703	10/2021	4
Franchise 16	$75,672	11/2021	2
Franchise 17	$208,239	12/2021	3
Franchise 18	$215,564	1/1/2022	5

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

[1] We currently offer franchises at 175,000 people per territory, and therefore, we have calculated the number of territories based on a population of 175,000 people per territory even though prior to 2022 the number of people per territory was 250,000.

[2] There was a discrepancy in the gross profit data from one franchisee in this subset (Franchise 12). Franchise 12 reported $1,003,032 in total gross sales through our CRM; however, its P&L shows gross sales at $561,361. Franchise 12 is aware of the discrepancy and is working to reconcile its books. Because of the uncertainty, we have calculated the above table using the lower number as reported on the P&L for Franchise 12.

General Notes for Tables 1-5:

1. Gross Sales. The term "gross sales" means the total of all sales of all products, merchandise, goods, or services sold, traded, bartered, or rendered and income of every kind and nature, including the value of a trade or other bartering. "Gross sales" excludes (i) bona fide refunds to customers, (ii) sales taxes collected, and (iii) the sale of used equipment not in the ordinary course of business.

2. Characteristics. Each outlet (affiliate or franchised) offers obedience training and service training, and each services customers in metropolitan and suburban areas. Our Affiliates 1 and 2 as well as Franchise 3

(Locations 1 and 2), Franchise 6, and Franchise 12 also offer personal protection training.

3. Facilities. Affiliates 1 and 2 as well as Franchise 1, Franchise 2, Franchise 3 (Location 1 and 2), Franchise 6, Franchise 8, Franchise 9 (in the works), Franchise 12, Franchise 14 and Franchise 18 all operate or are building up a facility to offer additional services such as ETC (day camp training for dogs).

4. No Audit. The figures in the sales reports have not been audited and we have not undertaken to otherwise independently verify the accuracy of such information. You must estimate your own costs and expenses including, but not limited to, inventory, marketing, insurance, royalties, rent, wages, payroll taxes and professional fees.

5. Written Substantiation. The figures were gathered from the financial records of each franchise as reported to the franchisor. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Dog Training Elite Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kelley Rosequist at 2971 W. 560 S., Lehi, Utah 84043 and (801) 266-4802, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Territory Summary
For Years 2020 to 2022

Outlet Type	Year	Territories at the Start of the Year[1]	Territories at the End of the Year[1]	Net Change
Franchised[1]	2020	28	50	+22
	2021	50	118	+68
	2022	118	278	+160
Company Owned	2020	5	5	+0
	2021	5	5	+0
	2022	5	5	+0
Total Territories	2020	33	55	+22
	2021	55	123	+68
	2022	123	283	+160

[1] All territories prior to 2022 had a population of approximately 250,000. Starting in 2022, all of our territories have been based on a population of approximately 175,000 people.

Table No. 2
Transfers of Franchises from Franchisees to New Owners
(other than the Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Territories
For Years 2020 to 2022

State	Year	Territories at Start of Year[1]	Territories Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Territories at End of the Year
Alabama	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Arizona	2020	18	0	0	0	0	0	18
	2021	18	0	0	0	0	0	18
	2022	18	1	0	0	0	0	18
Colorado	2020	0	7	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Connecticut	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Florida	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	37	0	0	0	0	39
Georgia	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	7	0	0	0	0	8
Illinois	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Indiana	2020	0	0	0	0	0	0	0

	2021	0	3	0	0	0	0	3
	2022	3	4	0	0	0	0	7
Iowa	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	1	0	0	0	2
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Louisiana	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Maryland	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Massachusetts	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	13	0	0	0	0	13
Michigan	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	6	0	0	0	0	6
Minnesota	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	6	0	0	0	0	6
Missouri	2020	0	1	0	0	0	0	1
	2021	1	6	0	0	0	0	7
	2022	7	6	0	0	0	0	13
Nebraska	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
New Hampshire	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Mexico	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Nevada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
North Carolina	2020	0	5	0	0	0	0	5
	2021	5	5	0	0	0	0	10
	2022	10	1	0	0	0	0	11

Ohio	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	19	0	0	0	0	19
Oklahoma	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	5	0	0	0	0	5
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	11	0	0	0	0	11
Rhode Island	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	9
	2022	2	7	0	0	0	0	3
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	6	0	0	0	0	7
Texas	2020	5	3	0	0	0	0	8
	2021	8	27	0	0	0	0	35
	2022	35	4	0	0	0	0	39
Utah	2020	5	3	0	0	0	0	8
	2021	8	3	0	0	0	0	11
	2022	11	0	0	0	0	0	11
Virginia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
Wisconsin	2020	0	0	0	0	0	0	0
	2021	0	10	0	0	0	0	10
	2022	10	2	0	0	0	0	12
Totals[1]	2020	28	22	0	0	0	0	50
	2021	50	68	0	0	0	0	118
	2022	118	160	0	0	0	0	278

[1] Many of our franchisees own multiple franchise territories.

Table No. 4
Status of Company-Owned Territories
For Years 2020 to 2022

State	Year	Territories at Start of Year	Territories Opened	Territories Reacquired From Franchisee	Territories Closed	Territories Sold to Franchisee	Territories at End of the Year
Utah	2020	5	0	0	0	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
Totals	2020	5	0	0	0	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Territory In The Next Fiscal Year	Projected New Company-Owned Territories In the Next Fiscal Year
Idaho	0	1	0
South Carolina	0	1	0
South Carolina	0	1	0
Georgia	0	1	0
Nevada	0	1	0
New York	0	1	0
Total	0	6	0

List of Franchisees

Exhibit "C" contains a list of our current franchisees. Exhibit "C" also contains a list of franchisees who have had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements

During the last 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 franchise system.

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system, that is required to be disclosed in this Item.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year ends on December 31 of each year. Attached as Exhibit "B" are our audited financial statements dated December 31, 2022, December 31, 2021, and December 31, 2020. We have also included unaudited interim financials dated March 31, 2023.

ITEM 22
CONTRACTS

We have attached the following contracts: as Exhibit "A," the Franchise Agreement and its Exhibits; and as Exhibit "F," the Form Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23
RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this franchise disclosure document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to us at 2971 West 560 South, Lehi, Utah 84043, or by scanning and emailing a copy of the signed and dated receipt to us at franchise@dogtrainingelite.com.

ADDENDUM TO THE DOG TRAINING ELITE FDD
STATE REGULATIONS

STATE REGULATIONS
FOR THE STATE OF 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.

1. 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 disclosure document.

2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.

3. 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.)

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.

5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

6. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.

8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.

10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. Our website at www.dogtrainingeliteinc.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of

fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

14. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

Item 19 is amended to include the following:

"The financial performance representations do not reflect the costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in this offering circular, may be one source of this information."

STATE REGULATIONS
FOR THE STATE OF ILLINOIS

Illinois Law governs the franchise agreement(s).

ITEM 5 of the disclosure document is amended to add the following:

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, 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, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**FRANCHISOR:**
_____	_____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____

STATE REGULATIONS
FOR THE STATE OF INDIANA

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

> "Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.
>
> At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee's right to a trial on any of the above matters."

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

STATE FDD ADDENDUM
FOR THE STATE OF MARYLAND

ITEM 5 of the Disclosure Document is amended to add the following:

▪ 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 Disclosure Document is amended to add the following:

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

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

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

▪ Maryland law shall prevail.

▪ The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.

STATE REGULATIONS
FOR THE STATE OF MINNESOTA

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

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

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

   > Minnesota statute ' 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or 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 or the jurisdiction.

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

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

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.

6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.

7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).

_____
Franchisee (Signature)

STATE REGULATIONS
FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. **The following is to be 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, 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), titled "**Conditions for franchisor approval of transfer**":

- However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of ITEM 17(d), titled "**Termination by franchisee**": You may terminate the Agreement on any grounds available by law.

5. The following is added to the end of the "Summary" section of Item 17 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.

STATE REGULATIONS
FOR THE STATE OF RHODE ISLAND

The following language applies to any franchise agreement issued in the State of Rhode Island:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act dictates that, "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act."

Section 19-28.1-15 of the Rhode Island Franchise Investment Act states that, "A condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by a right provided by this Act or a rule or order under this Act is void. An acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act."

STATE REGULATIONS
FOR THE STATE OF VIRGINIA

Special risks to consider about this franchise:

The franchisee will be required to make an estimated initial investment ranging from $101,400 to $241,250. This amount exceeds the franchisor's stockholders' equity as of December 31, 2021, which is ($60,234).

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right give to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Dog Training Elite Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement 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.
>
> Under 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.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

2. The following shall apply to Franchise Agreements in the State of Wisconsin:

   a. The Wisconsin Fair Dealership Act, Wisconsin Statues, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

   b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

EXHIBIT "A"
TO THE FDD

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

By and Between

DOG TRAINING ELITE FRANCHISING, LLC

and

_____
(Franchisee)

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This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC

DOG TRAINING ELITE®
FRANCHISE AGREEMENT

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DOG TRAINING ELITE FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into and made effective as of_____ by and between **DOG TRAINING ELITE FRANCHISING, LLC**, a Utah limited liability company ("Franchisor" or "We," "Us" or "Our" as further defined in Article XXI below) and _____ ("Franchisee" or "You" or "Your" as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a dog training business known as Dog Training Elite®, utilizing the Marks and System, and offering to the public dog training and other related products and services ("Franchise Business"); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I
AWARD OF FRANCHISE

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable personal right to establish and conduct a Franchise Business as a franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only within Your Territories as listed on Exhibit "A-1" ("Territories"). You must service all the purchased Territories from the beginning of operations, and You must operate Your Franchise strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory Rights. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a company-owned outlet or grant to any person or entity a Dog Training Elite® franchise within the Territories using the same or similar System as that licensed by this Agreement.

1.1.2 Territory Adjustment. We have the right to adjust the boundaries of Your Territories if the overall population in one of Your Territories increases by 50,000 or more as measured from the date of this Agreement.

1.1.3 Annual Minimum Gross Sales. Your rights under this Agreement are dependent upon Your achievement of an annual minimum Gross Sales volume. Your minimum Gross Sales quotas and the deadlines to meet those quotas are included in Exhibit ("A-1") of this Agreement. If You do not achieve the minimum Gross Sales in Your Territories, You will be given a notice of default and a 12-month period to cure. You will also be required to attend 3 to 5 days of Our trainer and/or administrative support training. The Fee for this training is listed on Exhibit "A-3." You can send your representatives to Us (You would be responsible to cover the travel food and lodging of Your trainees), or We can provide this training virtually. The curriculum for the training will be out of the Dog Training Elite University curriculum. You are responsible to schedule this training through Our designated scheduling software. If You have not cured by the end of the 12-month cure period, We have the right to adjust the size of Your

Territories, remove one or more of Your Territories,, terminate this Agreement, or place You under probation whereby You may continue to operate under the terms of this Agreement while We attempt to sell Your franchise for a period of time designated by Us. If We sell Your franchise during the probation period, We are entitled to a fee equal to 10% of the sales price to compensate Us for time and expenses to sell Your franchise. You shall also be required to pay the required transfer fee, and the buyer will be required to pay Us a training fee to train the new franchisee. We may also allow You to sell Your franchise during Your probation, but any such Transfer or attempt of Transfer must comply with this Agreement. We have the right to terminate this Agreement at any time during the probation period without providing You any further opportunity to cure; however, if the probation period lasts at least 12 months, and You achieve annual revenue quotas during that time, then You may cure the failure to achieve the minimum Gross Sales, and We will remove You from probation.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among others, the right, in Our sole discretion: 1) to establish and license others to establish and operate Dog Training Elite® businesses outside Your Territories; and 2) to operate and license others to operate businesses anywhere that do not operate under the Dog Training Elite® brand name.

1.4 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and Our affiliates expressly reserve the right Market in Your Territories and elsewhere using Marketing strategies and distribution channels Including websites, the Internet, Social Media, apps, direct marketing, catalog sales, direct sales, and retail and wholesale outlets, and co-branding with other outlets. You may not sell Our products and/or services using such reserved Marketing strategies and distribution channels without Our prior written permission. We do not pay You for soliciting or accepting orders for any products or services We make inside Your Territories.

1.5 Restriction of Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business within Your Territories and does not extend to the operation of a Franchise Business or any other use of the System outside Your Territories, or in any other manner, except as may be allowed by this Agreement and Our Manuals. You may only service customers within Your Territories. If You are allowed to operate from an indoor facility, You cannot operate any other business from the premises other than the Franchise Business. You are not permitted to Market or sell to customers in another franchisee's territory. Nonetheless, You may Market and sell products and services outside of Your Territories if such territory has not been granted to another franchisee or is not a company owned territory, but You will lose any rights to operate in an area if that area becomes part of another franchisee's territory.

ARTICLE II
TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of 10 years unless terminated earlier pursuant to Article XI herein. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise ("Successor

Franchise") upon the expiration of the original term for an additional term of 10 years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your Successor Franchise Agreement will also provide for a successive franchise term. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election, You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated only by Us upon 30 days prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term Including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement ("Successor Franchise Agreement"). The Successor Franchise Agreement Includes personal guarantees, and a general release of all claims against Us arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement, and this Agreement will Terminate at the expiration of the term then in effect. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including, terms affecting payments to Us.** You acknowledge and agree that We can require You, at Your expense, to reasonably renovate, remodel, redecorate, redesign, refixture, upgrade and/or otherwise refurbish Your Franchise Business to the extent and in the manner specified by Us to conform with and bring it up to the standards and image required of new franchisees, as We determine.

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise fee as listed in Exhibit "A-3," payable in full, at the time of execution of the Successor Franchise Agreement.

2.2.5 Successor Franchise Training. You, Your Operating Principal and/or other key personnel may also be required to attend and successfully complete trainings, certifications and other programs at

such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

ARTICLE III
INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that : 1) as between You and Us, We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business. You understand and agree that the use of Our Confidential Information, Intellectual Property and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.

3.4 Use of Marks and System. You shall only use Our Marks licensed by this Agreement and only with the letters "TM," "SM" or "®," as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. In addition, You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You agree to use the Marks only in connection with the operation of Your Franchise Business and only in the manner allowed by this Agreement and the operational standards established by Us from time to time. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees will be under Your entity name.

3.4.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.4.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logos and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest. In the event We undertake the defense or prosecution of any litigation pertaining to any Confidential Information or Intellectual Property, You must execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent, but You will not have the obligation, to undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You may not do any act or make any claim which is contrary to or in conflict with Our rights in Our Confidential Information or Intellectual Property.

3.7 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System, that might be deemed to have arisen through Your activities, is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.7.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and do not contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

3.8 Fictitious Business Name. Within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a "doing business as" name DBA in the manner required by the state law so as to notify the public that You are operating Your Franchise Business as an independent business

pursuant to this Agreement and must Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time.

3.9 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.10 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a "work-made-for-hire." If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Innovation, and You agree to execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovation that may be developed by You, Us, or other franchisees.

3.11 Association with Causes; Co-Branding. You cannot, in the name of the Franchise Business (i) donate money, products, or services to any charitable, political, social, religious, or other organization, cause or position or (ii) act in support of or against any such organization, cause or position without Our prior written approval. You may not "co-brand" or associate any other business activity with the Franchise Business in a manner which is likely to cause the public to perceive the activity to be related to the brand or System.

ARTICLE IV
COMMENCING OPERATIONS; INDOOR FACILITY

4.1 Office Location. You are required to select an office site approved by Us for Your Franchise Business within 30 days of signing the Franchise Agreement. Your office location must be within Your Territories. If You use Your primary residence as Your office location, You must have a separate and dedicated room as Your franchise office with a lockable door.

4.2 Commencing Operations. You are required to commence operations not later than six months from signing this Agreement. You must give Us not less than 20 days prior written notice of the opening date. Your opening should coincide with a Marketing event such as a home show, fair, or farmers' market.

4.3 Indoor Facility. After 12 months of operations, We may permit You to operate from an indoor facility if You are in good financial standing with Us, have met or exceeded the requirement of Your first year's sales benchmark, are in good standing with Our training team and operations team (i.e., meeting regularly as scheduled), and You are showing proof of continuous financial and team growth. If We approve of You operating from an indoor facility, We must approve of Your site before a lease is entered into and before You begin construction or operate from real estate You already own. Site approval or

disapproval should be completed by Us, and notice provided to You in writing within 30 days after You have submitted a proposed site to Us. If We are unable to agree on the site for an indoor facility, You will not be able to operate from an indoor facility. We provide a facilities guide to assist You in brand color selection and other key facility features that must be met in Your facility selection. You must adapt Your indoor facility to Our general specifications at Your own expense, in accordance with local, state, and federal laws, rules and ordinances. You are responsible for obtaining any required permits. You must continue to operate Your Franchise Business during the buildout of Your indoor facility. You are also required to have the landlord consent to an assignment of the lease if the lease or Your franchise agreement is terminated. See Exhibit "A-6." Your indoor facility (or any other approved facility) cannot be used for boarding or as a replacement for in-home training.

4.4 Relocation. You are not allowed to relocate Your Territories or indoor facility without Our prior written approval. Approval to relocate is based upon the same criteria used in approving a new franchisee's proposed territory or site. We have the right to deny a request for relocation in Our sole discretion.

ARTICLE V
FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit "A-1" and Exhibit "A-3" in one lump sum at the time of execution of this Agreement. You must purchase a minimum of three franchise territories. The initial franchise fee for additional territories is listed on Exhibit "A-1" and Exhibit "A-3," which must be paid in one lump sum at the time of executing this Agreement. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement will exist until the initial franchise fee is paid in full. We provide a discount of 10% off of the initial franchise fee on the first franchise purchase to veterans of the U.S. armed forces who have been honorably discharged. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

5.1.1 Startup Packet. You must purchase a start-up packet with 10 e-collars, a canopy, an A-frame, a tablecloth, two place cots, uniforms, first aid kits, a training briefcase and a group class kit from Our affiliate.

5.1.2 Launch Support Fee. You shall pay Us the launch support fee listed in Exhibit "A-3." This Fee is for Us to provide grand opening support to You, assist You in the setup of Your various DTE accounts, Including Your accounting software account, the CRM, and Our document management system. This Fee also includes Us providing three days of trainer or administrative support training after You have been operating for at least six months. You can send Your representatives to Us (You are required to cover the travel food and lodging of Your trainees), or We can provide this training virtually. The curriculum for the three-day training will be out of the Dog Training Elite University curriculum. You are responsible to schedule this training through Our designated scheduling software.

5.2 Royalty. You shall pay Us a non-refundable, on-going, weekly royalty listed in Exhibit "A-3." The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement, and not in exchange for any specific services We render.

5.2.1 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of "Gross Sales" and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term "Gross Sales" or the calculation of other Fees due to Us result in Your payment in

excess of the Fees listed in Exhibit "A-3."

5.3 Marketing Fees.

5.3.1 Brand Fund Fee. When implemented, You shall pay Us the weekly Brand Fund Fee as listed in Exhibit "A-3" for Our Marketing activities as further described in Sec. 10.1 below.

5.3.2 Local Marketing. You shall allocate and spend the amount listed in Exhibit "A-3" each month on local marketing in Your Territories. We reserve the right to increase this requirement if We determine, in Our sole discretion, that to do so will be in the best interest of the System. However, the increase will not be more than 2% of Gross Sales. Additionally, You must attend a minimum of six large Marketing events and six smaller Marketing events each year. Home shows, RV shows, and similar types of events are considered large Marketing events, and farmers' markets, city, county or state fairs, and other similar venues are considered small Marketing events, as otherwise described in Our Manuals. The amount You spend attending these Marketing events can be counted toward Your local Marketing expenditure requirement. Upon our request, You must provide Us with a report of Your attendance at such events along with a report of the leads generated from each event and other reports documenting Your proof of expenditures for local Marketing as determined by Us.

5.3.3 Online Advertising and SEO Fee. You shall pay Us or Our designated suppliers the Fee listed in Exhibit "A-3" to manage Google AdWords and SEO campaign in Your Territories, You will also be required to set a budget for monthly Google AdWords with the designated supplier. This amount can be applied toward your 1% local Marketing obligation.

5.4 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Gross Sales Report. See Section 5.5 below.

5.4.2 Payments Due Date. All Fees must be paid weekly on the day designated by Us in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable with the Gross Sales Report and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account by the due date. Our current ACH agreement is attached hereto as Exhibit "A-7" and may be modified at any time in Our sole discretion. We reserve the right to change the payment due date or require alternative payment frequency. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.

(i) Operating Account. You shall not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You are required to provide Us with view-only access to Your Operating Account. Upon request, We can require You to send Us monthly bank statements from Your Operating Account by the 10th day of each month.

5.4.3 Late Fees. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate, and You will be charged per bounced check or insufficient funds transfer. See Exhibit "A-3." These Fees are due within 10 days following Our notice to You. These amounts may be adjusted by Us from time to time in the Manuals.

5.4.4 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or otherwise that exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.5 Sales or Use Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You shall submit to Us the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
Gross Sales Report	10th day of the month for the financial activity of the previous sales month	This report must include all revenue derived from Your Franchise Business during the prior sales month.
Financial Statements	10th day of the month and within 90 days of the end of Your fiscal year	This includes Your profit and loss and balance sheet. The financial statements and accompanying documents do not need to be prepared by Your accountant or audited unless specifically requested by Us.
Local Marketing Report	Quarterly, by the 10th day of the following quarter	This report must detail Your expenditures for local Marketing in a form We require.
Quarterly State and Local Sales Tax Returns and Annual Federal Tax Returns	Within 30 days of submission to the taxing authority	
Other Reports	Upon request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analysis, advertising, budget and expenditures.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent will have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.5.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of a Fee due Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, Including, the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available all required records in an organized and legible manner will be deemed an understatement by more than 2%.

5.6 Tech Fee. You shall pay Us or the designated supplier(s) the Fee listed in Exhibit "A-3" to access Our technology suite that Includes resources for Your Franchise Business, Including cloud-based document storage, a CRM, an advertising materials portal, and learning management system. We can designate You pay all or a portion of this Fee directly to the supplier. This Fee will also be used for Our website hosting, landing pages, blog maintenance and upkeep, Google Analytics and SEO and PPC management for Our national marketing, Our online equipment store, and for general tech maintenance and upkeep for the brand. The Fees, terms, technologies, software, and conditions associated with the Tech Fee are subject to change by Us and/or the applicable supplier.

5.7 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.8 No Refunds. The Fees set forth in this Agreement are not refundable.

5.9 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.10 Non-Compliance Fines. We may issue You a fine for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." The fines are set forth in Our Manuals and are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation and is not a penalty or estimate of all damages arising from Your breach. If You do not correct the violation within the time required by Us, we have the right to put You in default. We are not obligated to charge You a fine before putting You in default. Such fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. Our decision to impose, or not to impose, a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

ARTICLE VI
FRANCHISEE'S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You must adapt, at Your expense, the specifications to Your Franchise Business in accordance with local, state and federal laws, rules and ordinances, Including local dog specific laws such as vaccine, spay, neuter, registration, licensing, etc. If there is a local law that makes it impossible or impractical for You to offer a service, You must provide Us notice in writing of the law, and We will make a determination as to which services You will not be required to offer. You are solely responsible for ensuring compliance with all other applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You shall agree that We have not made, and You have not relied on any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

6.1.2 Appearance; Customer Service. You shall establish and maintain all service vehicles and any locale or premises in which You perform business in a clean, attractive, and well maintained manner; perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain and enhance the reputation and goodwill of Our System. We reserve the right to require that Your personnel comply with any dress code, Mark, or other brand-related standards that We may require. You shall arrange the signs and décor of the Franchise Business (if applicable) in strict compliance with the format recommended by Us.

6.1.3 Signage. You must have the number of signs as provided in Our Manuals. Indoor facilities may require additional signage. All signs, banners and A-frames to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to production or use by You. You shall maintain all signs banners and A-frames in good condition and undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You understand and acknowledge that while You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal and Your trainer, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least 15 days prior to opening Your Franchise Business. Successful completion will be determined by Our trainers but Includes evaluation of Your business plan presentation, training testing (both in classroom and in the field), and a training test for the Operating Principal's demo dog. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us without charge to You for up to two people. We also allow up to two additional persons to attend the initial training. The cost for additional trainees to attend the initial training is listed in Exhibit "A-3." Each person must attend the same training session. The training will take place at a location designated by Us. You must cover the travel, food, and lodging costs as well as compensation for Your attendees.

(i) Replacement Training. Any new Operating Principal must complete the initial training program prior to taking over as the Operating Principal. New managers, trainers, and administrative support personnel may be trained by Your Operating Principal, but We can also require such key personnel to be trained by Us if We reasonably believe such training would be in the best interest of Your Franchise Business. Our Fee for this training is listed on Exhibit "A-3." You must also cover the travel, food, and lodging for Your attendees or Our representatives, as applicable.

(ii) Additional Training. Depending on availability and advanced written notice, if You would like additional training, We may provide this training to You. This training does not include Our advanced classes. We have the right in Our sole discretion to limit additional training. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, if You have not met the minimum sales requirement, or if We reasonably believe such training would be in the best interest of Your Franchise Business. Our current Fee for additional training is listed

in Exhibit "A-3." For all training, You shall also bear the costs of travel, food, and lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

(iii) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending training.

6.1.5 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.6 Management. Your Franchise Business must be managed by either Your Operating Principal or a designated manager who will be required to devote their full time, attention and best efforts to the management and operation of Your Franchise Business. You must have at least one manager on site during regular business hours. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal. Your Operating Principal and any trainer must also submit to and pass a background check.

i. Unless Your Operating Principal will act as the full-time manager of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and work sufficient hours to operate Your Franchise Business or supervise Your managers or trainers and employ adequate personnel to operate Your Franchise Business at its maximum capacity and efficiency.

ii. Although We do not require Your Operating Principal to be involved in the day-to-day on-premises management, at a minimum, Your Operating Principal is required to participate in Your Franchise Business as follows: (i) be directly responsible for overseeing all accounting, reporting, bookkeeping, and all financial components of the Franchise Business; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (iv) be directly involved with site selection, construction, remodeling if You operate from an indoor facility; (v) be directly involved in all personnel decisions affecting the Franchise Business; and (vi) conduct frequent inspections of the Franchise Business to ensure the highest standards of professionalism, cleanliness, in compliance with Our approved methods.

iii. Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.7 Operational Hours. You shall operate Your Franchise Business at least five days per week throughout the year. We reserve the right to require You to operate up to seven days per week.

6.1.8 Remodel and Upgrades. If You are allowed to operate Your Franchise Business from an indoor facility, then at Your expense, You shall repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish Your location from time to time as We may reasonably direct, but not more often than every five years (except for required changes to the Marks and equipment, which We may require at any time) to conform to the building design, color schemes and presentation of trade dress, consistent with Our then-current public image. This can Include structural changes, new flooring, wall treatments, signage new equipment, remodeling, redecoration of the furnishings, fixtures and décor and such modifications to existing improvements as may be reasonably necessary, such that all locations will have

a generally similar look and appearance. We may also require You to upgrade and update Your Franchise Business, Including vehicles, vehicle wraps, equipment, etc., as set forth above even if You do not operate from an indoor facility. You must complete all such updates and upgrades within six months of notice from Us. You shall also complete any day-to-day maintenance issues as they occur during the term of this Agreement. In the event You relocate an indoor facility to a new approved location, You must bring Your new location up to Our then-current standards.

6.1.9 Your Employees. You, Your principals and Your employees are not Our employees. You are solely responsible for the hiring, firing, compensation, benefits, managing, and training of Your employees. We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your employees or their employment. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters unless otherwise expressly provided by Us. It is Your responsibility to comply with local and federal labor and employment laws. You must have two full-time employees at opening and throughout operation Including one full-time trainer and one full-time operations manager.

(i) Trainers. At all times, You must have at least one certified dog trainer on staff trained through Our methods. Additionally, You are only allowed to have one trainer until You have 50 active clients after which You must hire an additional trainer. An "active client" means a client still receiving in-home lessons.

(ii) Demo Dog. You must also have a demo dog to use for clients and Marketing. Your demo dog must be at least four months old and not older than five years old, depending on the type of dog. We do not require a specific breed of dog, however, Your demo dog must be trainable, biddable (docile, agreeable, and willing to do what You ask), have a good work ethic, an energetic flash, be confident, well-groomed, stable, non-reactive, and with no previous aggression issues. See also Sec. 7.5 below.

6.1.10 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated "A-" or better by A.M. Best & Company, Inc.:

Type of Insurance	**Minimum Required Amount(s)**
Commercial General Liability Insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate, whichever is greater
Commercial Automobile Insurance	At least $1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Canine Liability Coverage	$1,000,000 per occurrence and $2,000,000 in the aggregate
Government Required Insurances	You must maintain and keep in force all worker's compensation and employment insurance on Your employees that is required under all federal and state laws.

If You are allowed to operate from an indoor facility, and in the event of damage to Your premises covered by insurance, the proceeds of any such insurance shall be used to restore the facility to its original condition as soon as possible (not more than 160 days) unless We consent otherwise in writing. You must continue to operate from locations outside of Your indoor facility while the indoor facility is being

repaired.

(ii) Policy Requirements. Other than worker's compensation, these policies must insure You and Us and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise Business wherever it may be located. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion, and You must reimburse Us the premium costs, plus an administration Fee of $50 per hour for Our time. We may periodically increase the amounts of coverage required and/or require different or additional coverage.

6.1.11 Pricing. We may, to the degree permitted by law, specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices outside of Your location. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.12 Computer and POS System. At Your expense, You must purchase a computer tablet and a smart phone that is compatible with Google Calendar and Google Drive. At this time, We require that You use the Chase merchant mobile point of sale software (Chase QuickPay) and hardware ("POS") system and other computer hardware and software systems designated by Us in strict accordance with Our specifications, and We can mandate the forms of payment that You can or must accept. If in the future We adopt a different computer system, POS system or other system for the System, You must adopt it at Your expense. You must maintain, repair, modify and upgrade all such items at Your sole expense. You must give Us full 24-hour/7 day a week access, Including online access, and the right to "upload" or "download" information to and from all computer and other systems, and to the information and data contained in them. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system (not related to Our or an affiliate's acts or omissions).

(i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must have high speed, broadband Internet access at the levels required in the Manuals. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination

of this Agreement.

(ii) Merchant Account. At Your expense, You must participate in Our merchant account and other point of sale programs as set forth in Our Manuals.

(iii) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements; however, We reserve the right to approve of the supplier You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and suppliers to complete ongoing PCI requirements, Including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect customer data and to notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.

(iv) Accounting Software. We can require that You use a specific accounting software, and You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. We will configure and set up your initial chart of accounts. You are currently required to use and cover the cost to use a current version (not more than 1-year old) of QuickBooks accounting system. We also reserve the right to change the required accounting software at our discretion at Your cost and expense.

6.1.13 Conferences and Seminars. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, attendance is mandatory for Your Operating Principal, or alternatively, You may send another owner to the conference that is involved in the Franchise Business at the executive level, if approved by Us. Currently, there is no fee to attend; however, it will be Your responsibility to cover travel, lodging, food, and other expenses for Your attendees. Depending on the event, We may offer arranged accommodations and provide up to two meals per day for Your attendees.

6.1.14 Operating Account Minimum. You are required at all times to maintain a minimum amount in Your Operating Account sufficient to cover at least three months of operations. This amount cannot be less than $10,000, provided that in any 30-day period, the Operating Account may have less than such amount for a period of not more than five days Upon request, You must send us a monthly bank statement of Your Operating Account by the 10th day of each month.

6.1.15 Non-Profit Promotion. At least once per year, You are required to sponsor a promotion or fundraising campaign in which all the proceeds are donated to Our affiliate The Malinois Corporation. We or Our affiliate may derive income or may receive a fee or other compensation for operating the non-profit corporation.

6.1.16 Required Software. You must use and pay for all software (Including a customer relation management "CRM" and document management storage solution software) as required by Us, which may be changed from time to time. You must input all required information into Our designated software as set forth in Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

6.1.17 No Boarding. You are not allowed to provide boarding as part of Your Franchise Business or provide or permit boarding from any facility in which Your Franchise Business operates.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications, and You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email account/address, We have the right to access Your email account at any time without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership or subscription model, or other discount or incentive program, You will be required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card program, etc., without Our prior written permission.

(iii) Required Purchases. You must purchase all designated products, equipment, logoed, branded, and other items and supplies as designated by Us from sources designated or approved by Us. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not offer assistance in delivery or installation of any required or approved purchases.

(iv) Modifications. We have the right to make systematic and other changes to the System, Marks, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use and implement and display any and all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. Other than modifications due to health or government mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(v) Inspections and Visits. We may conduct periodic evaluations, inspections, and audits of any or all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video or live video conferencing. Our inspections may Include Your vehicles, dog training

sites, business records, bank accounts, Venmo or similar accounts, operating procedures, reports, computer drives, and electronic storage devices, POS system, account records, tax records, etc. We also have the right to speak with and interact with Your employees and customers, and to remove samples of products, supplies and materials. Immediately upon Our request, You must provide to Us video and/or digital images of Your training sessions, vehicles, and indoor facility, as may be more fully set forth in the Manuals.

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee. You must also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees. See Exhibit "A-3."

6.2.3.1 Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager and trainers, and We may require additional training for Your Operating Principal, Your manager, trainers, employees, and other contracted personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You shall cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord and suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

6.2.3.2 Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.3 Personal Guarantees. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, and member, respectively, who own 5% or greater direct or indirect interest, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable

for, the breach of every provision of this Agreement.

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owning to any vendors, landlords, or amounts owing to employees or contractors.

6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not, in any way, form, or medium, disparage Us, the System, the brand, or Our officers, owners, partners, directors, members, managers, representatives, agents or employees.

6.7 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.

6.8 Services offered. You may only offer the services to clients We allow based on Your completion of training requirements to Our satisfaction. For example, You may only offer basic puppy training and our silver, gold and platinum packages at the completion of Our training with Your demo dog. Once other training minimums have been met, Including advanced courses and upon Our approval, You will be allowed to provide additional advanced training services to clients and customers that We indicate You may provide.

ARTICLE VII
FRANCHISOR'S OPERATIONAL ASSISTANCE

7.1 Suppliers and Products. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.

7.2 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business, and upon Your reasonable request, make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. However, for problems and training for items purchased from a supplier, You must consult with the respective manufacturer or supplier of those items. You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable.

7.3 Initial Training. We shall train Your Operating Principal and other attendees the various methods, practices, policies, and procedures of operation of Your Franchise Business. The initial training will Include dog training techniques for obedience, behavioral modification, and therapy. The training program is described in Paragraph 6.1.4.

7.3.1 Opening Assistance. We offer three variations for Your opening support: 1) the first option includes five days of on-site support where one of Our representatives would travel to Your Franchise Business (at Our cost) and assist You with the various aspects of Your grand opening or with Your day-to-day operations and dog training within that timeframe; 2) the second option includes one advanced training course; and 3) the third option includes two DTE-U employee courses. There is no additional Fee for any of these opening assistance options; however, You must cover the costs of travel,

lodging and food for Your employees should You choose one of the two training options. It is ideal for Your grand opening to coincide with an event such as a home show or farmers' market in Your Territories.

7.3.2 Follow-up Training. We will provide You with an additional three days of trainer or administrative support training after You have been operating for at least six months. You can send Your representatives to Us (You are required to cover the travel food and lodging of Your trainees), or We can provide this training virtually. The curriculum for the three-day training will be out of the Dog Training Elite University curriculum. This is part of the launch support fee discussed in Paragraph 5.1.2.

7.3.3 Annual Management Training. At our discretion, once each calendar year, at a time designated by Us, We can require that Your Operating Principal and trainer meet with Our representatives at a location specified by Us, for the purpose of discussing and reviewing Your operations, status, and financial performance. One attendee per franchise territory or location must attend. If We determine that such a meeting is necessary, the cost is set forth on Exhibit "A-3," and You will be responsible to cover the costs of travel, food and lodging.

7.4 Specialty Training. You may wish to have Your Operating Principal or trainers be trained in advanced dog training areas such as advanced puppy, advanced service, autism support, force fetch and mobility support, or personal protection. The Fees for these trainings are listed on Exhibit "A-3," and You will be responsible for the travel, food, lodging, and compensation of Your attendees at such trainings. Unless otherwise approved by Us, these trainings are not available to You until You have been operating Your Franchise Business for at least 12 months. And depending on the type of training, You will need to purchase additional equipment in order to provide additional training options to Your clients.

7.5 Demo Dog Approval. We must approve of Your demo dog, and if You do not already have a qualified and approved demo dog, We highly recommend that You work with Us to select the best fit. Your demo dog must attend and pass Our bootcamp training. You must also purchase all necessary collars and equipment for Your demo dog. Your demo dog must be approved by Us and pass training before it can be used in any of Your trainings or Marketing events.

7.6 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, bulletins or other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.7 Website Maintenance. We shall maintain a website for the Dog Training Elite® brand that will Include Your business information and telephone number for Your Franchise Business.

7.8 Advisory Committees. In Our sole discretion, We may choose to create franchisee committees to advise Us in various aspects of the System. Only franchisees who are in good standing and have maintained good standing for the six-month period prior to serving on a committee may serve on any advisory committee. Each committee will establish rules for admitting and retaining committee members, but the initial rules will be established by Us.

ARTICLE VIII
PURCHASE OF PRODUCTS

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those products and services that meet Our specifications and/or that are purchased from Our approved

suppliers as may be specified and approved by Us in writing. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No product or service may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. For the purpose of this Article, "goods" means any product, good, inventory, supply item, equipment, tool, item, etc.

8.2 Supplier Compensation. We or Our affiliate may derive revenue from the sale of required goods and services through mark-ups in prices We charge to You for items and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such items and services. Any monies paid to Us for items or services are non-refundable. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any items or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, and other data to permit Us to ascertain whether the supplier meets Our specifications. We will notify You in writing and within 60 days of completing Our evaluation as to whether that supplier has been approved. Prior to testing, You must pay a non-refundable supplier evaluation Fee set forth in Exhibit "A-3." You must also reimburse Us for all reasonable costs and expenses of testing whether or not the requested supplier is approved. This amount is due within 30 days of Us completing Our evaluation.

8.3.1 New Suppliers. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.

8.4 Equipment. You shall maintain all equipment of Your Franchise business in good working order.

8.5 Vehicle and Vehicle Wrap. You shall wrap Your vehicle with a high-quality wrap marketing Your Franchise Business as directed by Us. You shall keep Your vehicle wrap in good condition, free from unsightly or unprofessional wear and tear. Your vehicle (which must be a van, SUV, mini motorhome or a truck with a hard-top shell over the bed of the truck unless otherwise approved by Us) must be in good condition and repair with no external damage or unreasonable wear and tear, must not be more than 10 years old, must accommodate all the equipment needed in providing dog training services, must have a climate controlled system, and must be approved by Us. Each vehicle used in the operation of Your Franchise Business must be wrapped before opening Your Franchise Business and must display the approved colors, logos and signage. You are solely responsible to provide the required licenses, insurance, maintenance, and upkeep for all vehicles. You may also purchase an enclosed trailer, which must be approved by Us, to carry and store Your equipment. You are solely responsible to provide the required licenses, insurance, maintenance, and upkeep for all vehicles.

8.6 Warranties; Support. We will replace defective items purchased directly from Us pursuant to Our standard limited warranty, if any.

ARTICLE IX
MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. Our Manuals may consist of a series of online videos, webpages, online drives, or other forms designated by Us. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated version of the Manuals maintained by Us online or at Our headquarters will be controlling in the event of a dispute relative to the contents of the Manuals.

ARTICLE X
MARKETING

10.1 Brand Fund. When implemented, You shall contribute to Our national Marketing and brand development fund ("Brand Fund") for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market the System. The Fees for the Brand Fund are listed in Exhibit "A-3." You must participate in all Marketing programs instituted by Us. We can terminate or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds within the Marketing Fund.

10.1.1 Brand Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs (which may include television, Internet, radio and print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the Marketing or public relation efforts (which may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement, timing, and allocation of such programs (which will be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Brand Fund can be operated through an entity separate from Us that has all of Our rights and duties relating to the Brand Fund. We will not be liable for any act or omission with respect to the Brand Fund or otherwise which is consistent with this Agreement, or which is done in subjective good faith. We have the right to loan money to the Brand Fund to cover any deficits. The Brand Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

10.1.2 Use of Brand Fund Fees. We may use the Brand Fund to offset a portion of direct costs to manage and maintain the Brand Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Brand Fund activities. You must participate in all Marketing programs instituted by the Brand Fund or by Us, and We may receive payment for providing goods or services to the Brand Fund. We reserve the right to use Fees from the Brand Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your region or Territories, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused Brand Funds in any calendar year will be applied to the following year's fund. You may request (in writing) an unaudited annual report of the previous year's Marketing expenditures once each calendar year.

10.2 Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative. However, if You choose to attend a home show, farmers' market, etc., outside of Your Territories (that is not the territory of another franchisee), and another franchisee would also like to participate in that event, the cost of the event, and all leads generated through the event will be split evenly between You and the other participating franchisee(s).

10.3 Local Marketing Requirement. You are required to Market locally as set forth in Section 5.3.2. In addition, and upon request, You must submit an itemized report to Us documenting proof of expenditures for local Marketing in the form We may require.

10.4 Sample Marketing and Promotional Materials. We may provide You samples of Marketing materials developed by Us from time to time. You may request the development of marketing assets from Our design team. However, You must work within their lead times for Your use. Additional copies will be made available at cost, plus 10%, plus shipping and handling.

10.5 Approval of Marketing. You may develop Marketing and promotional materials for Your use at Your cost. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed unapproved if You do not receive written approval or disapproval within 10 business days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time.

10.5.1 Marketing Compliance. All Your Marketing and promotional activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You agree to submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, Including, any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published, and such other information as may be reasonably requested by Us.

10.6 Internet and Social Media. You must strictly comply with Our policies and procedures regarding websites, Social Media sites, and Internet Marketing. We reserve the right to restrict Your use of these mediums in the future.

10.6.1 Use of the Internet. You may not create a website for Your Franchise Business. However, You may be allowed to place pre-approved information concerning Your Franchise Business on Our website, as developed by Us. Additionally, You cannot Market on the Internet, Including posting for resale, items on third party resale or auction-style websites such as eBay, Craigslist, or Amazon without Our prior written permission. We have the right (but not the obligation) to manage and control all online reviews for Your Franchise Business. You may not claim any web listing on sites such as Yelp.

10.6.2 Social Media. We will own and control all Social Media related to the brand, but We may allow You to manage certain aspects of Social Media related to Your Franchise Business. In all cases, We will have administrative access, and access to account information, and any other information related to Your Social Media activities related to the Dog Training Elite® brand. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. We have the right to remove or alter or require You to remove or alter any content We deem inappropriate or inconsistent with the Dog Training Elite® brand. Additionally, You must sign the Digital and Social Media Authorization for Assignment attached as Exhibit "A-8."

10.7 Your Obligations to Market. Neither We nor You are restricted from Marketing in Your Territories.

Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. You are prohibited from Marketing, whether directly or indirectly, in another franchisee's territory as more fully set forth in the Manuals.

ARTICLE XI
BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure. If curable, You must cure a default within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No-Cure Period:

A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

B. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals within a 12-month period.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.

E. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, Including deception relating to the source, nature, or quality of goods sold or services provided.

F. Abandonment. You abandon Your Franchise Business, or You state or clearly demonstrate any intent to not operate the Franchise Business.

G. Unauthorized Transfer. You Transfer or attempt to Transfer all or any part of this Agreement, Your Franchise Business, or an unapproved percentage of the property associated with Your Franchise Business, or any portion of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

H. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records, (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

I. Crimes and Adverse Behavior. You or any of Your owners, officers, directors, members, managers or principals commits or is convicted of or pleads guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Our interest therein; or You or Your owners, officers, directors, members, managers or principals make disparaging remarks against Us, Our

parent or affiliates, Our management, the System, or the Dog Training Elite® brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.

J. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

K. Termination of Lease Agreement. The Lease agreement for Your indoor facility is terminated.

L. Failure to Obtain Financing. You fail to qualify for or receive the necessary financing for Your Franchise Business.

M. Termination of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your uncurable breach of such agreement.

5-Day Cure Period:

N. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account.

15-Day Cure Period:

O. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

P. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

Q. Unauthorized Product Re-sell. You post for re-sell items on any third party re-sell or auction style website without Our prior written permission.

R. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

30-Day Cure Period:

S. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the

cure period. Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, Including penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action for the balance of any outstanding installment obligation due hereunder.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, Including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement; however, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII
TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our Franchisee and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Dog Training Elite® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Disassociation. Within 10 days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our

brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, e-mail addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.4 Cancel DBA. Within 10 days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.5 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers of the Franchise Business.

12.1.6 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail, (Including originals and any copies) physical copies of Our Manuals, all training materials, Marketing materials and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.7 De-Identification. If We do not exercise Our right to purchase Your Operating Assets (see Sec. 13.1) or assume Your Lease upon Termination, then within 10 days of Termination and at Your expense, You shall alter, modify and change both the appearance of Your Franchise Business and vehicles to Our satisfaction, so that they will be easily distinguished from a Dog Training Elite® business and will cease using the signs, displays, vehicle wraps, advertisements, promotional materials and the like that are unique or distinctive to the System. We may hire a third-party or use Our own personnel to de-identify Your Franchise Business or to carry out any other obligations on Your behalf.

12.1.8 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data of all current, prior and expectant customers of the Franchise Business.

12.1.9 Evidence of Compliance. Otherwise, furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or the non-granting of a Successor Franchise or on the timeline We may provide at Termination.

12.1.10 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for six months following the date of Termination.

12.1.11 Gift Card and Prepaid Services Reimbursement Fee. Upon Termination, You must provide Us with an accounting and list of all outstanding gift cards, prepaid services, and gift certificates as of the

date of Termination, and You shall refund all customer gift card and gift certificate amounts as required under Your state's applicable laws. In the event We are required to or elect to provide those prepaid service or customer reimbursement amounts, You shall pay Us the amount of the service or reimbursement, plus a Fee in each instance for Our time.

12.1.12 Pay Damages and Costs. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. At Your expense, We may hire a third-party or use Our own personnel to carry out Your obligations on Your behalf.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business, or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing interest in the System, Confidential Information, Intellectual Property, or goodwill of the Franchise Business.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, if You operate from an indoor facility, You must make that facility and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (See Paragraph 13.1.1(i) below) if We, in Our sole discretion, choose to do so. If You fail to make the premises available to Us, You will be responsible for the expense incurred by Us to enforce Our rights under this paragraph.

12.5 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII
PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such

communications), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later ("Option Period") by giving written notice to You of Our intent to exercise Our option to purchase. The purchase of any of Your Operating Assets will be done through an asset purchase agreement. We have the right to use Your Operating Assets and location during Our option period, and in such case, We will pay You the fair market value of such use. Unless otherwise agreed by You, the purchase price as determined hereunder will be paid within 30 days of providing notice of Our intent to purchase. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens, We may also withhold a portion of purchase price directly to the lienholder to pay off such lien. Additionally, We may withhold 25% of the purchase price for 90 days to ensure that all of You taxes and other liabilities are paid.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.3 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants, and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation, and tax compliance.

13.1.4 Prepaid Services. If We determine to service a customer that had prepaid for the services to Your Franchise Business, We can offset the costs of fulfilling those services against amounts owing to You, and We are entitled to seek those amounts as damages.

ARTICLE XIV
SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You Without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, Including

representations of all current owners. Therefore, none of Your Franchise Assets may be assigned, sold, transferred, or divided in any manner by You or anyone else unless Our prior written approval is obtained. You shall provide Us with all documentation relating to the transfer of Your Franchise Business. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Paragraph 14.3 below of the proposed transferee and its owners and officers.

14.2.1 Transfers to Competitors Prohibited. You cannot transfer any part of Your Franchise Assets to a Competing Business without Our written permission. Any such Transfer without Our written approval will be considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of new Operating Principal and trainer, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, Including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. We will not be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall pay Us a Transfer Fee listed on Exhibit "A-3." The Transfer Fee is non-refundable and is only payable at the time of the approved Transfer. Additionally, if You would like to use Our designated brokers to assist with the sale, then You will be responsible to cover the applicable brokers fees related to the sale.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), there will be no Transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. However, guarantors will remain guarantors to this Agreement unless otherwise released by Us in Our sole discretion. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal, trainers, and other applicable personnel are required to complete the necessary training as required by Us. Any new owner with a direct or indirect ownership of 5% or more in Your Franchise Business or Your entity must personally guaranty the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor to otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate termination of this Agreement

unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in this Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, Including assuming Your Lease obligations, if applicable, in a form acceptable to Us.

14.8.4 New Franchise Agreement. At Our discretion, the transferee must sign the then-current form of the Franchise Agreement and fully upgrade the Franchise Business and location, if applicable, to the level required of new franchisees.

14.8.5 Training. The transferee must pay for and complete along with any new Operating Principal and trainers, the training or certification program required of new franchisees. The Fee for this training is listed in Exhibit "A-3." The training provided to the transferee will Include training for all the types of services and dog training that You offer at the time of Transfer. The transferee will also be responsible for the cost of travel, food and lodging for Our representatives or the transferee's attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.

14.8.6 Transfer Fee. You shall pay the Transfer Fee set forth on Exhibit "A-3."

14.8.7 General Release. You must execute a general release releasing Us and Our affiliates of any claims You may have against Us.

14.8.8 Gift Cards; Pre-paid Services. You must provide Us and the proposed transferee with an accounting and list of all outstanding gift cards gift certificates, and pre-paid services as of the date of Termination, which must be taken into account and handle as a part of the transfer agreement.

14.8.9 Survival of Covenants. Your non-competition, indemnity and confidentiality obligations and the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, Including the Franchise Assets proposed to be transferred, the purchase

price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer and data concerning Your Franchise Business, financials, employee information, and lease information, We will have 90 days in which to advise You in writing of Our election to have the Franchise Assets Transferred to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Franchise Assets proposed to be transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You agree to notify Us of the changes in writing and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be transferred on the revised terms and conditions. If the proposed Transfer is not completed for any reason after We elect not to purchase the Franchise Assets being Transferred, a new right of first refusal commences as to any subsequent proposed Transfers by You. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (the term "incapacity shall mean any physical or mental infirmity that prevents the person from performing his or her obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 160 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for a new Operating Principal, designated managers, or franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but

not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You will execute a general release to Us. We will close Our purchase and make payment within 120 days after closing as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership (without paying a transfer fee to Us), provided You: (1) give us at least 15 days' prior written notice to Us of the proposed Transfer: (2) send Us copies the entity's charter documents, by-laws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; (3) You own all voting securities of the corporation or limited liability company, and (4) You remain as a personal guarantor to this Agreement. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.

ARTICLE XV
RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including its daily operations, managing and directing employees, contractors, and salespersons and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We have the right to defend any such claim against Us by employing counsel of

Our choice, subject to full reimbursement by You of all legal fees incurred by Us. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused by Our willful misconduct or gross negligence. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI
COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4," and Your personnel must execute Our Employee Brand Protection Agreement as attached hereto as Exhibit "A-5." (Although We provide You this form, You are responsible to conform it to the laws and regulations of Your state.) A copy of all such agreements must be promptly delivered to Us within 10 days of hiring of an employee.

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to the System and the Confidential Information. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including employees, without first receiving Our express written consent.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives, and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.

16.3 Post-Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of three years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, territory or location within Your Territories or within 50 miles of Your Territories or within 50 miles of any other Dog Training Elite® territory at the time of Termination or Transfer of this Agreement.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, or any former of then-current customer of Ours (with whom You had contact during the term of this Agreement) for the purpose of soliciting any such customer to a Competing Business. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.7 Our Remedies. If the post-term restrictions of this Article are unenforceable or are reduced to a level which We, in Our reasonable business judgment, find unacceptable, You shall, in addition to any other remedies available to Us, for a period of two years from the date of Termination of this Agreement, pay Us the amount of royalties and Brand Fund Fees, that would be payable if the business in question was a Dog Training Elite® Franchise Business.

16.8 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

ARTICLE XVII
DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Salt Lake City, Utah, or at Our then-current headquarters, (or via video conference at Our election) within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, any Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or at the discretion of the arbitrator if petitioned by either party. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. Any Dispute must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You thereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, or claims attributable to your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no such claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property licensed to You; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for Fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not Include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and/or the arbitration equally during the mediation and/or arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE XVIII
NOTICES

18.1 Notices. All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered

personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification; or (v) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	**FRANCHISEE:**
Dog Training Elite Franchising, LLC 2971 West 560 South Lehi, Utah 84043 (or Our then-current headquarters) Email: franchise@dogtrainingelite.com With a courtesy copy to (which will not act as notice or service to the Franchisor): The Franchise & Business Law Group Attn: Christian Thompson 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email: cthompson@fblglaw.com	_____ _____ _____ Email:_____

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX
CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions

of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction of the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake County, Utah, will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of, or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes, the party which obtains a judgment in their favor, or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX
MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third party beneficiary, under any contract, understanding or agreement between Us and any other person or entity unless that contract, understanding, or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection

therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the Franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which is beyond such party's Your reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto, which are each incorporated by reference herein, to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in Our franchise disclosure document. If any term of this or Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement, and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any

promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing, marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises, or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between them or any of them and any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of franchise disclosure document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which shall be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are the owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this

Agreement.

ARTICLE XXI
DEFINITIONS

"Competing Business" means a dog training business, or dog obedience business or any business offering products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System during the term hereof or at the time of Termination or Transfer.

"Confidential Information" means any non-public information (through no fault of Yours) relating to Our products or services, or the development or operation of a Dog Training Elite® business or relating to the System as a whole, Including: (i) methods, dog handler and training techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Dog Training Elite® businesses; (v) knowledge of, specifications for, and suppliers of, certain Dog Training Elite® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Dog Training Elite® businesses; (vii) Our strategic plans and concepts for the development, operation, or expansion of Dog Training Elite® businesses; (viii) the contents of Our Manuals and course curriculum, not otherwise contained in Our Manuals; (ix) all Customer Data; (xi) login, passwords, access information, etc., to Our email accounts, Social Media, Manuals or other internal sites or shared documents (xii) Our Intellectual Property that is generally deemed confidential; (xiii) all Innovations; and (xiv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

"Copyright Materials" means all writings, video and audio recordings, materials, Manuals, artwork, websites, logos, Marketing materials, apps, and designs used with the Marks or in association with the System.

"Customer" and "Client" whether or not capitalized have interchangeable meanings in this Agreement.

"Customer Data" means any and all customers and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers' information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

"Dispute" any claim, controversy, disagreement, or dispute of any type whatsoever.

"Fees" refers to those fees, payments, and costs You are required to pay to Us, as more fully set forth on Exhibit "A-3."

"Gross Sales" Includes the total of all sales of all products, goods and services sold, traded, bartered, or rendered by You and income of every kind and nature Including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. "Gross Sales" excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

"Immediate Family" refers to and Includes each of Your spouse, domestic partners, parents, stepparents,

children, stepchildren, sons-in-law, and daughters-in law.

"Innovation" means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

"Including" or "Includes" means "including but not limited to," "including, without limitation," and similar all-inclusive and non-exhaustive meanings.

"Intellectual Property" means all Marks, trade dress, names, Copyrighted Materials, systems, dog training methods and techniques, patents, patent applications, trade secrets, websites, Social Media, apps, and software.

"Interim Management Period" refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

"Internet" means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

"Lease" means a commercial lease or other document of occupancy of the indoor facility if You are allowed to operate from an indoor facility.

"Manuals" consists of one or more guides or manuals, Including an operations manual, brand standards manual, training manuals, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format in Our discretion.

"Marketing" or "Market" Includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research and other related processes.

"Marks" means the federally registered and common law Dog Training Elite® trademarks and service marks owned by Us or licensed to Us whether now or later developed. "Marks" also Includes any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

"Operating Account" means that account into which all receipts of Your Franchise Business must be deposited.

"Operating Assets" means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

"Participant" means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, licensor, or licensee.

"Principal" means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

"Operating Principal" is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

"Shall" when used in this Agreement (even if not capitalized), means must or other similar affirmative obligation, as the context requires.

"Social Media" means any and all websites, apps, and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

"System" Includes the Franchise Business; specific Marks; the use of required equipment; processes, services, teaching and training methods, uniform standards, and know-how; operating procedures and Marketing concepts, dog and handler techniques and training procedures; the sale of products and services under the name Dog Training Elite® and other trademarked items; and the use of Confidential Information and other Intellectual Property ("System" or "Dog Training Elite® System")

"Termination" or "Terminate" Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, transfer, or any other means by which this Agreement is no longer in effect and You are no longer a franchisee of the Dog Training Elite® System.

"Transfer" Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

"We," "Our(s)" or "Us" only as applied to Paragraphs 2.2.3 and 14.8.7, and Sections 3.1, 3.5, 6.6, 10.1 and 16.4, and Article XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, or others with whose conduct We are chargeable, as applicable.

"You" or "Your" Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent or current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, trainers and principal employees, and those for whose conduct You are chargeable.

[Intentionally left blank]

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

Dog Training Elite Franchising, LLC

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

_____

By: _____
(Signature)

Name: _____

Title: _____

If the franchisee is not an entity, each person must sign personally.

By: _____
(Signature)

Name: _____, personally

By: _____
(Signature)

Name: _____, personally

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing an Addendum to Franchise Agreement pursuant to:

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ Other

EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

TERRITORIES:
(Map may be attached)

Our approval of a territory or a location is not a guarantee or a warranty of the potential success of a territory or location.

1. Territories. Your Territories consist of the following:

   Territory 1 : _____
   Territory 2 : _____
   Territory 3 : _____
   Territory 4 : _____
   Territory 5 : _____

2. Population of Your Territories. The population of Your Territories is as follows:

   Territory 1 : _____
   Territory 2 : _____
   Territory 3 : _____
   Territory 4 : _____
   Territory 5 : _____

3. Initial Franchise Fee. The initial franchise fee for a 3-territory franchise is $110,000. The initial franchise fee for additional territories is $59,000 per territory. Your total initial franchise fee is $_____ (plus the $10,000 Launch Support Fee).

4. Multiple Territories. Any provision of the Franchise Agreement referring to a single Territory will be applicable to each Territory purchased by You.

_____
Franchisee Initial and Date

_____
Franchisor Initial and Date

Schedule A-1.1

Minimum Gross Sales Quotas

1. Annual Minimum Sales Requirements. The following Gross Sales targets must be met by the applicable deadlines. The years are calendar years during the term of the Franchise Agreement. Failure to meet Your Gross Sales targets by the indicated deadline is considered a default of the Franchise Agreement.

Annual Gross Sales	Deadline
$75,000	Year 1[1]
$150,000	Year 2
$300,000	Year 3

[1] Annualized if your first year is less than 365 days.

[2] After year 3, there is no minimum requirement to maintain the rights in Your Territories.

EXHIBIT "A-2"

TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

☐ Partnership ☐ Corporation

☐ Sole Proprietorship ☐ Limited Liability Company

Name of Your Entity: _____

The State in which Your Entity was formed: _____

Date of Formation: _____

EIN: _____

The names and addresses of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.
*Partnership: Percentage owned in voting and in capital and profits.
*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type the information and add extra lines if necessary):

Name	Title

The address where Your corporate records are maintained is:

_____

The name and address of the person who has been approved by Us and who will be directly responsible for supervising Your business operations (Operating Principal) and who has authority to work with us and make decisions relating to the operations of the Franchise Business:

Name: _____

Address: _____

Email: _____

Phone: _____

You must provide us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws by _____.

Dated _____.

FRANCHISEE:

_____

By: _____
(Signature)

Name: _____

Title: _____

EXHIBIT "A-3"
TO THE FRANCHISE AGREEMENT

FEE CHART

The following fees are more fully described in the Franchise Agreement.

Type of Fee[1]	Amount	Notes
Successor Franchise Fee	$2,500	See Par. 2.2.4
Initial Franchise Fee	3-Territory Franchise: $110,000	See Sec. 5.1 and Exhibit "A-1"
Additional Territory Fee	$59,000 per territory	See Sec. 5.1 and Exhibit "A-1"
Launch Support Fee	$10,000	See Par. 5.1.2
Royalty	8% of Gross Sales	See Sec. 5.2
Brand Fund Fee	1% of Gross Sales	See Sec. 5.3.1
Local Marketing Requirement	1% of Gross Sales	See Par. 5.3.2
Online Advertising & SEO Fee[1]	Currently, $500 per month	See Par. 5.3.3
Late Fees[1]	$50 per day for each late fee or report up to $500 for each late fee	See Par. 5.4.3
Non-Sufficient Fund Fees[1]	$50 per bounced check or draft	See Par. 5.4.3
Interest Fees	18% interest or maximum rate permitted by state law	See Par. 5.4.4
Sales or Use Tax	Sum equal to tax imposed	See Par. 5.4.5
Audit Charge	Cost of audit	See Par. 5.5.2
Tech Fee	Currently, $275 per month	See Par. 5.6
System Non-Compliance Fines and Charges[1]	Between $50 and $2,000	See Sec. 5.10
Insurance Reimbursement Fee	Varies	See Par. 6.1.10
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Par. 6.1.12(iii)
Additional Trainees at Initial Training	$750 per person/per day	See Par. 6.1.4
Replacement Training[1]	$750 per person/per day	See Par. 6.1.4(i)
Additional Training[1]	$750 per person/per day	See Par. 1.1.3, Par. 6.1.4(ii) and Section 7.3
Interim Management Fee[1]	$750 per person/per day	See Par. 6.3.2 and Sec. 14.10
Annual Management Training[1]	$500 per person/per day	See Par. 7.3.3
Advanced Services Training	Currently, $3,500 to $20,000 (subject to change by Us)	See Sec. 7.4
Supplier Evaluation Fee[1]	$250, plus expenses, at cost	See Sec. 8.3
Additional Copies of Marketing Materials	Our reasonable costs plus 10%, plus shipping and handling	See Sec. 10.4

Gift Card and Prepaid Services Reimbursement Fee	Varies	See Par. 12.1.11
Fees on Default and Termination	Our costs associated with Your default	See Par. 12.1.12
Franchise Agreement Transfer Fee	$10,000, plus appliable broker fees	See Sec. 14.5 and Par. 14.8.6
Minority Interest Transfer Fee	Our legal fees and administrative costs related to the transfer	See Sec. 14.6
Transfer Training Fee[1]	$15,000	See Par. 14.8.5
Indemnification	Varies	See Sec. 15.2
Dispute Resolution Fees	Varies	See Sec. 17.2

[1] We may increase these Fees by up to 10% per year during the term of the Franchise Agreement. Costs charged by third parties are subject to change at any time and do not have an annual cap.

EXHIBIT "A-4"
TO THE FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the "Agreement") is entered into and made effective as of the effective date listed below, by Dog Training Elite Franchising, LLC ("Franchisor") and the undersigned ("Principals").

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to operate a Dog Training Elite® Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor ("Franchise Agreement"); and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor's entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information and made available to Principals that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, Principals and any of a Principal's Immediate Family, shall not during the term of the Franchise Agreement and any Successor Franchise or Successor Franchise Agreement or any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and will is subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to

indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in any Competing Business, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section creates irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of three years thereafter, Principals, and each Principal's Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in any Competing Business within the Territories or within 50 miles of the Territories or within 50 miles of any other Dog Training Elite® territory at the time of Termination of the Franchise Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

3.3 Non-Solicitation of Customers. During the term of the Franchise Agreement and for three years after the Termination of the Franchise Agreement, Principal and each of Principal's Immediate Family shall not, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4. Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and for the period of that Principal's violation.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Dog Training Elite® Manuals and any and all Confidential Information.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims a Principal may have against

Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will Include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Utah.

9. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal, and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

[Signatures on the Following Page]

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below:

DATED_____.

FRANCHISOR:

Dog Training Elite Franchising, LLC

By: _____
(Signature)

Name: _____

Title: _____

PRINCIPALS:

By: _____
(Signature)
Name: _____

Title: _____

By: _____
(Signature)
Name: _____

Title: _____

By: _____
(Signature)
Name: _____

Title: _____

By: _____
(Signature)
Name: _____

Title: _____

[Brand Protection Agreement for Principals Signature Page]

EXHIBIT "A-5"
TO THE FRANCHISE AGREEMENT

EMPLOYEE BRAND PROTECTION AGREEMENT

This EMPLOYEE BRAND PROTECTION AGREEMENT ("Agreement") is entered into as of _____, between _____ ("Franchisee") and _____ ("Employee"), residing at _____ _____.

A. Franchisee is the holder of a Dog Training Elite® franchise developed by Dog Training Elite Franchising, LLC ("Franchisor").

B. Franchisor has developed certain confidential and proprietary information for the operation of a Dog Training Elite® franchise, including without limitation, processes, dog training and dog handler techniques, methods, trade secrets, systems, software, pricing, financial information, customer data and lists, manuals, marketing techniques, and procedures ("Proprietary Information").

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Dog Training Elite® franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Dog Training Elite® franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all of any part of the Proprietary Information at any time.

3. Limited Use. Employee shall not use the Proprietary Information at any time, place, or circumstance, except as directed by Franchisee or its authorized representatives. In no event shall Employee use the Proprietary Information, whether in part or in whole, outside of Employee's specific employment duties.

4. Duty to Notify. Employee agrees to notify Franchisor or Franchisee or Employee's immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Employee agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

5. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

6. Management and Supervisor Employees. This Section 6 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees.

6.1 Non-Competition. Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Dog Training Elite® business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 20-mile radius of Franchisee's place of business or within 15 miles of any dog Training Elite® business in operation at the time of Employee's termination of employment. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

6.2 Non-Solicitation of Customers. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any customer or former customer of Franchisee for the purpose of soliciting such customers to be a customer of a business that is the same as or similar to a Dog Training Elite® business.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Dog Training Elite® system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee's employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

14. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:	EMPLOYEE (if a minor, see next page):
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
	Age: _____

For persons under 18 years of age, a parent or legal guardian must sign and complete the next page.

I, _____ (Parent/Guardian), the undersigned and the parent and natural guardian of _____ (minor's name), hereby acknowledge that I have executed the foregoing Employee Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assigns to the obligations and liabilities of the foregoing Employee Brand Protection Agreement.

DATED _____.

Signature of Parent/Guardian: _____

Name of Parent/Guardian: _____

Address: _____
_____

Phone: _____

[Continuation of Employee Brand Protection Agreement Signature Page]

EXHIBIT "A-6"
TO
FRANCHISE AGREEMENT

LANDLORD'S CONSENT TO ASSIGNMENT

_____ ("Landlord") hereby consents to an assignment of the lease agreement ("Lease Agreement") to Dog Training Elite Franchising, LLC ("Franchisor") for the purpose of securing the obligations of _____ ("Lessee" and Franchisor's franchisee) to Franchisor. In the event of Lessee's breach of the Lease Agreement, Landlord agrees to provide Franchisor with written notice of any breach of the Lease Agreement that Landlord is required to provide to Lessee. Further, Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor an opportunity, but not the obligation, to cure said breach for an additional 10 days beyond the applicable cure period granted to the Lessee under the Lease Agreement.

Landlord agrees to provide Franchisor with all information relating to amounts owing, settlement agreements, and all matters related to the Lease Agreement within five days of written request from Franchisor. Landlord agrees that if the Lease Agreement or franchise agreement is terminated, Franchisor will have the right, but not the obligation, within 90 days after termination of the Lease Agreement or franchise agreement, to take possession of the premises, and to assume or reassign the Lease Agreement, or sublet the premises to another franchisee for the remaining term of the Lease Agreement; provided that Landlord will have the right to reasonably approve such reassignment or subletting.

Landlord further covenants that so long as Franchisor has not entered into possession of the leased premises it will not be liable for rent or any other obligation under the Lease Agreement, but that Lessor will look to Lessee for all obligations under the Lease Agreement.

Notices to Franchisor will be sent to: Dog Training Elite Franchising, LLC, 2971 West 560 South, Lehi, Utah 84043.

Landlord:

By: _____
Name: _____
Title: _____

Landlord's Contact Information:

Contact Person: _____
Mailing Address: _____
_____
Email: _____
Phone: _____

EXHIBIT "A-7"
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I hereby authorize Dog Training Elite Franchising, LLC hereinafter called ("Company"), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called ("Depository"), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____

Branch: _____

Phone: _____

City: _____

State: _____ Zip Code: _____

Routing Number: _____

Account Number: _____

Type of Account: Checking/Savings:_____

This authorization is to remain in full force and effect until the Company has received written notification from me of its termination in such time and in such manner as to afford the Company and Depository a reasonable opportunity to act on it.

Name: _____
(please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

EXHIBIT "A-8"
TO FRANCHISE AGREEMENT

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION ("Assignment") is made and entered into as of the Effective Date (defined below), by and between the undersigned Franchisee and Dog Training Elite Franchising, LLC ("Franchisor").

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with Franchisor ("Franchise Agreement'); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Dog Training Elite® trademark, trade names, trade dress, and other associated intellectual property (collectively, the "Marks") in conjunction with Franchisee's Dog Training Elite® Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Dog Training Elite® Franchise Business or used or created in any way by Franchisee or to third parties to promote or use the Marks, Including Franchisee's Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively the "Social Media Accounts"). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, Including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor's sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL's, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively "Listings").

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

a. Franchisee has the right to assign the Social Media Accounts and Listings and they are free and clear of all liens and encumbrances.

b. Franchisee shall not, after Termination of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.

c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the

assigned Social Media Accounts.

d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.

9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISEE:	**FRANCHISOR:**
_____	Dog Training Elite Franchising, LLC
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT "A-9"
TO FRANCHISE AGREEMENT

STATE ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.

2. 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.)

3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.

4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.

7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

9. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

10. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF FOR THE STATE OF ILLINOIS

Illinois Law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Section 5.1 is modified to add the following language to the end of the paragraph:

> "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under this Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business."

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISEE:	**FRANCHISOR:**
_____	_____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Dog Training Elite Franchising, LLC ("Franchisor") and _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Deleted. Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the Franchisor or sources designated by the Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the Franchisor. However, the publication by the Franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the Franchisor does not constitute designation of a source nor does a reasonable right of the Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the Franchisor.

(2) Allowing the Franchisor to establish a Franchisor-owned outlet engaged in a substantially identical business to that of the Franchisee within the exclusive territory granted the Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the Franchisor to compete unfairly with the Franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the Franchisor without the consent in writing of the Franchisee.

(4) Allowing the Franchisor to obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the Franchisee.

(5) Requiring the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the Franchisee and the Franchisor to be referred to any person, if referral would be binding on the Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in

bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the Franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the Franchisee meets certain conditions specified in the agreement.

(9) Requiring a Franchisee to covenant not to compete with the Franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the Franchisee may be required to pay.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	**Dog Training Elite Franchising, LLC**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

This Addendum dated _____, by and between Dog Training Elite Franchising, LLC, a Utah limited liability company/corporation, hereinafter referred to as "Franchisor" and _____, hereinafter referred to as "Franchisee."

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

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

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

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. 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 is legally enforceable.

6. 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.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

FRANCHISOR:	**FRANCHISEE:**
DOG TRAINING ELITE FRANCHISING, LLC	_____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

> Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or 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 or the jurisdiction.

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

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

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.

6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.

7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).

_____
Franchisee (Signature)

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA

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.

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

The following shall apply to Franchise Agreements in the State of Wisconsin:

a. The Wisconsin Fair Dealership Act, Wisconsin Statues, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

EXHIBIT "A-10"
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is entered into and made effective as of _____ by and between Dog Training Elite Franchising, LLC ("We," "Us" or "Our") and the undersigned Guarantor(s) ("Guarantor(s)") owners of _____ (the "Business Entity").

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _____ (the "Franchise Agreement"), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)' execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)' capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)' direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)' liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)' liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) acknowledge and represent that Guarantor(s) have had an opportunity

to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and Us. Each Guarantor(s) irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) have respectively signed this Guaranty effective as of the day and year first written above.

Guarantor(s)	**Address for Notice**
By: _____	_____
	_____
Name: _____	Email: _____
By: _____	_____
	_____
Name: _____	Email: _____
By: _____	_____
	_____
Name: _____	Email: _____

EXHIBIT "B"
TO THE FDD

FINANCIAL STATEMENTS

Audited Financial Statements Dated December 31, 2022
Audited Financial Statements Dated December 31, 2021
Audited Financial Statements Dated December 31, 2020

Unaudited interim financials dated March 31, 2023*

* THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

DOG TRAINING ELITE FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020

DOG TRAINING ELITE FRANCHISING, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors
1240 E 100 S #3
St George, UT 84790
(435) 656-0360

Independent Auditor's Report

To the Members
Dog Training Elite Franchising, LLC
Lehi, Utah

Opinion

We have audited the accompanying financial statements of Dog Training Elite Franchising, LLC, which comprise the balance sheets as of December 31, 2022 and 2021 and the related statements of operations, members' equity (deficit), and cash flows for the years 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 Dog Training Elite Franchising, LLC as of December 31, 2022 and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of Dog Training Elite Franchising, LLC as of December 31, 2020 were audited by other auditors whose report dated May 14, 2021 expressed an unmodified opinion on those statements.

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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

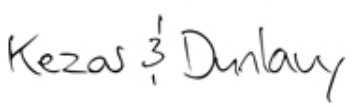
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.



St. George, Utah
April 12, 2023

DOG TRAINING ELITE FRANCHISING, LLC

BALANCE SHEETS

As of December 31, 2022, 2021, and 2020

	2022	2021	2020
Assets			
Current assets			
Cash and cash equivalents	$ 769,973	$ 303,922	$ 104,877
Accounts receivable, net	283,478	141,713	122,069
Prepaid expenses	956	-	-
Deferred commissions, current	286,405	362,394	24,078
Total current assets	1,340,812	808,029	251,024
Non-current assets			
Right of use asset	222,284	-	-
Equipment, net	41,963	64,406	23,653
Deferred commissions, non-current	1,211,414	287,770	204,114
Due from member	294,302	-	-
Other non-current asset	19,700	19,700	-
Total non-current assets	1,789,663	371,876	227,767
Total assets	$ 3,130,475	$ 1,179,905	$ 478,791
Liabilities and Members' Equity (Deficit)			
Current liabilities			
Accounts payable	$ 50,788	$ 133,139	$ 97,334
Credit card liability	-	6,851	-
Operating lease liability, current	119,436	-	-
Deferred revenue, current	493,997	579,327	46,100
Total current liabilities	664,221	719,317	143,434
Non-current liabilities			
Operating lease liability, non-current	111,661	-	-
Deferred revenue, non-current	2,132,839	520,822	391,758
Total non-current liabilities	2,244,500	520,822	391,758
Total liabilities	2,908,721	1,240,139	535,192
Members' equity (deficit)	221,754	(60,234)	(56,401)
Total liabilities and members' equity (deficit)	$ 3,130,475	$ 1,179,905	$ 478,791

The accompanying notes are an integral part of the financial statements.

DOG TRAINING ELITE FRANCHISING, LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Operating revenue			
Royalties	$ 907,114	$ 328,419	$ 336,858
Initial franchise fees	3,054,990	619,508	23,142
Service revenue	277,404	233,928	-
Product sales	299	73,658	49,210
Total revenue	4,239,807	1,255,513	409,210
Cost of goods sold	2,262,246	540,058	190,144
Gross profit	1,977,561	715,455	219,066
Operating expenses			
General and administrative	1,134,523	472,853	158,761
Professional fees	61,655	64,863	18,444
Advertising and promotional	184,942	126,932	49,742
Total operating expenses	1,381,120	664,648	226,947
Net income (loss)	$ 596,441	$ 50,807	$ (7,881)

The accompanying notes are an integral part of the financial statements.

DOG TRAINING ELITE FRANCHISING, LLC

STATEMENTS OF MEMBERS' EQUITY (DEFICIT)

For the years ended December 31, 2022, 2021, and 2020

Balance as of January 1, 2020	$	32,457
Member distributions		(80,977)
Net loss		(7,881)
Balance as of December 31, 2020		(56,401)
Adoption of ASC 952-606		83,877
Member distributions		(138,517)
Net income		50,807
Balance as of December 31, 2021		(60,234)
Adoption of ASC 842		(1,463)
Member distributions		(312,990)
Net income		596,441
Balance as of December 31, 2022	$	221,754

The accompanying notes are an integral part of the financial statements.

DOG TRAINING ELITE FRANCHISING, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Cash flow from operating activities:			
Net income (loss)	$ 596,441	$ 50,807	$ (7,881)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	22,443	12,816	11,827
Amortization of right of use asset	112,525	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(141,765)	(19,644)	(121,114)
Deferred commissions	(847,655)	(524,376)	(228,192)
Prepaid expenses	(956)	-	-
Other current assets	-	(19,700)	-
Accounts payable	(82,351)	35,805	82,808
Credit card liability	(6,851)	6,851	-
Operating lease liability	(105,175)	-	-
Deferred revenue	1,526,687	848,572	437,858
Net cash provided by operating activities	1,073,343	391,131	175,306
Cash flows from investing activities:			
Purchases of equipment	-	(53,569)	-
Investment in related party note receivable	(294,302)	-	-
Net cash used by investing activities	(294,302)	(53,569)	-
Cash flows from financing activities:			
Member distributions	(312,990)	(138,517)	(80,977)
Net cash used by financing activities	(312,990)	(138,517)	(80,977)
Net change in cash and cash equivalents	466,051	199,045	94,329
Cash at the beginning of the year	303,922	104,877	10,548
Cash at the end of the year	$ 769,973	$ 303,922	$ 104,877
Supplementary disclosures of cash flows			
Cash paid for interest and taxes	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Dog Training Elite Franchising, LLC (the "Company") was organized on November 14, 2014 in the State of Utah, for the principal purpose of selling and supporting the Dog Training Elite franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of $769,973, $303,922, and $104,877, respectively. The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(e) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, service fees, and product sales. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical collections, customers' current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer's ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2022, 2021, and 2020, the Company had no allowance for doubtful accounts. As of December 31, 2022, 2021, and 2020, the Company had net receivables of $283,478, $141,713, and $122,069, respectively.

(f) Property and Equipment

Property and equipment are stated at historical cost and are depreciated using the straight-line method over the estimated useful lives of related assets. The useful lives are generally 5 years.

(g) Long Lived Assets

Long–lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(h) Revenue Recognition

The Company's franchising revenues consist of initial franchise fees, royalty fees based on a percentage of gross revenue, service fees, and product sales.

The Company adopted ASC 606, *Revenue from Contracts with Customers*, as of January 1, 2020, at which time, management determined that any prior period effect of adoption was immaterial. On January 1, 2021, the Company adopted the practical expedient for private company franchisors outlined in ASC 952-606. Using the modified retrospective method, the Company de-recognized deferred commissions and deferred revenue of $102,404 and $186,281, respectively.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchisee, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations. Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying revenues upon which they are based. Service fees are recognized in the period that services are provided. Sales of product and equipment are recognized as revenue when title transfers to the franchisee, which generally occurs upon shipment of the product.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

For initial franchise fees, the Company recognizes revenue attributable to pre-opening services when the franchisee has begun operations. The remaining initial fee is then recognized on a straight-line basis over the life of the agreement, which is generally 10 years.

(i) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Utah. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements. The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021, 2020, and 2019 tax years are subject to examination.

(j) Leasing

The Company adopted ASC 842, Leases as of January 1, 2022, using the modified retrospective method. The Company has an operating lease for office space, which required adjustments to record the right-of-use assets and lease liabilities as of the date of implementation. Upon adoption, the Company recorded a right-of-use asset of $334,809 and a lease liability of $336,272. The net effect on the Company's equity on January 1, 2022 was a reduction of $1,463. The lease liability reflects the present value of the Company's estimated future minimum lease payments over the lease term, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(k) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2022, 2021, and 2020 were $184,942, $126,932, and $49,742, respectively.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and credit card liabilities, the carrying amounts approximate fair value due to their short maturities. Related party transactions may not be stated at fair market value.

(2) Equipment

As of December 31, 2022, 2021, and 2020, equipment consisted of the following:

	2022	2021	2020
Vehicle	$ 46,229	$ 46,229	$ 46,229
Furniture and fixtures	66,955	66,955	13,385
	113,184	113,184	59,614
Accumulated depreciation	(71,221)	(48,778)	(35,961)
	$ 41,963	$ 64,406	$ 23,653

Depreciation expense for the years ended December 31, 2022, 2021, and 2020 was $22,443, $12,816, and $11,827, respectively.

(3) Operating Lease

During the year ended December 31, 2021, the Company entered into a lease agreement for office space. The lease expires in October 2024, with the option to renew. As the Company adopted ASC 842 on January 1, 2022, there are no right of use assets or operating lease liabilities as of December 31, 2021 and 2020. As of December 31, 2022, the Company recorded a right of use asset of $222,284. As of December 31, 2022, the Company had the following current and non-current portions of its operating lease liability:

	2022
Operating lease liability, current	$ 119,436
Operating lease liability, non-current	111,661
	$ 231,097

As of December 31, 2022, the maturities of the Company's lease liability were as follows:

For the year ended December 31,	
2023	$ 119,436
2024	111,661
	$ 231,097

(4) Franchise Agreements

The Company's franchise agreements generally provide for payment of initial fees as well as continuing royalties to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Dog Training Elite system for a period of seven years. Under the Company's revenue recognition policy, the Company allocates a portion of the initial franchise fee to pre-opening services, which is recognized when the franchisee begins operations. The remainder is deferred, and the revenue is amortized over the life of the contract. In addition, the Company defers related contract costs such as broker commissions over the same period and records them as deferred contract costs.

The Company has estimated the following current and non-current portions of deferred contract costs as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Deferred commissions, current	$ 286,405	$ 362,394	$ 24,078
Deferred commissions, non-current	1,211,414	287,770	204,114
	$ 1,497,819	$ 650,164	$ 228,192

The Company has estimated the following current and non-current portions of deferred revenue as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Deferred revenue, current	$ 493,997	$ 579,327	$ 46,100
Deferred revenue, non-current	2,132,839	520,822	391,758
	$ 2,626,836	$ 1,110,149	$ 437,858

(5) Related Party Note Receivable

During the year ended December 31, 2022, the Company entered into a promissory note agreement with one of its members. The note has an initial principal balance of $295,000 and accrues interest at an annual rate of 3.00%. The note matures on March 1, 2032, and requires monthly payments of $2,977. As of December 31, 2022, the balance on the note was $294,302.

(6) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) COVID-19

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through April 12, 2023, the date on which the financial statements were issued.

DOG TRAINING ELITE FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2021, 2020, AND 2019

DOG TRAINING ELITE FRANCHISING, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors
1240 E 100 S #3
St George, UT 84790
(435) 656-0360

Independent Auditor's Report

To the Members
Dog Training Elite Franchising, LLC
Lehi, Utah

Opinion

We have audited the accompanying financial statements of Dog Training Elite Franchising, LLC, which comprise the balance sheet as of December 31, 2021 and the related statements of operations, members' equity (deficit), 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 Dog Training Elite Franchising, LLC as of December 31, 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of Dog Training Elite Franchising, LLC as of December 31, 2020 and 2019 were audited by other auditors whose report dated May 14, 2021 expressed an unmodified opinion on those statements.

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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

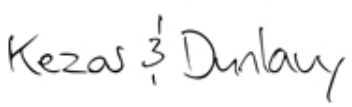
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.



St. George, Utah
April 28, 2022

DOG TRAINING ELITE FRANCHISING, LLC

BALANCE SHEETS

As of December 31, 2021, 2020, and 2019

	2021	2020	2019
Assets			
Current assets			
Cash and cash equivalents	$ 303,922	$ 104,877	$ 10,548
Accounts receivable, net	141,713	122,069	955
Deferred commissions, current	362,394	24,078	-
Total current assets	808,029	251,024	11,503
Non-current assets			
Equipment, net	64,406	23,653	35,480
Deferred commissions, non-current	287,770	204,114	-
Other non-current asset	19,700	-	-
Total assets	$ 1,179,905	$ 478,791	$ 46,983
Liabilities and Member's Equity			
Current liabilities			
Accounts payable	$ 133,139	$ 97,334	$ 14,526
Credit card liability	6,851	-	-
Deferred revenue, current	579,327	46,100	-
Total current liabilities	719,317	143,434	14,526
Non-current liabilities			
Deferred revenue, non-current	520,822	391,758	-
Total liabilities	1,240,139	535,192	14,526
Member's equity (deficit)	(60,234)	(56,401)	32,457
Total liabilities and member's equity	$ 1,179,905	$ 478,791	$ 46,983

The accompanying notes are an integral part of the financial statements.

DOG TRAINING ELITE FRANCHISING, LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2021, 2020, and 2019

	2021	2020	2019
Operating revenue			
Royalties	$ 328,419	$ 336,858	$ 299,953
Initial franchise fees	619,508	23,142	-
Service revenue	233,928	-	-
Product sales	73,658	49,210	40,721
Total revenue	1,255,513	409,210	340,674
Cost of goods sold	540,058	190,144	139,513
Gross profit	715,455	219,066	201,161
Operating expenses			
General and administrative	472,853	158,761	158,981
Professional fees	64,863	18,444	16,907
Advertising and promotional	126,932	49,742	27,845
Total operating expenses	664,648	226,947	203,733
Net income (loss)	$ 50,807	$ (7,881)	$ (2,572)

The accompanying notes are an integral part of the financial statements.

DOG TRAINING ELITE FRANCHISING, LLC

STATEMENTS OF MEMBERS' EQUITY (DEFICIT)

For the years ended December 31, 2021, 2020, and 2019

Balance at January 1, 2019	$	68,795
Member distributions		(33,766)
Net loss		(2,572)
Balance at December 31, 2019		32,457
Member distributions		(80,977)
Net loss		(7,881)
Balance at December 31, 2020		(56,401)
Adoption of ASC 952-606		83,877
Member distributions		(138,517)
Net income		50,807
Balance at December 31, 2021	$	(60,234)

The accompanying notes are an integral part of the financial statements.

DOG TRAINING ELITE FRANCHISING, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021, 2020, and 2019

	2021	2020	2019
Cash flow from operating activities:			
Net income (loss)	$ 50,807	$ (7,881)	$ (2,572)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	12,816	11,827	11,787
Changes in operating assets and liabilities:			
Accounts receivable	(19,644)	(121,114)	3,305
Deferred commissions	(524,376)	(228,192)	-
Other current assets	(19,700)	-	9,064
Accounts payable	35,805	82,808	13,219
Credit card liability	6,851	-	-
Deferred revenue	848,572	437,858	-
Net cash provided by operating activities	391,131	175,306	34,803
Cash flows from investing activities:			
Purchases of equipment	(53,569)	-	(600)
Net cash used by investing activities	(53,569)	-	(600)
Cash flows from financing activities:			
Member distributions	(138,517)	(80,977)	(33,766)
Net cash used by financing activities	(138,517)	(80,977)	(33,766)
Net change in cash and cash equivalents	199,045	94,329	437
Cash at the beginning of the year	104,877	10,548	10,111
Cash at the end of the year	$ 303,922	$ 104,877	$ 10,548
Supplementary disclosures of cash flows			
Cash paid for interest	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Footprints Floors, LLC (the “Company") was organized on November 14, 2014 in the State of Utah, for principal purpose of selling and supporting the Dog Training Elite franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2021, 2020, and 2019, the Company had cash and cash equivalents of $303,922, $104,877, and $10,548, respectively. The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(e) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, service fees, and product sales. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses in the Company’s existing accounts receivable. The Company determines the allowance based on historical collections, customers’ current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer’s ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2021, 2020, and 2019, the Company no allowance for doubtful accounts. As of December 31, 2021, 2020, and 2019, the Company had net receivables of $141,713, $122,069, and $955, respectively.

(f) Property and Equipment

Property and equipment are stated at historical cost and are depreciated using the straight-line method over the estimated useful lives of related assets. The useful lives are generally 5 years.

(g) Long Lived Assets

Long–lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(h) Revenue Recognition

The Company's franchising revenues consist of fees from conventional franchisees. Revenues from franchisees consists of initial franchise fees, royalty fees based on a percentage of gross revenue, service fees, and product sales.

The Company adopted ASC 606 as of January 1, 2020, at which time, management determined that any prior period effect of adoption was immaterial. On January 1, 2021, the Company adopted the practical expedient for private company franchisors outlined in ASC 952-606. Using the modified retrospective method, the Company de-recognized deferred commissions and deferred revenue of $102,404 and $186,281, respectively.

ASC 606, *Revenue from Contracts with Customers*, provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchisee, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations. Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying revenues upon which they are based. Service fees are recognized in the period that services are provided. Sales of product and equipment are recognized as revenue when title transfers to the franchisee, which generally occurs upon shipment of the product.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

For initial franchise fees, the Company recognizes revenue attributable to pre-opening services when the franchisee has begun operations. The remaining initial fee is then recognized on a straight-line basis over the life of the agreement, which is generally 10 years.

(i) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Utah. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2021, the 2020, 2019, and 2018 tax years are subject to examination.

(j) Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which creates ASC 842, *Leases*, and supersedes ASC 840, *Leases*. ASC 842 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for private companies with annual reporting periods beginning after December 15, 2021 and is to be applied retrospectively. Early adoption is permitted. The Company is currently assessing the impact this guidance may have on its financial statements.

(k) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2021, 2020, and 2019 were $126,932, $49,742, and $27,845, respectively.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and credit card liabilities, the carrying amounts approximate fair value due to their short maturities. Related party transactions may not be stated at fair market value.

(2) Equipment

As of December 31, 2021, 2020, and 2019, equipment consisted of the following:

	2021	2020	2019
Vehicle	$ 46,229	$ 46,229	$ 46,229
Furniture and fixtures	66,955	13,385	13,385
	113,184	59,614	59,614
Accumulated depreciation	(48,778)	(35,961)	(24,134)
	$ 64,406	$ 23,653	$ 35,480

Depreciation expense for the years ended December 31, 2021, 2020, and 2019 was $12,816, $11,827, and $11,787, respectively.

(3) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Dog Training Elite system for a period of seven years. Under the Company's revenue recognition policy, the Company allocates a portion of the initial franchise fee to pre-opening services, which is recognized when the franchisee begins operations. The remainder is deferred, and the revenue is amortized over the life of the contract. In addition, the Company defers related contract costs such as broker commissions over the same period and records them as deferred contract costs.

The Company has estimated the following current and non-current portions of deferred contract costs as of December 31, 2021, 2020, and 2019:

	2021	2020	2019
Deferred commissions, current	$ 362,394	$ 24,078	$ -
Deferred commissions, non-current	287,770	204,114	-
	$ 650,164	$ 228,192	$ -

The Company has estimated the following current and non-current portions of deferred revenue as of December 31, 2021, 2020, and 2019:

	2021	2020	2019
Deferred revenue, current	$ 579,327	$ 46,100	$ -
Deferred revenue, non-current	520,822	391,758	-
	$ 1,110,149	$ 437,858	$ -

(4) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) COVID-19

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2021 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(c) Operating Lease

During the year ended December 31, 2021, the Company entered into a three-year lease agreement for office. Future estimated minimum lease payments under these operating leases are as follows:

For the year ended December 31,		
2022	$	119,630
2023		128,310
2024		113,300
	$	361,240

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through April 28, 2022, the date on which the financial statements were issued.

Dog Training Elite Franchising, LLC

Financial Statements

December 31, 2020 and 2019

(With Independent Accountant's Report Thereon)

JOSEPH B GLASS & ASSOCIATES
Certified Public Accountant

Joseph B Glass & Associates
Certified Public Accountant
190 South 200 East
Blanding, Utah 84511
Tel. 801-414-3325 Fax. 801-304-0475
e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

The Members
Dog Training Elite Franchising, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Dog Training Elite Franchising, LLC, which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of net loss, comprehensive loss and members' equity (deficit) and cash-flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dog Training Elite Franchising, LLC as of December 31, 2020 and 2019 and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America,

Joseph B Glass & Associates

Joseph B Glass & Associates
Blanding, Utah
May 14, 2021

Dog Training Elite Franchising, LLC
Balance Sheets
December 31, 2020 and 2019

Assets	2020	2019
Current assets:		
Cash and cash equivalents	$ 104,877	10,548
Accounts receivable	122,069	955
Deferred sales commissions	24,078	-
Total current assets	251,024	11,503
Property and equipment:		
Vehicle	46,229	46,229
Furniture and fixtures	13,385	13,385
	59,614	59,614
Less accumulated depreciation	35,961	24,134
Net property and equipment	23,653	35,480
Deferred sales commissions (excluding current portion)	204,114	-
	$ 478,791	46,983
Liabilities and Members' Equity (Deficit)		
Current liabilities:		
Edil Loan	$ 1,000	-
Accounts payable and accrued expenses	96,334	14,526
Deferred Franchise fees	46,100	-
Total cujrrent liabilities	143,434	14,526
Deferred franchise fees (excluding current portion)	391,758	-
Members' equity (deficit)	(56,401)	32,457
Commitments and contingencies	-	-
	$ 478,791	46,983

See accompanying notes to financial statements.

Dog Training Elite Franchising, LLC

Statement of Net Loss, Comprehensive Loss and Members' Equity (Deficit)
Years ended December 31, 2020 and 2019

	2020	2019
Revenue:		
Royalty fees	$ 336,858	299,953
Amortization of deferred franchise fees	23,142	-
Other revenue	49,210	40,721
	409,210	340,674
Less direct franchise costs	190,144	139,513
Gross profit	219,066	201,161
Less general and administrative expenses	226,947	203,733
Net loss	(7,881)	(2,572)
Other comprehensive income	-	-
Total comprehensive loss	(7,881)	(2,572)
Member's equity beginning of year	32,457	68,795
Net capital distributions to members	(80,977)	(33,766)
Member's equity (deficit) end of year	$ (56,401)	32,457

See accompanying notes to financial statements.

Dog Training Elite Franchising, LLC
Statements of Cash Flows
Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net loss	$ (7,881)	(2,572)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	11,827	11,787
Decrease (increase) in accounts receivable	(121,114)	3,305
Decrease in prepaid expenses and other current assets	-	9,064
Increase in deferred sales commissions	(228,192)	-
Increase in accounts payable and accrued expenses	81,808	13,219
Increase in deferred franchise fees	437,858	-
Net cash provided by operating activities	174,306	34,803
Cash flows from investing activities:		
Purchase of property and equipment	-	(600)
Cash flows used by investing activities	-	(600)
Cash flows from financing activities:		
Edil loan	1,000	-
Capital distributions to members	(80,977)	(33,766)
Cash flows used by financing activities:	(79,977)	(33,766)
Net increase in cash and cash equivalents	94,329	437
Cash and cash equivalents at beginning of period	10,548	10,111
Cash and cash equivalents at end of period	$ 104,877	10,548
Supplemental disclosures of cash flow information,		
Cash paid during year for:		
Interest	$ -	-
Income taxes	-	-

See accompanying notes to financial statements.

Dog Training Elite Franchising, LLC
Notes to Financial Statements
December 31, 2020 and 2019

(1) Organization, Line of Business, and Summary of Significant Accounting Policies

(a) Organization and Line of Business

Dog Training Elite Franchising, LLC (Company) was formed to develop and engage in all phases of the business of franchising and marketing dog training franchisees.

(b) Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(c) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

(d) Property and Equipment

Property and equipment is stated at cost. Depreciation is calculated on the straight-line basis over the estimated useful life of five years.

(e) Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by the Company. Members are taxed individually on their share of the Company's earnings. The Company's net income is allocated among the members in accordance with their ownership.

(f) Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. No allowance was considered necessary at December 31, 2019 and 2018. Uncollectible loans and accounts receivable are charged off after all reasonable collection efforts have been utilized. Accounts receivable are deemed to be past due when payments are more than 30 days late.

(1) Organization, Line of Business, and Summary of Significant Accounting Policies (continued)

(g) Revenue Recognition

The Company recognizes revenues from franchise sales and royalty fees. Franchise fee revenue is recognized, in accordance with current revenue recognition standards, on a straight-line basis over the term of the franchises of 120 months.

Other performance obligations related to franchise sales such as training, etc. are billed separately from the franchise fee and are recognized as revenue when the obligation is satisfied.

(2) Related Party Transactions

During the years ended December 31, 2020 and 2019 members and officers of the Company provided office space and the use of certain furniture and equipment to the Company on month to month terms. The Company paid a total of $6,550 and $12,189 for the years ended December 31, 2020 and 2019 respectively to these members and officers as consideration for the property rented.

During 2020 and 2019 the Company recorded royalty fees revenue of $198,620 and $133,975 respectively, from a Franchisee who is related to a managing member of the Company. At December 31, 2020 and 2019 this franchisee owed the Company $1,508 and $855 respectively, which amounts are included in accounts receivable on the accompanying balance sheets.

During the year ended December 31, 2014 the Company entered into an agreement with an affiliated Company to pay 10% of its gross revenue as an intellectual property fee. This fee was waived by the affiliated Company until 2017. Included in the statement of net loss, comprehensive loss and members' equity (deficit) for the years ended December 31, 2020 and 2019 is $33,686 and $34,067 respectively, representing payment of this fee for those years.

(3) Franchise Revenue

Effective January 1, 2020 the Company adopted the revenue recognition provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) statement 606 (Standard).

The Company elected to apply the guidance of the Standard to all uncompleted contracts as of January 1, 2020. The Standard requires that franchisors amortize franchise fees on a straight-line basis over the term of the franchises of 120 months. This standard also requires that related commissions and other direct costs also be amortized on a straight-line basis over the same term.

(3) Franchise Revenue (continued)

There were no unexpired franchise agreements prior to January 1, 2020 so a cumulative effect adjustment to members equity at that date was not required.

During the year ended December 31, 2020 the Company recorded a total of $23,142 as income related to the amortization of deferred franchise fees and $12,587 as expense related to amortization of deferred sales commissions as a result of adopting the Standard.

In addition to initial franchises fees, franchisees are required to pay a percentage of future sales as continuing franchise fees or royalties. During 2020 and 2019 the royalties earned from franchisees totaled $336,858 and $299,953 respectively.

As of December 31, 2020 the Company had 11 individual franchise outlets in operation.

(4) Advertising Expense

During the years ended December 31, 2020 and 2019 the Company incurred a total of $49,742 and $27,845 repectively as advertising expense. Advertising costs are expensed as incurred.

(5) Concentrations of Credit

The Company's customers consist primarily of individuals living in the western United States.

(6) Subsequent events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statement through May 15, 2021 the date that the financial statements were issued.

Dog Training Elite Franchising LLC

Balance Sheet

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Chase - Checking 2961	560,727.30
Total Bank Accounts	**$560,727.30**
Accounts Receivable	
Accounts Receivable	227,757.59
Total Accounts Receivable	**$227,757.59**
Other Current Assets	
Deferred commissions current	24,078.00
Prepaid Expenses	0.00
Undeposited Funds	215.76
Total Other Current Assets	**$24,293.76**
Total Current Assets	**$812,778.65**
Fixed Assets	
ACCUMULATED DEPRECIATION	-48,777.09
FF&E	53,570.30
Furniture and Fixtures	13,384.67
Vehicle	46,228.54
Total Fixed Assets	**$64,406.42**
Other Assets	
Deferred commissions Long-term	626,085.83
Leasehold improvements	974.94
Security Deposit on Building	19,700.00
Total Other Assets	**$646,760.77**
TOTAL ASSETS	**$1,523,945.84**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	133,139.00
Total Accounts Payable	**$133,139.00**
Credit Cards	
AMEX (51002)	936.94
AMEX (82005)	16.03
Chase Ink (7856)	0.00

Dog Training Elite Franchising LLC

Balance Sheet

As of March 31, 2023

	TOTAL
Total Credit Cards	**$952.97**
Other Current Liabilities	
Accrued liabilities	0.00
Deferred Franchise fees current	46,100.00
Loan Payable Mark Mestas	-7,000.00
Loan Payable Raintree Franchise Transfer	0.00
Total Other Current Liabilities	**$39,100.00**
Total Current Liabilities	**$173,191.97**
Long-Term Liabilities	
Auto Loan	-7,798.20
Deferred Franchsie Fees Long-term	1,054,049.33
EIDL Loan	0.00
Loan Payable John Mestas	-283,091.32
Total Long-Term Liabilities	**$763,159.81**
Total Liabilities	**$936,351.78**
Equity	
Dividend	0.00
Opening Balance Equity	3,358.97
Owner Equity	
Capital - AKT Enterprises	-42,000.00
Capital - Arrow Kennels	-917.18
Capital - DTE Demo Dog	-39,000.00
Capital - Fund Enterprises	-27,000.00
Total Owner Equity	**-108,917.18**
Partner Contributions	87,020.16
Partner Distributions	25,105.08
Federal Tax Payment	-2,386.00
LDS Church	-4,805.00
Medical Expense	-16,222.60
Mortgage Payment	-8,152.84
Owner Draw	-742,805.78
Total Partner Distributions	**-749,267.14**
Retained Earnings	1,508,945.11
Net Income	-153,545.86
Total Equity	**$587,594.06**
TOTAL LIABILITIES AND EQUITY	**$1,523,945.84**

Dog Training Elite Franchising LLC

Profit and Loss YTD Comparison

March 2023

	TOTAL	
	MAR 2023	JAN - MAR, 2023 (YTD)
Income		
Franchise royalty fees	131,692.79	313,218.72
Initial Franchise Fee	61,993.05	271,979.15
Onboarding Fee		10,000.00
Rental Income		2,250.00
Service/Fee Income	5,000.00	5,000.00
Technology Platforms	20,934.00	51,909.00
Training Programs (DTEU, etc.)	9,908.30	111,068.06
Total Income	**$229,528.14**	**$765,424.93**
Cost of Goods Sold		
COGS - Broker Franchise Royalty	9,052.63	27,284.21
COGS - Broker New Franchise Commission		176,181.08
COGS - Technology Platforms	2,662.39	31,434.55
COGS - Training Programs (DTEU)	7,741.70	33,948.47
Cost of Goods Sold		200.00
Supplies & Materials - COGS	3,615.52	17,324.77
Total Cost of Goods Sold	**$23,072.24**	**$286,373.08**
GROSS PROFIT	**$206,455.90**	**$479,051.85**
Expenses		
Advertising/Promotional	16,937.84	50,830.83
Digital Advertising	3,095.17	6,684.62
Total Advertising/Promotional	**20,033.01**	**57,515.45**
Auto Expenses	43.40	146.81
Bank Charges	169.85	294.85
Charitable Contribution		188.76
Corporate Events	159.28	10,326.25
Credit Card Processing Fees		
QuickBooks Payments Fees	3,535.89	9,783.59
Total Credit Card Processing Fees	**3,535.89**	**9,783.59**
Employee Expenses		
Uniforms	1,235.00	2,943.27
Total Employee Expenses	**1,235.00**	**2,943.27**
Infrastructure		
Rent or Lease	12,705.00	38,115.00
Telephone & Internet Expense	1,020.83	6,680.63
Utilities	1,498.08	4,434.45
Total Infrastructure	**15,223.91**	**49,230.08**

Dog Training Elite Franchising LLC

Profit and Loss YTD Comparison

March 2023

	TOTAL	
	MAR 2023	JAN - MAR, 2023 (YTD)
Insurance		
Auto Insurance		785.00
Total Insurance		**785.00**
Market Research & Training	1,500.00	5,520.40
Meals and Entertainment	828.64	3,752.22
Business Meals	252.73	2,869.93
Team Meals	411.51	936.59
Total Meals and Entertainment	**1,492.88**	**7,558.74**
Office Equipment	515.87	2,275.53
Office Expense	918.14	2,252.57
Office Supplies	12.84	1,872.70
Payroll Expense		
Garnishments	922.74	2,153.06
Guaranteed Payment		
Aidan	8,845.00	24,799.24
Kelley	13,475.00	32,535.00
Robin	3,845.00	9,997.00
Total Guaranteed Payment	**26,165.00**	**67,331.24**
Health Insurance	3,593.50	10,037.50
Payroll Fees	365.40	1,240.06
Payroll Tax	19,579.56	43,312.10
Wages & Salaries	52,716.77	116,304.88
Workers Comp	-128.36	183.15
Total Payroll Expense	**103,214.61**	**240,561.99**
Postage & Delivery	26.40	26.40
Professional Fees		
Accounting Expense	300.00	3,900.00
Consulting	12,022.00	30,046.00
Legal Fees	4,361.25	50,610.82
Total Professional Fees	**16,683.25**	**84,556.82**
Repairs & Maintenance	854.98	14,727.69
Software	5,657.79	14,109.33
Technology Subscriptions	20,518.40	40,496.28
Travel	59,774.07	71,029.34
Ground Transportation	246.38	450.71
Lodging	4,909.31	10,040.90
Meals	952.55	3,126.99
Travel - Other	997.26	2,147.26
Total Travel	**66,879.57**	**86,795.20**

Dog Training Elite Franchising LLC

Profit and Loss YTD Comparison

March 2023

	TOTAL	
	MAR 2023	JAN - MAR, 2023 (YTD)
Uncategorized Expense		630.00
Total Expenses	**$258,675.07**	**$632,597.71**
NET OPERATING INCOME	**$ -52,219.17**	**$ -153,545.86**
NET INCOME	**$ -52,219.17**	**$ -153,545.86**

EXHIBIT "C"
TO THE FDD

SCHEDULE OF FRANCHISEES:[1]
(as of December 31, 2022)

State	Location	Owner[2]	Phone	Address
Alabama	Huntsville	JB Pitsinger	(256) 541-3019	1050 Teenajo Dr SE Huntsville, AL 35803
Colorado	Colorado Springs	Bert and Sarah Ballard	(719) 249-4364	3609 Austin Bluffs Pkwy Ste 31, Colorado Springs, CO 80918
Colorado	Denver	Bert and Sarah Ballard	(720) 826-4364	1460 W Canal Street Littleton, CO 80120
Connecticut	New Haven	Jason Strohmaier	(203) 433-6287	91 Greenbrier Dr Guilford, CT 06437
Florida	Broward County	Marie Nicolas	(305) 407-3438	1640 Town Center Circle, #218 Weston, FL 33326
Florida	Panama City and Pensacola	Montina Ruffin	(850) 826-4364	1016 Thomas Dr #240 Panama City Beach, FL 32408
Florida	Lakeland/Kissimmee	Raul and Yvette Aguilara	(813) 367-6717	2734 Greyhawk Estates Lane Lakeland, FL 33812
Florida	Jacksonville	Eric and Ashley Gagne	(904) 299-6554	12574 Flagler Center Blvd Jacksonville, FL 32258
Florida	Palm Beach	Josephine Petrolo	(561) 858-3647	205 Andalusia Dr Palm Beach Gardens, FL 33418
Florida	Orlando (North)	Craig Fizer	(407) 974-6091	360 N Lake Sybelia Dr Maitland, FL 32751
Florida	Orlando	Cheyenne and Chelsea Emery	(407) 375-2097	40807 W 2nd Ave Umatilla, FL 32784
Florida	Sarasota	Deene and Denis Yenchochic, Alisa and Danielle Kellington-Welsh	(941) 926-6751	2400 Kilpatrick Rd Nokomis, FL 34275
Florida	Tampa (West)	Ryan Roudebush and Kim Tullis	(727) 721-0929	10927 Bounty St New Port Richey, FL 34654
Florida	Tampa	Tonya Stafford and Luis Rodriguez	(813) 755-3332	3511 Golden Eagle Dr Land O' Lakes, FL 34639
Florida	Port St. Lucie	Shelley Walker	(772) 242-5060	1680 SW Bayshore Blvd, Ste 100 Port St. Lucie, FL 34957
Georgia	Cobb County	Charmone Newell	(404) 548-9060	3604 Cloud Lake Ct NW Kennesaw, GA 30152
Georgia	Atlanta (Northeast)	Gosia Cybulska and Michael	(470) 660-3647	233 Arnold Mill Rd, Ste 300

		Billedo		Woodstock, GA 30188
Georgia	Atlanta (West)	Whit Gray	(678) 478-9693	3010 Robertswood Dr Powder Springs, GA 30127
Iowa	Des Moines	Cannady, Craig, and Jack Fritzjunker	(515) 771-0673	319 SW 5th Street Ste 300 Des Moines, IA 50309
Illinois	Chicago (West)	Tim and Katie Matt	(630) 445-4084	10 Timber Mill Ct Bolingbrook, IL 60490
Indiana	Fort Wayne	Clint and Cassandra Frank	(260) 544-6888	104 EMS D22 Ln Syracuse, IN 46567
Indiana	Indianapolis	Doug Pfaff	(317) 788-8000	9745 Randall Dr, Ste 120 Carmel, IN 46080
Kentucky	Lexington & Louisville,	Tom and Diane Smatlak	(859) 533-6898	585 Scotts Ferry Rd. Versailles, KY 40383
Louisiana	Baton Rouge & New Orleans	Ed Erb and Betsy Feaster	(225) 274-6107	3318 Grand Field Ave. Baton Rouge, LA 70810
Louisiana	Shreveport	Jenny and Matti Harris	(318) 666-9994	2211 Shed Rd, Bldg C Bossier City, LA 71111
Maryland	Howard County	Sean and Christy Dugan	(240) 459-0004	6126 Downs Ridge Court Elkridge, MD 21075
Massachusetts	Boston	David Macchia, Michaela Macchia and Marcus DiBenedetto	(978) 480-6298	78 River St Fitchburg, MA 01420
Massachusetts	Boston (South)	Jason Spring	(774) 516-3649	125 Church St, Ste 170 Plymouth, MA 02359
Michigan	Traverse City	Dan Lutchko	(231) 508-3029	4133 Bridlewood Dr Traverse City, MI 49685
Michigan	Ann Arbor	Austin Goble and Roger Goble	(810) 510-3647	3859 Highcrest Dr Brighton, MI 48116
Michigan	Grand Rapids	Carrie McIntyre	(616) 600-1393	116 Meadows Dr Norton Shores, MI 49444
Minnesota	Twin Cities	George Rehbein	(763) 342-9250	11040 Huntington Ave Chaska, MN 55318
Missouri	Kansas City	Chuck and Cat Klingsik	(816) 308-6985	1017 SE 6th St. Lee's Summit, MO 64063
Missouri	Springfield	Kristi, Nerissa and Jeremy Anderson	(417) 427-7557	1946 S Kentwood Ave Springfield, MO 65804
Missouri	St. Louis	Matt Willis	(314) 800-7064	1818 S. Third Street St. Louis, MO 63104
North Carolina	Asheville	David and Nicole Webb	(828) 595-3647	76 Peachtree Rd, #300 Asheville, NC 28803
North Carolina	Charlotte	Shawn and Sharon Gantkowski	(980) 680-2030	9805 Statesville Rd. Charlotte, NC 28269

North Carolina	Raleigh Durham and Chapel Hill	Cindy Skocik	(919) 998-6772	209 Wild Oak Ln. Carrboro, NC 27510
Nebraska	Omaha	Bob Wiegand	(531) 999-6333	4204 S 179th St. Omaha, NE 68135
New Hampshire	Concord	René Marro	(603) 568-0358	76 Currier Rd Concord, NH 03301
New Mexico	Santa Fe, Albuquerque	Justin and Jen Schroer	(505) 504-8607	4381 Dia Nublado Santa Fe, NM 87507
Nevada	Henderson	Colin and Celeste O'Keefe	(702) 551-3647	156 Afternoon Rain Ave Henderson, NV 89002
Nevada	Las Vegas	Nick Smith	(702) 879-4211	10012 Cluny Ave Las Vegas, NV 89141
Ohio	Cincinnati	Scott Joyce	(513) 420-7507	5167 Spring Mountain Ln Liberty Township, OH 45044
Ohio	Cleveland	Joshua Lopez	(216) 200-3254	1577 Columbia Rd Valley City, OH 44280
Ohio	Cleveland (Northeast)	Kevin and Andrea Johnson	(440) 290-1500	2887 Camelot Ct Willoughby Hills, OH 44092
Oklahoma	Oklahoma City	David Foster	(918) 443-0154	7277 Co Rd 410 McKinney, TX 75071
Pennsylvania	Philadelphia	Elizabeth Feaster and Edward Erb	(484) 383-7273	150 N Radnor Chester Rd Wayne, PA 19087
Pennsylvania	Philadelphia (West)	Taylor Newton	(610) 345-3647	625 Shropshire Drive West Chester, PA 19382
Pennsylvania	Pittsburgh	Vince Conrad	(724) 299-1371	480 Pinewood Dr McMurray, PA 15317
Rhode Island	Providence	Danielle and Dan Sanderson	(401) 399-4177	147 Richard Dr Portsmouth, RI 02871
South Carolina	Charleston and surrounding area	Steve Thompson and Valerie de Armas	(843) 934-2823	507 Polaris Wy Summerville, SC 29486
South Carolina	Greenville and surrounding area	Jared and Elizabeth Smearman	(864) 863-3647	2514 River Rd, Ste 108 & 109 Piedmont, SC 29673
South Carolina	Columbia	Justin Collette, Darlene and Jeff Collette	(803) 903-3647	521 Verona Way Chapin, SC 29036
Tennessee	Nashville (Central)	Parker Fillmore	(615) 314-8514	5016 Centennial Blvd, Ste 200 Nashville, TN 37209
Tennessee	Nashville (surrounding)	Bradley Okeson	(844) 744-3647	2107 Lothric Wy, Unit 4108 Murfreesboro, TN 37129
Tennessee	Chattanooga	Rod Westmoreland	(432) 497-0707	707 Sunset Mountain Dr. Chattanooga TN 37421
Texas	Austin	Donny and Jenny Castro-	(512) 762-5080	7000 N Mopac Expy Ste 200

		Conde		Austin, TX 78731
Texas	San Antonio	Whitley Cheatham	(210) 723-5288	2411 NE Interstate 410 Loop, Ste 126 San Antonio, TX 78217
Texas	Blanco	Gray and Denise Hall	(830) 380-3647	603 San Diego San Antonio, TX 78232
Texas	Houston (West)	Alex Price	(713) 301-5040	4148 Ruskin St West University Place, TX 77005
Texas	Houston (South)	Bob Schwartz	(832) 381-2111	3002 Sugar Maple Ct Friendswood, TX 77546
Texas	Dallas Fort Worth and Surrounding areas	Phil and Lori Howard, Tra Howard, Yuni Alvarez, Marc Gregory	(214) 383-3391	4747 4th Army Dr, Ste 600 Frisco, TX 75034
Texas	Houston (Northeast)	Rachel and Daniel Van De Mark	(346) 386-4504	702 Merrimac Ridge Lane. Spring, TX 77373
Utah	Davis/Weber Counties & Park City	Colleen Tvorik and Dan Hutchings	(435) 640-6555	8713 Alpen Circle Salt Lake City, UT 84121
Utah	St. George	Colby Wilcock, and Amber and Roy Christiansen	(801) 639-9088	1305 Commerce Dr Saratoga Springs, UT 84045
Utah	Tooele and West Salt Lake	Colby Wilcock, and Amber and Roy Christiansen	(801) 690-7660	505 S Brenda Place, Bldg 605, Ste 2A Tooele, UT 84074
Utah	Utah County	Evan and Megan Sutton	(801) 234-0924	2871 E Oakridge Dr Salt Lake City, UT 84109
Virginia	Richmond	Paul Hearn	(804) 944-8500	8125 Burray Ct Chesterfield, VA 23838
Wisconsin	Milwaukee	Mary Stallmann	(855) 588-4364	2000 W Bender Road Glendale, WI 53209
Wisconsin	Madison	Mary Stallmann	(855) 588-4364	225 W Cherokee Cir Fox Point, WI 53217
Wisconsin and Illinois	Kenosha and Northern Chicago	Jeff Lambrecht	(262) 515-9383	10230 8th Ave Pleasant Prairie, WI 53158

[1] Many of our franchisees own multiple franchise territories.

[2] If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The following are franchisees who have had an outlet transferred, terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year, or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None

EXHIBIT "D"
TO THE FDD

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677 www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	Secretary of State		99 Washington Avenue, Albany, NY 12231	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712

Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

If a state is not listed, Dog Training Elite Franchising, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Dog Training Elite Franchising, LLC has appointed an agent for service of process.

EXHIBIT "E"
TO THE FDD

LIST OF STATE AGENCIES RESPONSIBLE FOR FRANCHISE DISCLOSURE/REGISTRATION LAWS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	Sacramento: 2101 Arena Blvd., Sacramento, CA 95834 San Diego: 1455 Frazee Road, Suite 315, San Diego, CA 92101-3697 San Francisco: One Sansome Street, Ste. 600, San Francisco, CA 94101 Los Angeles: 320 West 4th Street, Ste. 750, Los Angeles, CA 90013-2344	Sacramento: (916) 445-7205 San Diego: (619) 525-4233 San Francisco: (415) 972-8559 Los Angeles: (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 23214-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20th Floor, Baltimore Maryland 21202-2020	(410) 576-6360
Michigan	Michigan Attorney General's Office	Consumer Protection Division;	525 West Ottawa Street, Williams	(517) 373-7117

		Attn: Franchise Section	Building, 6th Floor, Lansing, MI 48933	
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21st Floor, New York, NY 10005	(212) 416-822 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6th Street, NW, Washington DC 20580	(202) 326-3128

EXHIBIT "F"
TO THE FDD

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EXHIBIT "G"
TO THE FDD

RELEASE AGREEMENT

RELEASE AGREEMENT
(FORM)

This RELEASE AGREEMENT ("Agreement") is made and entered into as of _____ by and between **DOG TRAINING ELITE FRANCHISING, LLC** ("Franchisor") and **_____, LLC/INC., _____, AND _____** (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein shall have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Dog Training Elite® franchise agreement on _____ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of _____.

NOW THEREFORE, In consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee, and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and

expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

FOR CALIFORNIA RESIDENTS ONLY: These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Nothing in this Agreement releases Personal Guarantor(s) or Franchisee from their obligations under their non-competition clauses of the Franchise Agreement or their Non-Competition Agreements signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement shall be construed in accordance with, and all disputes hereunder shall be governed by the laws of the state of Utah. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake County, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

6.3 Arbitration. In the event any controversy or dispute shall arise between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy shall, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings shall be conducted exclusively in Salt Lake City, Utah, and the laws of the state of Utah shall govern. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, shall be entitled to recover the administrative

costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder shall result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators shall be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations shall be binding upon and shall inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein shall not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such

prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date first above written with the full authority of the company principal they represent.

FRANCHISOR:	FRANCHISEE:
DOG TRAINING ELITE FRANCHISING, LLC	_____
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	Title: _____

PERSONAL GUARANTOR(S):

By: _____	By: _____
Name: _____	Name: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Date: _____	Date: _____

EXHIBIT "H"
TO THE FDD

FRANCHISE DOCUMENTS SIGNING CHECKLIST

®

Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated and/or a copy of the document delivered to the franchisor.

1. When you receive the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must sign and date both copies. You will keep the copy labeled "Franchisee Copy" and return the other copy ("Franchisor Copy") to the franchisor ("Dog Training Elite Franchising, LLC").	____

2. When you sign the Franchise Agreement and other documents.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Franchise Agreement	(page 1)	Fill in the franchisee name.	____
Franchise Agreement	(page 3)	In first paragraph fill in date and franchisee name.	____
Franchise Agreement	(page 39)	Fill in the franchisee name, address, and email.	____
Franchise Agreement	(page 46)	**1**. If the franchisee is an entity, (1) fill in the entity name on the line before LLC/INC., and have the president, manager, etc. sign on behalf of the entity. **2**. If there is no entity, the franchisee will sign on the lower lines and print his or her name on the line before "personally."	____
Territory	Exhibit A-1 (page 47-48)	Fill in the description of each purchased franchise territory along with the population of each territory. You will	____

		also fill in the total initial franchise fee in #3. The franchisee and franchisor must initial; attach map if appropriate.	
Company Reps. and Warranties	Exhibit A-2 (page 49-50)	The franchisee must fill in the appropriate fields, date, and sign.	____
Brand Protection Agreement for Principals	Exhibit A-4 (page 53-56)	Each owner and principal manager of the franchisee must sign this agreement. .	____
Employee Brand Protection Agreement	Exhibit A-5 (page 57-60)	To be filled out and signed by each one of franchisee's employees.	____
Landlord's Consent to Assignment	Exhibit A-6 (page 61)	Landlord fills in the blanks, dates, and signs.	____
ACH Agreement	Exhibit A-7 (page 62)	This must be filled out with all the appropriate bank information and signed.	____
Digital, Social Media, and Listings Authorization for Assignment	Exhibit A-8 (pages 63-64)	The franchisee must sign this.	____
State Addenda	Exhibit A-9 (pages 65-73)	Depending on your state, you may be required to fill out and sign a specific addendum	_____
Franchise Agreement (Personal Guaranty)	Exhibit A-10 (page 74-75)	Fill in the date for the Personal Guaranty and each owner owning at least 5% of the franchise company must sign.	____

3. Exhibits to the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Form Release Agreement	Exhibit – G	This does <u>not</u> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise.	____

4. Items to complete after you sign the franchise agreement.

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED/ RECEIVED
Proof of insurance	The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this **annually**.	____
Franchisee's d.b.a.	In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "Dog Training Elite Franchising, LLC." The blank line will be the city or neighborhood where your franchise is located or as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be "Dog Training Elite Franchising, LLC– Irvine." The franchisor must approve your dba before you file it. You must send a copy of the dba filing to the franchisor after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that also you cannot use the name "Dog Training Elite Franchising, LLC" as part of your company name.	____
Franchisee's entity documents	Articles of incorporation/organization along with bylaws or operating agreement sent to franchisor.	____
Copy of lease agreement (if applicable)	The franchisee must provide a copy of the lease agreement to the franchisor.	____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	November 12, 2022
Minnesota	Pending
New York	Pending
Rhode Island	Pending
Virginia	June 22, 2022
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(Franchisee's Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this document and all agreements carefully. If Dog Training Elite Franchising, LLC offers you a franchise, it must provide this disclosure document to you at least 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 earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Dog Training Elite Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "E." Dog Training Elite Franchising, LLC authorizes the respective state agencies identified on Exhibit "D" to receive service of process for it in the particular state.

Issuance date: April 13, 2023

Dog Training Elite Franchising, LLC is located at 2971 W. 560 S., Lehi, Utah 84043. Its telephone number is (801) 266-4802. The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
John Mestas	2971 W. 560 S., Lehi, Utah 84043	(801) 266-4802
Neal Mestas	2971 W. 560 S., Lehi, Utah 84043	(801) 266-4802
Kelley Rosequist	2971 W. 560 S., Lehi, Utah 84043	(801) 898-3023
Aidan Rosequist	2971 W. 560 S., Lehi, Utah 84043	(801) 850-8749

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

_____

I received a disclosure document with the following issuance date April 13, 2023 that included the following Exhibits:

A. Franchise Agreement and Its Exhibits
B. Financial Statements
C. Schedule of Franchisees
D. List of Agents for Service of Process
E. List of State Agencies Responsible for Franchise Disclosure and Registration Laws
F. Table of Contents for Policies and Procedures Manual
G. Form Release Agreement
H. Signing Checklist

Date: _____ By: _____
(Do not leave blank) (Signature)

Title: _____ Name: _____
(Print name)

RECEIPT
(Franchisor's Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this document and all agreements carefully. If Dog Training Elite Franchising, LLC offers you a franchise, it must provide this disclosure document to you at least 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 earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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G. Form Release Agreement
H. Signing Checklist

Date: _____ (Do not leave blank)

By: _____ (Signature)

Title: _____

Name: _____ (Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to 2971 W. 560 S., Lehi, Utah 84043 or emailing it to franchise@dogtrainingelite.com.