FRANCHISE DISCLOSURE DOCUMENT

Good CitiZEN Dog Training. peaceful living with your dog	Good CitiZEN Dog peaceful living with your dog

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Department of Business Oversight

DJR & Associates, LLC
Washington State Limited Liability Company
207 North I Street
Tacoma, Washington 98403
Phone: 253-752-6878
Email: Deborah@GoodCitizenDog.com / www.GoodCitizenDog.com

As a franchisee, you will operate a Good Citizen Dog Peaceful Living With Your Dog® (hereinafter referred to as "**GCD**") business that offers positive reward based, dog-training services.

GCD HOME-BASED BUSINESS MODEL: The total investment necessary to begin operation of a GCD franchised Home-Based business is from $44,650 - $60,800. This includes an Initial Franchise Fee of $29,500 for the first franchised territory, and $19,500 for each additional franchised territory that must be paid to the Franchisor. Additional territory(ies) must be contiguous to your initial franchise territory; and need not be purchased simultaneously with the first franchised business purchase.

GCD ZEN CENTER MODEL: The total investment necessary to begin operation of a GCD franchised ZEN Center is $31,600 - $105,550. This includes an Initial Franchise Fee of $0 - $29,500. The Initial Franchise Fee will depend upon factors such as: a purchase in combination with the previously purchased GCD HOME-BASED Business; or as an addition to an existing dog-related business; and/or other factors.

The Initial Franchise Fee for each additional franchised territory is $19,500. Additional territory(ies) need not be purchased simultaneously with the first franchised business purchase.

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, Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department of DJR & Associates, LLC, 208 North I Street, Tacoma, Washington 98403, Phone 1-253-752-6878, and E-mail Deborah@GoodCitizenDog.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a

Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information on franchising. 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 25, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about Franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN WASHINGTON. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN WASHINGTON THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT PROVIDES THAT WASHINGTON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE OUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more Franchise Brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: April 25, 2018 (in non-registration states; see the following page for the effective date, if any, in each registration state)

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	Renewal Pending
Hawaii	
Illinois	
Indiana	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Washington	Renewal Pending
Wisconsin	

MICHIGAN NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

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

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

(e) 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.

(f) 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.

(g) 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:

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

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

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

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

(v) 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 franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision.

(h) 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 should be directed to the attorney general's department for the state of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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EXHIBITS

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND/OR ADDENDUM TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND ADDENDA, IF ANY, ARE INCLUDED IN EXHIBIT F.

Item 1

FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Franchisor

The Franchisor, DJR & Associates, LLC, is referred to as "**Franchisor**," "**We**," "**Us**," or "**Our**." The person or business entity to whom we sell a franchise is referred to as "**Franchisee**," "**You**," or "**Your**." If you are a corporation, partnership, limited liability company, or other entity, your principals must sign a "**Personal Guarantee and Assumption of Obligations**," in the form attached to the Franchise Agreement as Exhibit 1, which means that all of the provisions of the Franchise Agreement (Exhibit B) will also apply to your principals. (See Item 15) If you are a corporation, partnership, limited liability company, or other entity, "**Franchisee**," "**You**," or "**Your**" includes your principals.

We are a limited liability company, formed in the State of Washington on January 25, 2013. Our principal business address is 207 North I Street, Tacoma, Washington 98403. We operate under our corporate name DJR & Associates, LLC and the GCD trademarks described in Item 13 (the "**Marks**"). We do not do business or intend to do business under any other names. We currently have no predecessors or affiliates required to be included in this Item (except as provided below).

We have not offered franchises in any other lines of business.

Predecessors and Parents

We currently have no Parent companies or predecessors required to be included in this Item.

Affiliates

We currently have one affiliate: Rosen & Associates, Inc. d/b/a Good CitiZEN Dog Training. Rosen & Associates, Inc. d/b/a Good CitiZEN Dog Training and f/k/a Good Citizen Canine, is a Washington corporation, formed on January 15, 2004, whose principal business address was 5121 Pacific Highway East, Fife, Washington 98424, relocated to 207 North I Street, Tacoma, Washington 98403 in July 2016. Rosen & Associates, Inc. has operated a business similar to the business offered by this disclosure statement since January 2004.

Our affiliate has not offered franchises in any line of business.

Agents for Service of Process

Our agents for service of process are disclosed in Exhibit A.

The Franchise

We grant franchises for a business (hereinafter may be referred to as the "**Franchise**," "**Good Citizen Dog Peaceful Living With Your Dog®**," "**Good Citizen Dog Business**," "**GCD Office**," "**GCD ZEN Center**," "**GCD Business**," "**Business**," or "**Unit**") operating under the GCD trademark and other Marks, that offers positive reward based dog-training services.

A copy of the Franchise Agreement is attached as Exhibit B.

We do not operate any GCD Offices or GCD ZEN Centers, although we may do so in the future.

A GCD Business is operated according to specified procedures. If you acquire a Franchise, you must operate your Business according to our business formats, methods, procedures, designs, layouts, standards and specifications, as detailed in our Manual.

We began offering franchises in 2014.

Laws and Regulations

You must obtain a business license. You must also comply with all laws and regulations that apply generally to businesses where your Business is located, and you should investigate these laws and regulations. There are no laws and regulations that apply specifically to the industry in which GCD Businesses operate.

Competition

Your Business will offer dog training and/or related services to the general public throughout the year and compete with other dog training services, dog grooming and/or dog daycare businesses, which may be franchised by other companies, or independent operations. The market for your type of service generally is developed and very competitive. Despite this competition, we believe that a GCD Business will appeal to consumers because of quality dog training and/or related services to dog owners. Because of the quality dog training and/or related services to dog owners you are offering, your business income will vary depending upon the time of the year. In our experience, January through May, and September through mid-November are generally the busier times of the year. Summers vary and may also be a busy time.

Item 2

BUSINESS EXPERIENCE

CEO: Deborah J. Rosen

January 2013 to present: Ms. Rosen has been the CEO of DJR & Associates, LLC, a Washington limited liability company, in Fife, Washington since its formation in January 2013.

June 2010 to present: Ms. Rosen has been the Owner and President of Good Citizen Dog Training Tacoma, LLC, a Washington limited liability company, in Tacoma, Washington since its formation in June 2010.

January 2004 to present: Ms. Rosen has been the Owner and President of Rosen & Associates, Inc., d/b/a Good Citizen Canine, a Washington corporation, in Tacoma, Washington since its formation in September of 2002.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

GCD HOME-BASED MODEL: You must pay Us an Initial Franchise Fee (the "**Initial Franchise Fee**") in the amount of $29,500 for the first territory. This amount includes the right to use the trademarks (see Item 13) and training in the operation of your Business.

GCD ZEN CENTER MODEL: You must pay Us an Initial Franchise Fee of $0 - $29,500. The Initial Franchise Fee will depend upon factors such as: a purchase in combination with the previously purchased HOME-BASED Business; or as an addition to an existing dog-related business; and/or other factors. This amount includes the right to use the trademarks (see Item 13) and training in the operation of your Business.

The Initial Franchise Fee for each additional franchised territory is $19,500. Additional territory(ies) need not be purchased simultaneously with the first franchised business purchase.

Within thirty (30) days following our receipt of your signed Franchise application, we will approve or disapprove your application for a Franchise. If we determine that you (or your managing owner) cannot complete the initial training program to our satisfaction, we may terminate the Franchise Agreement. Also, if you are unable to get the necessary business permits or licenses through no fault of your own, within 30 days for a GCD Home-Based Business, or within 90 days for a GCD ZEN Center, with one (1) thirty-day (30) extension, either one of us can terminate the Franchise Agreement.

Website and Initial Database Set-Up

We provide you with a website and the initial database set-up. You pay us or an approved vendor a $1,500 fee for your website and a $250 fee for initial database set-up at least fifteen (15) days before you begin training.

Training Fee (for more than one (1) trainee):

We provide initial training and training materials, at no additional charge, for one (1) trainee per each Franchise business purchased. If you send more than one (1) trainee to initial training, we will charge you a training fee of $300 per day for each additional administrative trainee (maximum of five (5)) attending training together with the first one (1) trainee. If you send more than one (1) trainee to initial "hands-on dog training" only, we will charge you a $1,500 per week (six (6) days) for each additional trainee (maximum of five (5)) attending training together with the first one (1) trainee. You must also pay all of your trainees' travel, meal and lodging expense, along with their hourly wage/salary (if applicable) while at training. See Item 11 for more information on training.

In Washington and California, the collection of the initial fees will be deferred until we have fulfilled our pre-opening obligations to you under the franchise agreement and the franchised business is open for business. The franchised business will be deemed to be open for business when we have fulfilled our pre-opening obligations to you under the franchise agreement.

Except for the limited circumstance described in this Item 5, all initial fees are uniform and are fully earned when paid and are not refundable under any circumstances.

Item 6

OTHER FEES AND COSTS

GOOD CITIZEN DOG PEACEFUL LIVING WITH YOUR DOG®

Type of Fee[1]	Amount	Due Date	Remarks
Royalty	7% of monthly Gross Income or $550, whichever is greater	The 10th of each month, based on Gross Income of the previous month [2]	**"Gross Income"** means all of your revenue from operating the Business, but excluding taxes collected from customers and paid to any taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and charge-backs given in good faith to customers.
Grand Opening Marketing and Advertising	Minimum of $4,500	During the designated grand opening period	You must spend this amount during the first three months according to our guidelines contained in the Pre-Opening Manual.
National Advertising and Development Fund	Up to 1% of monthly Gross Income	Monthly, as incurred, by the 10th day of each month, based on Gross Income of the previous month [2, 3]	Payable to us if we establish a National Advertising and Development Fund. See Item 11 for a detailed discussion about this Fund.
Regional Advertising Program [3]	2% of monthly Gross Income	As directed by the Regional Program	Payable to us if we establish a Regional Advertising Program for your area. Your contributions to a Regional Advertising Program will be credited against the 2% of Gross Income that you are required to spend on local advertising. See Item 11 for a detailed discussion about the Regional Advertising Program.

Type of Fee[1]	Amount	Due Date	Remarks
Local Advertising	4 - 3% of monthly Gross Income against a minimum of $300, whichever is greater[4]	Monthly as agreed with third party suppliers	Local advertising is on a descending scale based on longevity as a Franchisee. You must spend this amount on local advertising. A report must be submitted to us by the 10th day of the month, based on the Gross Income of the previous month.
Additional Training or Assistance at corporate or an affiliate's location	$250 to $500 per person per day; based on topic (as defined in the Operations Manual); plus travel, meal and lodging expenses for training, if applicable.	Before training or assistance begins	We may charge you for additional or special assistance or training you need or request; for refresher training courses; and for training newly-hired personnel. For all training sessions and conferences, you must pay for your trainees' salaries and benefits, and for their travel, meal and lodging expenses, and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable).
Optional Advanced Meet and Greet (AMG) Training at corporate or an affiliate's location	$1,250 per person (taken with initial training); $1,500 per person (taken after initial training); $2,500 per person (new hires, includes initial training plus AMG training)	Before training begins	We may charge you for AMG training. For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and for their travel, meal and lodging expenses.
Additional Training or Assistance at your location	$750 per trainer per day, with a two (2) day minimum, plus travel, meal and lodging expenses for training at your location	Before training or assistance begins	We may charge you for additional or special assistance or training you need or request; for refresher training courses; and for training newly-hired personnel at your location.
Transfer Fee	$7,500	Before transfer completed	No charge if Franchise Agreement is transferred to an entity you control.

Type of Fee	Amount	Due Date	Remarks
Transfer involving a broker	Actual broker's fee	Before transfer	If a broker is involved in a transfer, you or the buyer must pay the broker's fee.
Renewal Fee	$2,500	Before renewal completed	If you are in full compliance to all terms and conditions you may acquire two (2) successor franchise terms of seven (7) years each.
Products and Service Purchases	The price of the products and services purchased from us, our affiliate(s), and designated or approved vendors whose items meet our standards and specifications.	As incurred	You must buy certain products and services from us, our affiliate(s), and designated or approved vendors whose items meet our standards and specifications, which are detailed in our Manual. We may also permit you to buy from other suppliers to the industry upon review and approval.
Testing New Products or Services	Actual Cost of Testing	Upon your receipt of our invoice	This covers the costs of testing new products or services, or inspecting new suppliers you propose.
Computer Systems, Maintenance, and Support	Cost of Service	As Incurred	We or a third party may charge you a fee for any proprietary software or technology that we, our affiliate(s) or an approved third party have provided by license to you and for other maintenance and support services that we or an approved third party might provide in the future.
Website User, Maintenance and Hosting Fee; Database Fee	Minimum of $75 per month (monthly cost may increase annually)	As Agreed	Designated vendor and/or Us or an Affiliate.
Audit	Actual Cost of Audit	Upon your receipt of our invoice	Payable to us if you do not provide us with reports, supporting records or other required information, on a timely basis, or if you understate required Royalty payments and/or Fund contributions by more than 2%.

Type of Fee[1]	Amount	Due Date	Remarks
Maintenance and Refurbishing of Business	Our actual costs	Upon your receipt of our invoice	If, after we notify you, you do not undertake efforts to correct deficiencies in Business appearance, then we can undertake the repairs and you must reimburse us.
Insurance	Our actual costs	Upon your receipt of our invoice	If you fail to obtain insurance, as specified, we may obtain insurance for you and you must reimburse us.
Fee for Failure to Keep Manual at Place of Business	$10,000 per occurrence	Upon your receipt of our invoice	Payable to Us if you fail to keep the Operations Manual at your place of business.
Late Penalty[5]	$100 per incident plus 1½% interest per month, or maximum allowed by law	Upon your receipt of our invoice	Payable to us on any overdue or past due amounts of any fees or charges. In California, the highest interest rate allowed is 10% per year.
Insufficient Funds	$75 or as permitted by local law	Upon your receipt of our invoice	Payable to us if you have insufficient funds in your EDTA to cover a payment, or if you pay by check and a check is returned for insufficient funds or a closed account.
Management Fee	$400 per person per day, with a five (5) day maximum ($2,000 for the five (5) days), plus our travel, meal and lodging expenses	Upon your receipt of our invoice	Payable to us if we (or a third party) are required to manage your Business after you or your managing owner's death, mental or physical incapacity, or after your default or abandonment of your clients.
Cost and Attorneys' Fees	Our actual costs	Upon your receipt of our invoice	Payable to us if you do not comply with the Franchise Agreement.
Indemnification	Our actual costs and/or liability	Upon your receipt of our invoice	You must reimburse us if we are held liable for claims arising from the operation of your Business.

1. The Royalty, fees for any additional training, the transfer fee, the renewal fee, website user and maintenance fee, any fees for testing new products or services, audit fees, late penalty fee(s), fees for maintenance and refurbishing of the Business, insurance, management fee, costs and attorney's fees, and indemnification are imposed and collected by and payable to us. All such fees are non-refundable and are uniformly imposed. All other fees are imposed and collected by and payable to third parties. Regardless of what day of the month you open the Business the last day of the month

will signify the end of the first month, subsequent months will begin on the first day of each month and end on the last day of each month.

2. Before your Business opens, you must sign and deliver to us an "**Electronic Depository Transfer Account Document**" or "**EDTA**" (Exhibit G), which authorizes us to debit your business checking account automatically for the Royalty payments, Fund contributions, and other amounts due under the Franchise Agreement. We will debit the EDTA for these amounts on their due dates. Funds must be available in the EDTA for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

   If you do not report the Business's Gross Income, we may debit your EDTA for 120% of the last Royalty payment and Fund contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, we will debit your EDTA for the balance on the day we specify. If the amounts we debit are greater than the amounts you actually owe us, we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following month.

3. The GCD businesses that contribute to a Regional Advertising Program will include any GCD businesses operated in the Advertising Coverage Area by us, our Affiliate, Rosen & Associates, Inc., d/b/a Good Citizen Canine and Good Citizen Dog Training Tacoma, LLC, or other affiliates. Each GCD business operating in the Advertising Coverage Area and contributing to the program will have one (1) vote, including our GCD Business and those owned by our affiliate(s).

4. Local Advertising is based on a descending scale as follows:

Advertising	Time Frame
4% of monthly gross income or $300, whichever is greater	Months four (4) through twelve (12)
3.5% of monthly gross income or $300, whichever is greater	Months thirteen (13) through thirty-six (36)
3% of monthly gross income or $300, whichever is greater	Months thirty-seven (37) through eighty-four (84)

5. Late Penalty – If you fail to pay the Royalty, any advertising expenditure, website user and maintenance fee, equipment, supplies or other sums payable to us or our affiliate(s) (if applicable), when due, you must pay us a late fee of $100 per incident plus 1-½% interest per month on the unpaid balance, or the maximum permitted by law, whichever is higher.

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

ESTIMATED INITIAL INVESTMENT
HOME-BASED MODEL

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee 1	$29,500	Lump Sum	On signing Franchise Agreement	Us
Real Estate 2	Not Included	Not Included	Not Included	Not Included
Rent: Office 2	$0 - $900 (first three (3) months)	As Agreed	Monthly	Landlord
Rental of Training Facilities 2	$500 - $1,500	As Agreed	As Needed, As Incurred	Landlord and/or Business
Lease Security Deposit 3	$0 - $600	Lump Sum	Generally, a one or two month security deposit is payable upon your execution of the lease	Landlord
Utility Deposits 4	$50 - $100	As Arranged	As Incurred	Utility Companies
Leasehold Improvements 5	$0 - $500	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Architectural Plans 6	$0 - $250	As Agreed	As Incurred (prior to opening)	Architect
Business Licenses and Permits 7	$150 - $500 (Varies by state and municipality)	Lump Sum	As Incurred (prior to opening)	Outside governing organization(s)
Industry-Specific Licenses, Certifications and/or Memberships 8	$100 - $500 (Varies by state and municipality)	Lump Sum	As Incurred (prior to opening)	Outside Governing Agency(ies) and Organizations

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Computer System	$750 - $1,250	As Agreed	As Incurred (prior to opening)	Outside Supplier (See Item 11)
Industry Specific Software	$250 - $350	As Agreed	As Incurred (prior to opening)	Outside Supplier (See Item 11)
Website Set-Up	$1,500	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, or Us
Initial Set-Up of Database	$250	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, or Us
Office Furniture, Equipment and Supplies 9	$500 - $1,000	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Opening Inventory and Supplies 10	$250 - $500 (first three (3) months)	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, Us or our Affiliate(s)
Dog Training Equipment and Supplies 11	$500 - $1,500	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, Us or our Affiliate(s)
Signage 12	$800 - $2,500	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers
Grand Opening Marketing and Advertising 13	$3,300 minimum required	As Agreed	First Three (3) Months	Advertising Sources
Training Expenses (out-of-pocket costs for one (1) person), includes travel, meals and lodging, etc.	$2,150 - $ 3,500	As Agreed	As Incurred (prior to training)	Third Parties
Business Insurance 14	$200 - $350 (first three (3) months)	As Agreed	As Agreed	Insurance Company(ies)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance Bond 15	$100 - $250	Lump Sum	Annually	Insurance Company(ies)
Commercial Automobile Insurance 16	$800 - $950 per vehicle (first three (3) months) (rates will vary by individual)	As Agreed	As Agreed	Insurance Company(ies)
Optional Dog Training Equipment 17	$0 - $500	As Agreed	As Incurred	Outside Suppliers
Optional AMG Class 18	$0 - $1,250	As Incurred	As Incurred (at Initial Training)	Us or Affiliate(s)
Additional Funds 19	$1,500 - $3,300 (first three (3) months)	As Incurred	As Incurred	Employees, Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT 20	$44,650 - $60,800			As specified above

All figures are based on the parameters in Explanatory Note 2.

Explanatory Notes

1. We describe the Initial Franchise Fee in Item 5.

2. A GCD Business Office occupies approximately 100 to 150 square feet of office space. Rent varies by geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and may be considerably higher in large metropolitan areas than in more suburban or small-town areas. control

   HOME OFFICE: GCD Business Offices may initially be located in a residence, however, within nine (9) months of opening your Business Office, you must submit a written request to continue operating from your home-based office, or relocate to a commercial office site, as detailed in the Manual.

   LEASED OFFICE: Business Offices can be located in free-standing locations, light industrial parks, and in multi-use residential areas. Restrooms can be shared space.

   TRAINING SPACE: You may choose to rent training space as needed on a part-time basis. Training space consists of an indoor space with at least 800 sq. ft. for private training and 1,200 sq. ft. for group classes, which is appropriately heated or air conditioned, with adequate lighting, hard floors that clean easily but are not slippery or dangerous to dogs or people and are clean and hygienic (with no residual odors), a clean and well-functioning bathroom facility, chairs or a sofa for people who are unable to stand during the training, access for disabled adults and well-lit customer parking. The training facility may be rented on an hourly, weekly, monthly or yearly basis with qualifications as described in the Manual.

We anticipate that you will rent the Business's office premises and training space, and the figures in the table include the first three months' rent. Whether this rent is refundable depends on your agreement with your landlord and/or business owner. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Business already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of the purchase of real estate.

3. If you choose to lease office and/or permanent training space, generally, one to two months' rent must be paid upon the execution of the lease as a security deposit. The amount of the lease security deposit depends on your lease and/or agreement. Thereafter, rent is generally paid on a monthly basis. Whether this deposit is refundable depends on your agreement with your landlord.

4. If you decide to operate your Business from leased premises, you may be required to pay deposits for utilities. The amount of these deposits will vary depending on the practices of the utility companies and whether any impact or hook-up fees are required. Whether this deposit is refundable depends on your agreement with your utility company.

5. Leasehold improvement costs, including painting, window coverings, , and light touch-up, depend on the site's condition, location, and size; the demand for the site among prospective lessees; and the site's previous use. The lower figure assumes that you utilize an existing dog-friendly facility as needed; the higher figure assumes that you exercise your option to lease an existing office space in need of light touch up (painting).

6. An architect can provide architectural services relating to the Business building if necessary.

7. These amounts include possible business licensures and permits required by local, state or federal law, including, but not limited to business license, Certificate of Occupancy, and signage permit.

8. These amounts include industry-specific licensures and certifications required before opening, and the rules and regulation may vary by state, local and municipal law. Actual costs vary by state and/or municipality and may not be refundable. You are required to belong to the Association of Pet Dog Trainers (APDT), as detailed in the Manual.

9. These amounts include, but are not limited to, a desk, chair, filing cabinet, a multi-function copier/scanner/fax/printer, peripheral computer equipment, and telecommunication equipment, including cell phone, as detailed in the Manual.

10. This includes paper products, printing and general office supplies, restroom products, sanitation and cleaning supplies, and dog care supplies.

11. These amounts include the dog training equipment and supplies, as well as retail inventory, that you must purchase. This includes but is not limited to: temporary fencing for outdoor classes, two to three crates of various sizes, long leashes, leather leashes for demos, front clip harnesses; dog treats, treat pouches, harnesses, leather leashes, and bully sticks for starting retail inventory.

12. These figures may include the interior & exterior signage, vehicle signage and business brochures that you must purchase from our designated or approved supplier, as described in the Manual.

13. This is the minimum required amount you must spend on grand opening marketing and advertising for your Business.

14. You must obtain and maintain certain types and amounts of insurance. (See item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, and number of employees, square footage, location, business contents, and other factors bearing on risk exposure. Payments may be made in installments; however, availability of installment plans will vary by company. The estimate includes insurance costs for the first three (3) months.

15. You must obtain an insurance bond for yourself and your employees. Bonding insurance costs vary from state to state.

16. Rates will vary by individual and location. Because of the numerous variables that affect this cost, this is an estimated initial investment. Payments may be made in installments; however, availability of installment plans will vary by company.

17. This figure is the optional dog training equipment, which includes, but is not limited to, extra canine crates of all sizes, specialty training equipment, agility equipment, and wire pens, as detailed in the Manual.

18. This figure is for optional Advanced Meet and Greet (AMG) training beyond the initial basic dog training, that is taken immediately following the initial training, that you receive with the initial franchise fee. This AMG Class takes extra skill and time for training. This figure does not include the transportation, lodging and meal expense during this training.

19. This item estimates your expenses during the initial period of operation of your Business (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business.

20. We relied on the experience of our affiliate's, Rosen & Associates, Inc., d/b/a Good Citizen Canine, and Good Citizen Dog Training Tacoma, LLC, operation of a business similar to the Business for over fifteen (15) years to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and your collateral, and lending policies of financial institutions from which you request a loan.

ESTIMATED INITIAL INVESTMENT
ZEN CENTER MODEL

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee 1	$0 - $29,500	Lump Sum	On signing Franchise Agreement	Us
Real Estate 2	Not Included	Not Included	Not Included	Not Included
Rent 2	$4,500 - $ 7,500	As Agreed	Monthly	Landlord
Lease Security Deposit 3	$0 - $5,000	Lump Sum	Generally, a one or two-month security deposit is payable upon your execution of the lease	Landlord
Utility Deposits 4	$350 - $700	As Arranged	As Incurred	Utility Companies
Leasehold Improvements 5	$5,000 - $20,000	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Architectural Plans 6	$0 - $1,250	As Agreed	As Incurred (prior to opening)	Architect
Business Licenses and Permits 7	$150 - $500 (Varies by state and municipality)	Lump Sum	As Incurred (prior to opening)	Outside governing organization(s)
Industry-Specific Licenses, Certifications and/or Memberships 8	$100 - $500 (Varies by state and municipality)	Lump Sum	As Incurred (prior to opening)	Outside Governing Agency(ies) and Organizations
Computer System	$750 - $1,500	As Agreed	As Incurred (prior to opening)	Outside Supplier (See Item 11)
Industry Specific Software	$250 - $350	As Agreed	As Incurred (prior to opening)	Outside Supplier (See Item 11)
Website Set-Up	$1,500	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, or Us

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Set-Up of Database	$250	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, or Us
Office Furniture, Equipment and Supplies; and Display Fixtures 9	$500 - $2,500	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Opening Inventory and Supplies 10	$1,000 - $3,500 (first three (3) months)	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, or Us
Optional: Dog Training Equipment and Supplies 11	$0 - $4,700	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers, Us or our Affiliate(s)
Signage 12	$3,500 - $5,000	As Agreed	As Incurred (prior to opening)	Designated or Approved Suppliers
Grand Opening Marketing and Advertising 13	$4,500 minimum required	As Agreed	First Three (3) Months	Advertising Sources
Training Expenses (out-of-pocket costs for one (1) person), includes travel, meals and lodging, etc.	$2,150 - $3,500	As Agreed	As Incurred (prior to training)	Third Parties
Business Insurance 14	$200 - $350 (first three (3) months)	As Agreed	As Agreed	Insurance Company(ies)
Insurance Bond 15	$100 - $250 per person	Lump Sum	Annually	Insurance Company(ies)
Commercial Automobile Insurance 16	$800 - $3,800 (rates will vary by individual)	As Agreed	As Agreed	Insurance Company(ies)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Optional AMG Class 17	$0 - $1,250	As Incurred	As Incurred (at Initial Training)	Us or Affiliate(s)
Additional Funds 18	$6,000 - $10,500 (first three (3) months)	As Incurred	As Incurred	Employees, Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT 19	$31,600 - $105,550			As specified above

All figures are based on the parameters in Explanatory Note 2.

Explanatory Notes

1. We describe the Initial Franchise Fee in Item 5.

2. A GCD ZEN Center consists of an indoor space with at least 800 to 1,200 sq. ft., depending on services offered, which is appropriately heated or air conditioned, with adequate lighting, hard floors that clean easily but are not slippery or dangerous to dogs or people and are clean and hygienic (with no residual odors), a clean and well-functioning bathroom facility, chairs or a sofa for people who are unable to stand during the training, access for disabled adults and well-lit customer parking. Restrooms can be shared space. The GCD ZEN Center may be rented on an hourly, weekly, monthly or yearly basis with qualifications as described in the Manual.

   Rent varies by geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and may be considerably higher in large metropolitan areas than in more suburban or small-town areas. GCD ZEN Centers can be located in free-standing locations, light industrial parks, and in multi-use residential areas.

   We anticipate that you will rent the Business's GCD ZEN Center, and the figures in the table include the first three months' rent. Whether this rent is refundable depends on your agreement with your landlord. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Business already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of the purchase of real estate.

3. Generally, one to two months' rent must be paid upon the execution of the lease as a security deposit. The amount of the lease security deposit depends on your lease agreement. Thereafter, rent is generally paid on a monthly basis. Whether this deposit is refundable depends on your agreement with your landlord.

4. If you decide to operate your Business from leased premises, you may be required to pay deposits for utilities. The amount of these deposits will vary depending on the practices of the utility

companies and whether any impact or hook-up fees are required. Whether this deposit is refundable depends on your agreement with your utility company.

5. Leasehold improvement costs, including flooring, wall treatment, ceilings, painting, window coverings, electrical, plumbing, carpentry and similar work, and contractor's fees, depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Business; and any construction or other allowances the landlord grants. The lower figure assumes that you lease an existing dog-friendly facility and office location, the higher figure assumes that you remodel existing office/retail/warehouse and/or training space.

6. An architect can provide architectural services relating to the Business building if necessary.

7. These amounts include possible business licensures and permits required by local, state or federal law, including, but not limited to business license, Certificate of Occupancy, remodeling permit, debris removal permit, signage permit, and plumbing, electrical and/or gas permit.

8. These amounts include industry-specific licensures and certifications required before opening, and the rules and regulation may vary by state, local and municipal law. Actual costs vary by state and/or municipality and may not be refundable. You may be required to belong to the Association of Pet Dog Trainers (APDT), as detailed in the Manual.

9. These amounts include, but are not limited to: a sofa or chairs for clients, a desk, desk chair, filing cabinet, multi-function copier/scanner/fax/printer, other peripheral computer equipment, and telecommunication equipment, including cell phone, as detailed in the Manual.

10. This includes paper products, printing and general office supplies, restroom products, sanitation and cleaning supplies, and dog care supplies.

11. These amounts include the optional dog training equipment and supplies. This includes, but is not limited to: temporary fencing for outdoor classes, two to three crates of various sizes, long leashes, leather leashes for demos, front clip harnesses; dog treats, treat pouches, harnesses, leather leashes, and bully sticks for starting retail inventory; specialty training equipment, agility equipment, and wire pens, as detailed in the Manual.

12. These figures include the interior & exterior signage, vehicle signage and business brochures that you must purchase from our designated or approved suppliers, as described in the Manual.

13. This is the minimum required amount you must spend on grand opening marketing and advertising for your Business.

14. You must obtain and maintain certain types and amounts of insurance. (See item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, and number of employees, square footage, location, business contents, and other factors bearing on risk exposure. Payments may be made in installments; however, availability of installment plans will vary by company. The estimate includes insurance costs for the first three (3) months.

15. You must obtain an insurance bond for yourself and your employees. Bonding insurance costs vary from state to state.

16. Rates will vary by individual and location. Because of the numerous variables that affect this cost, this is an estimated initial investment. Payments may be made in installments; however, availability of installment plans will vary by company. The lower figure assumes you pay premiums quarterly; the higher figure assumes you pay premiums annually.

17. This figure is for optional Advanced Meet and Greet (AMG) training beyond the initial basic dog training, that is taken immediately following the initial training, that you receive with the initial franchise fee. This AMG Class takes extra skill and time for training. This figure does not include the transportation, lodging and meal expense during this training.

18. This item estimates your expenses during the initial period of operation of your Business (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business.

19. We relied on the experience of our affiliate's, Rosen & Associates, Inc., d/b/a Good Citizen Canine, and Good Citizen Dog Training Tacoma, LLC, operation of a business similar to the Business for over fifteen (15) years to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and your collateral, and lending policies of financial institutions from which you request a loan.

ESTIMATED INITIAL INVESTMENT
ZEN CENTER EXPANSION OPTIONS

Optional Grooming Equipment 1	$0 - $1,800 per station	As Agreed	As Incurred	Designated or Approved Suppliers
Optional Grooming Area Build-out/Leasehold Improvements 2	$0 - $2,800 per station	As Agreed	As Incurred	Third party vendors
Optional Dog Wash Equipment 3	$0 - $8,500	As Agreed	As Incurred	Designated or Approved Suppliers
Optional Dog Wash Area Build-out/Leasehold Improvements 4	$0 - $26,000	As Agreed	As Incurred	Third party vendors
TOTAL ESTIMATED INITIAL INVESTMENT 5	$0 - $39,100			As specified above

This GCD ZEN Center Expansion Chart contains multiple options for expanding an GCD ZEN Center; however, it is not necessary to implement all options. It may be possible to implement each option independently from the others.

Explanatory Notes

1. Optional: Grooming Equipment: These figures include, but are not limited to: grooming table, chair, tub, and mirror per station.

2. Optional: Grooming Area Build-out/Leasehold Improvements: These figures include, but are not limited to, flooring, wall treatment, ceilings, painting, window coverings, electrical, plumbing, carpentry and similar work, and contractor's fees per station.

3. Optional: Dog Wash Equipment: These figures include, but are not limited to, air dryers, one warm water (Jacuzzi) therapy tub, walk-in or ramp style wash tubs, and a canine treadmill.

4. Optional: Dog Wash Area Build-out/Leasehold Improvements: These figures include, but are not limited to, non-skid flooring, wall treatment, ceilings, painting, window coverings, electrical, plumbing, carpentry and similar work, and contractor's fees.

5. We relied on the experience of our affiliate's, Rosen & Associates, Inc., d/b/a Good Citizen Canine, and Good Citizen Dog Training Tacoma, LLC, operation of a business similar to the Business for over fifteen (15) years to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and your collateral, and lending policies of financial institutions from which you request a loan.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Franchise according to our "**System Standards**." System Standards may regulate, among other things: the types, models, and brands of working equipment and supplies, office equipment and furnishings, and signs (collectively, "**Operating Assets**"); products, supplies, and dog training services you must use in operating the Franchise; unauthorized and prohibited products, supplies, and dog training services you must not use; inventory requirements; and designated or approved suppliers of Operating Assets, any proprietary products ("**Proprietary Products**"), and other items.

Purchase from Designated or Approved Suppliers

We have the absolute right to restrict all of the suppliers with whom you may deal for your GCD Business. We may, in our sole discretion, require that any products, supplies, and services, and other items used in connection with the operation of your GCD Business be purchased exclusively from us, our affiliate(s), predecessor, or other approved or designated supplier(s), or distributor(s).

We restrict your suppliers in order to assure quality, assure a reliable service(s) and product(s) that meet our standards, achieve better terms of purchase and delivery service, control usage of the Marks by third parties, and monitor the processing, delivery service, manufacture (if applicable) and sale of products and services.

Suppliers of certain items may be limited to us, our affiliate(s), or other specified exclusive supplier(s), in which event you must buy such services and items from us, our affiliate(s) or any such other specified approved or designated supplier at the prices exceeding our or their costs we or they decide to charge.

Currently you must buy all Proprietary Products, which currently consist of our dog training materials and other items from us or our affiliate(s), and you must currently buy all of your dog products, all tools of the trade, as well as your business brochures and certain signage (see Item 7), from designated or approved suppliers. We will identify all designated or approved suppliers in the Manual or other written communications. Any purchases from us and our affiliate(s), whether required or voluntary, will be at prices exceeding our or their costs.

If we have not instituted any type of restrictive sourcing program (which, as noted above, we already have done for our Proprietary Products, all dog products, all tools of the trade and certain signage, and may do so for other items), and if you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. The criteria for our approving suppliers are made available to you in our Manual and other written communications. We may charge you or the supplier a reasonable fee for the evaluation (see Item 6) and will decide within a reasonable time (generally no more than 30 days). We periodically will establish procedures for your requests and may limit the number of approved items, services or suppliers, as we think best.

Supplier acceptance will depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited number of suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliate(s) for the right to do business with our system. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. We may refuse to accept a product or supplier for any reason whatsoever or for no reason whatsoever, strictly at our discretion.

Purchases in Accordance with our Specifications

In addition, to maintain the quality of the goods and services that GCD businesses provide and the reputation of our System, we may require that certain products or services used in connection with the operation of the Business must meet our minimum standards and specifications. Such products and services may be purchased from any suppliers, so long as they meet our minimum standards and specifications.

We will formulate and modify standards and specifications based on our affiliates' and our franchisees' experience in operating GCD businesses. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our standards and specifications are made available to you in our Manual and other written communications. We will also notify you of all approved suppliers

Currently, you may purchase the Computer System (see Item 11) from any supplier(s), so long as it meets our specifications.

None of our officers has an interest in any supplier.

We and our affiliate(s) have the right to receive payments from suppliers on account of their actual or prospective dealings with you and other franchisees and to use all amounts that we and our affiliate(s) receive without restriction (unless we and our affiliate(s) agree otherwise with the supplier) for any purposes we and our affiliate(s) deem appropriate.

Collectively, purchases and leases from us, our affiliate(s) or designated or approved suppliers that must meet our specifications represent approximately 90% of your overall purchases and leases in establishing the Business and 25% to 35% of your overall purchases and leases in operating the Business.

During fiscal year 2017, neither we, nor any of our affiliate(s), derived any revenue from selling products to franchisees, nor did we or it receive any rebates from suppliers on account of purchases of required and approved items by franchisees. We and/or our affiliate(s) reserve the right to receive such payments in the future.

There currently are no purchasing or distribution cooperatives; however, you may be required to participate in a local or regional advertising cooperative (see Item 11). We may negotiate purchase agreements with suppliers (including price terms), for the benefit of the System, however, we have not yet done so. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services; or use of particular suppliers.

We may also require you to participate in company-wide promotions as specified in our Manual.

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must carry General Liability Insurance, which can include bodily injury liability (for injuries to other people in connection with your business), property damage (for damage to the property of others), personal injury liability (for wrongful entry, libel, slander, false arrest), advertising liability (for publishing inaccurate information resulting in slander or libel, violation of privacy, wrongful copying and infringement), legal defense, product liability, products/completed operations, and contracts. Coverage may vary depending on space, size or location of your Business. You should establish requirements with landlord or property owner the required minimums for your location, any coverage required by law, or by your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name Us and our affiliate(s) as additional insured parties. The chart below cites minimum required coverage. Refer to the Manual for all required, suggested and optional insurance.

General Liability	$1,000,000	Per Occurrence
	$2,000,000	In the Aggregate
Animal Bailee Coverage	$ 1,000	Per Occurrence
Workers' Compensation, Unemployment and Disability Insurance	As required by law	Per Employee
Medical Expense	$ 10,000	Per Occurrence
Damage to Rented Premises	$1,000,000	In the Aggregate
Business Interruption	$ 10,000	Not less than Per Month

Insurance		
Employee Dishonesty and Forgery Insurance	$ 35,000	Per Occurrence
Insurance Bond	$ 10,000	In the Aggregate
Automobile Liability Insurance (If automobile is owned, non-owned, rented, scheduled or hired by the business)	$1,000,000	Per Person
	$3,000,000	Per Accident
	$ 500,000	Per Occurrence
	$1,000,000	General Liability per Occurrence

Advertising Materials

Before you use any advertising, promotional, and marketing materials that we have not prepared or previously accepted, you must send us samples for review. If you do not receive written rejection within three (3) business days of our receipt of time sensitive publications, such as newspaper and press releases, ten (10) business days of our receipt of monthly publications and coupons, and twenty-five (25) days of our receipt of exterior signage, car signage and brochures, they are deemed to be accepted. You may not use any advertising, promotional or marketing materials that we have not accepted or that we have rejected.

Development of Business

You must develop the Business.

GCD HOME-BASED BUSINESS: We will give you mandatory and suggested specifications and layouts for a GCD Business Office, including requirements for dimensions, design, image, interior layout, décor, operating assets, and color scheme. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for person with disabilities. You must prepare a site survey and all required remodeling plans and specifications for the location of your Business, and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We may review and approve all final specifications and plans before you begin remodeling the Business and all revised or "as built" specifications and plans during remodeling. Our review is only to ensure your compliance with our design requirements. We may inspect the Business at any time during its development.

GCD ZEN CENTER: We will also provide mandatory and suggested specifications and layouts for a GCD ZEN Center, including requirements for standard and optional dimensions, design, image, interior layout, décor, operating assets, and color scheme. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for person with disabilities. You must prepare a site survey and all required remodeling plans and specifications for the location of your Business, and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We may review and approve all final specifications and plans before you begin remodeling the Business and all revised or "as built" specifications and plans during remodeling. Our review is only to ensure your compliance with our design requirements. We may inspect the Business at any time during its development.

Business Site

The GCD Business Office and GCD ZEN Center must be located at sites that we accept. We must also accept your leases or subleases for the sites, and we have the right to reject a proposed lease or sublease, and/or to require that it include certain provisions (see Sections XII.U and XX.B of the Franchise Agreement), including our right to the occupancy of the Business premises if your Franchise is terminated or not renewed, or if you lose possession because of your default under the lease, pursuant to a Collateral Assignment of Lease in the form attached hereto as Exhibit H.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	XII.U and XX.B	7, 8, 11 and 12
(b) Pre-opening purchases/leases	XII.A and XII.G	6, 7, 8 and 11
(c) Site development and other pre-opening requirements; corporate name approval	XII.G, XII.U, XV.B.7, XX.B and XX.C	7, 8, 11 and 13
(d) Initial and ongoing training	XII.V, XX.A and XX.D	5, 6, 7 and 11
(e) Opening	IX.C	11
(f) Fees	VIII, IX and X	5, 6 and 7
(g) Compliance with standards and policies/Manual	XII.A, XII.H, XX.G and XXV.N	8 and 11
(h) Trademark and proprietary information	XV and XVI	13 and 14
(i) Restrictions on products/services offered	XII.A and XII.I	8, 11, 12 and 16
(j) Warranty and customer service requirements	XII.A.9, XII.F, XII.H and XII.K	None
(k) Territorial development and sales quotas	None	None
(l) On-going product/service purchases	XII.I	6, 8, 11 and 16
(m) Maintenance, appearance and remodeling requirements	XII.E	6, 8, 11 and 17
(n) Insurance	XIII	6, 7, 8 and 11
(o) Advertising	X.B, X.C, X.D and X.E	6, 7, 8 and 11

Obligation		Section in Franchise Agreement	Disclosure Document Item
(p)	Indemnification	XVIII	6
(q)	Owner's participation/ management/staffing	XII.F and XII.K	11 and 15
(r)	Records and reports	XIV	6 and 11
(s)	Inspections and audits	XII.S and XIV.B	6 and 11
(t)	Transfer	XXII	6 and 17
(u)	Renewal	VII.B	6 and 17
(v)	Post-termination obligations	XXIV	17
(w)	Non-competition covenants	XIX.B	15 and 17
(x)	Dispute resolution	XXV.D	17

Item 10

FINANCING

Neither we nor any agent or affiliate(s) offers direct or indirect financing to you, guarantees any of your notes, leases or obligations, or has any practice or intent to sell, assign or discount to a third party all or part of any of your financing arrangements.

We do not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing. We do not receive direct or indirect payments for placing financing.

Item 11

FRANCHISOR'S ASSISTANCE, TRAINING, ADVERTISING, AND COMPUTER SYSTEMS

Except as listed below, we, the Franchisor, are not required to provide you with any assistance.

Before you open your Franchised Business, we will:

1. Accept or reject a location you propose within 30 business days after receiving your description of, and evidence confirming your favorable prospects for obtaining a lease for, the proposed site(s) for the GCD Office and/or the GCD ZEN Center. We will use reasonable efforts to help analyze your market area, to help determine site feasibility and to assist in designating the location, although we will not locate the site, conduct site selection activities for you, or negotiate the purchase or lease of the site for you. Neither we, nor our affiliate(s) own any premises that we would lease to franchisees. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. (Franchise Agreement – Section XII.U)

2. Accept or reject your proposed location and/or lease. You must secure a location for the premises of your Business that meets our requirements.

GCD HOME-BASED BUSINESS: Within nine (9) months after you have been Accepted as a franchisee, you must submit a request to continue operating from your home-based office or move to a commercial office. Franchisor may grant Franchisee one thirty (30) day extension for leased premises. Franchisee must submit a request in writing for an extension no less than ten (10) days prior to the end of the initial period. "**Acceptance**" is the process of submitting a signed Franchise Disclosure Document, clearance of the Initial Franchise Fee funds, the satisfactory completion of your application for purchase of a Franchise, and our acceptance of your application. (Franchise Agreement – Section XII.G.)

GCD ZEN CENTER: Within sixty (60) days after you have been Accepted as a franchisee, you must sign a lease for the premises of your Business. Franchisor may grant Franchisee one thirty (30) day extension. Franchisee must submit a request in writing for an extension no less than ten (10) days prior to the end of the sixty (60) day lease signing period. "**Acceptance**" is the process of submitting a signed Franchise Disclosure Document, clearance of the Initial Franchise Fee funds, the satisfactory completion of your application for purchase of a Franchise, and our acceptance of your application. (Franchise Agreement – Section XII.G.)

If you do not locate and sign a lease that we have accepted for an acceptable site for the premises of your GCD ZEN Center within sixty (60) days after you have been accepted as a franchisee, we will have the right to terminate the Franchise Agreement. (Franchise Agreement – Section IX.C)

3. Provide you with mandatory and suggested specifications and layouts for a GCD Business Office, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We will not assist you in conforming your premises to local ordinances, and/or building codes, obtaining any required permits, or constructing, remodeling or decorating the premises. (Franchise Agreement – Section XII.U)

4. Provide you with mandatory and suggested specifications and layouts for a GCD ZEN Center, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We will not assist you in conforming your premises to local ordinances, and/or building codes, obtaining any required permits, or constructing, remodeling or decorating the premises. You must secure a GCD Zen Center site within sixty (60) days after you have been accepted as a franchise. We will not assist you with landlord negotiations for cost or usage. (Franchise Agreement – Section XII.U)

5. Identify the operating assets, and other products, services, and supplies that you must use to develop and operate the Business, the minimum standards and specifications that you must satisfy, and the designated or approved suppliers from whom you must or may buy or lease these items (which may be limited to or include us, our affiliate(s), or other specified exclusive sources). We will also assist you in providing or obtaining the necessary dog training equipment, signs, fixtures, opening inventory and supplies. As disclosed above, we provide written specifications for these items in the Manual. We will not either deliver or install these items, unless we agree otherwise. (Franchise Agreement – Sections XII.A, XII.G, XII.H, XII.I, XII.J, XV and XVI)

6. Provide you with one copy of our manuals (the "**Manual**"), on loan, which may include, but is not limited to, printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media, for the term of the Franchise Agreement, the current table of contents of which is in Exhibit D. As of the date of this disclosure document, the Operations Manual contains 1,128 pages. (Franchise Agreement – Section XX.E.)

The number of pages devoted to each subject is also shown on Exhibit D. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**") that we periodically require. These are the administrative, bookkeeping, accounting, and inventory control procedures you will need. We may modify the Manual periodically to reflect changes in System Standards and these modifications may require you to invest additional capital in the Business or incur higher operating costs. (Franchise Agreement – Sections XII.A, XX.E and XXV.N)

7. We do not establish your prices. (Franchise Agreement – Sections XII.A, XX.G and XXV.N)

8. Advise you with respect to the grand opening marketing and advertising program. (Franchise Agreement – Section X.E)

9. Train you (or your managing owner). (Franchise Agreement – Section XII.V and XX.A) We will describe this training later in this Item.

10. Provide you with a Welcome Packet that includes 25 - 50 business cards, and 2 t-shirts. (Franchise Agreement – Section XX.I)

Training

If this is your first GCD Business, then before the Business opens, we will train you (or your managing owner) on operating a GCD Business. We will provide approximately six (6) days of training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate and/or at an operating GCD location. We will also provide approximately two (2) days of training (the specific number of days depends on our opinion of your experience and needs) at your location for your grand opening/open house. If you (or your managing owner) cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement – Section XX)

At your option, at the time of initial training, we may provide Advanced Meet and Greet (AMG, Module 3) dog training, beyond the initial administrative training and basic dog training for an extra fee. AMG Class is $1,250 per student for approximately three (3) days of intensive training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate, and/or at an operating GCD location, if taken with initial training. The hands-on AMG Class training may run consecutively following the initial training specified above, and therefore may incur additional expenses for lodging and meals for the duration of the AMG Class training.

If taken at a later date following successful completion of Initial Training Module 2, AMG Class is $1,500 per student for approximately three (3) days of intensive training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate, and/or at an operating GCD location.

If taken at a later date, Initial Training Module 2 plus AMG Class is $2,500 per student for approximately nine (9) days of training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate, and/or at an operating GCD Training location.

You (or your managing owner) must complete AMG Class training to our satisfaction in order to receive our GCD AMG dog training certification. The AMG Class training fee must be paid prior to training beginning and is non-refundable.

We provide initial management training for you (or your managing owner) at no additional charge per territory purchased. If you wish to have additional persons attend training, up to a maximum of five (5) persons, attending training concurrently, you must pay $300 per day for each additional person. All training fees per person must be paid in full before training begins. You also must pay for all travel and living expenses that you and your employees incur and for your employees' hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment, and disability insurance (if applicable) during training.

You may bring one dog to training. You are responsible for housing, feeding and taking care of the dog during the duration of the training.

Training will occur after you have been accepted as a Franchisee and while you are developing the Business location. All required attendee(s) must complete training to our satisfaction before you may open your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel and, in all events, we will schedule the training in sufficient time in order to enable you to open your GCD Home-Based Business within 45 days from the date that you are accepted as a Franchisee; or to open your GCD ZEN Center Business within 150 days from the date that you are accepted as a Franchisee.

As of the date of this Disclosure Document, we provide the following initial management training program:

INITIAL TRAINING PROGRAM
GCD HOME-BASED MODEL

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
MODULE 1 – Classroom Total			
Introduction/History/Philosophy of GCD	1		Tacoma, Washington
Use of the Manual	1		Tacoma, Washington
Pre-Opening Procedures - Completed by phone or virtual means prior to Classroom	2		Virtual Location
Computer System and Software	1		Tacoma, Washington
Accounting/Record Keeping	1		Tacoma, Washington
Personnel/HR	1		Tacoma, Washington
Advertising and Marketing	2		Tacoma,

			Washington
Customer Service/People Communication	2		Tacoma, Washington
Group Classes Private Training	1		Tacoma, Washington
Training Techniques	1		Tacoma, Washington
Training Trouble-Shooting	1		Tacoma, Washington
Module 2 – On-The-Job Dog Training Methodology Total			
On-The-Job Dog Training Methodology		40	Tacoma, Washington
Training TOTALS of Modules 1 and 2 =	14	40	54 Hours Total

OPTIONAL TRAINING FOR ADVANCED MEET AND GREET (AMG) CLASS
Prerequisite: Satisfactory Completion of GCD Module 2 Program

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Module 3 – Extra Training Total			
Optional AMG On-The-Job Training		24	Tacoma, Washington
Training TOTALS of Module 3 =	0	24	24 Hours Total

INITIAL TRAINING PROGRAM
GCD ZEN CENTER MODEL

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
MODULE 1 – Classroom Total			
Introduction/History/Philosophy of GCD	1		Tacoma, Washington
Use of the Manual	1		Tacoma, Washington
Pre-Opening Procedures - Completed by phone or virtual means prior to Classroom	2		Virtual Location
Computer System and Software	1		Tacoma, Washington
Accounting/Record Keeping	1		Tacoma, Washington
Personnel/HR	1		Tacoma, Washington
Advertising and Marketing	2		Tacoma, Washington
Customer Service/People Communication	3		Tacoma, Washington
Operational Management	4		Tacoma, Washington

Module 2 – Hands-On Training Total			
Hands-On Training		8	Tacoma, Washington
Training TOTALS of Modules 1 and 2 =	16	8	24 Hours Total

[1] Module 1 may be based on stand-alone or combined options; classroom and/or hands-on training may be modified as identified in Exhibit K.

Deborah J. Rosen, our Director of Training, conducts or personally oversees all training. Ms. Rosen's biography is outlined in Item 2. The Manual will be used as the principal instruction material.

HOME-BASED MODEL: Training classes are held on an as-needed basis, either at one of our affiliate's locations, or at our offices in Tacoma, Washington, and training will be scheduled in order to enable you to open the Business within 45 days from the date that you are accepted as a Franchisee. All attendees must successfully complete the initial management training. Additional training, which may be virtual or in-person, may be held, at our discretion, prior to your opening or after you have opened the Business. Such training may be optional or mandatory at our discretion.

GCD ZEN CENTER MODEL: Training classes are held on an as-needed basis, either at one of our affiliate's locations, or at our offices in Tacoma, Washington, and training will be scheduled in order to enable you to open the Business within 150 days from the date that you are accepted as a Franchisee. All attendees must successfully complete the initial management training. Additional training, which may be virtual or in-person, may be held, at our discretion, prior to your opening or after you have opened the Business. Such training may be optional or mandatory at our discretion.

When the Business is ready to open, we will, at our cost, send one (1) of our representatives to your location for two (2) days to assist with the opening day and provide additional training. We will also provide ten (10) hours of virtual/electronic/telephone training after you have opened your Business.

You (or your managing owner) and/or other previously trained and experienced employees must also attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate, or by printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media. We will not require attendance for more than a total of three (3) days during a calendar year. Besides attending these courses, we may require you to attend an annual meeting, which may be virtual or in-person, of all franchisees at a location we designate, or by online/virtual methods. We will not require attendance at the annual meeting for more than three (3) days during any calendar year (See Item 6). You are responsible for all related travel and living expenses and hourly wages and/or salaries (if applicable) for all attendees.

We may also require newly hired staff to complete the initial hands-on training program. You are responsible for all related travel and living expenses, and hourly wages and/or salaries (if applicable) for all attendees.

Opening

The specific timetable for opening depends on the condition of your office and/or GCD ZEN Center; the remodel schedule; the extent to which you must upgrade or remodel the office and/or GCD ZEN Center location; the delivery schedule for equipment and supplies; completing training and complying with local laws and regulations. You may not open the Business until: (1) we notify you in writing that the Business premises meets our standards and specifications; (2) you complete the initial training program to our satisfaction; (3) you pay all amounts due us; and (4) you supply us with copies of all certificates for all required insurance policies, copies of all required industry-specific certifications and/or licenses, and copies of appropriate government approvals, permits, and licenses.

GCD HOME-BASED BUSINESS: We estimate that it will be 30 to 45 days after you sign the Franchise Agreement, and are accepted as a Franchisee, before you open the Business. If you start your Business from a home office, you must submit a request to continue operating from your home-based office or sign a lease for and relocate to an acceptable commercial site within nine (9) months after the Franchise Agreement's effective date; and we may terminate the Franchise Agreement if you fail to sign a lease within the nine-month period. Franchisor may grant Franchisee one thirty (30) day extension for leased premises. Franchisee must submit a request in writing for an extension no less than ten (10) days prior to the end of the initial period. Subject to these conditions, you must open the Business within 45 days after you are accepted as a Franchisee. (Franchise Agreement – Section XII.G)

GCD ZEN CENTER: We estimate that it will be 60 to 150 days after you sign the Franchise Agreement, and are accepted as a Franchisee, before you open the Business, but this assumes that you already have a site for the Business or find one shortly after signing the Franchise Agreement. You must sign a lease for an acceptable site within 60 days after the Franchise Agreement's effective date, and we may terminate the Franchise Agreement if you fail to sign a lease within the 60-day period. Franchisor may grant Franchisee one (1) thirty-day (30) extension within which to open the Business. Franchisee must submit a request for an extension no less than ten (1) days prior to the end of the sixty (60) day lease signing period or the sixty (60) day opening period. Subject to these conditions, you must open the Business within 150 days after you are accepted as a Franchisee. (Franchise Agreement – Section XII.G)

During your operation of the Franchised Business, we will:

1. Advise you regarding the Business's operation based on your reports and our inspections. We also will guide you on standards, specifications, and operating procedures and methods used by a GCD Business; purchasing required and authorized operating assets, Proprietary Products, and other items; and arranging for their distribution to you; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in our Manual; bulletins and other written materials; by electronic media; by telephone consultation; and/or at our office or the Business. (Franchise Agreement – Sections XII.A and XII.D)

2. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Section XII.V and XX)

3. Continue to loan you one copy of the Manual, which could include DVDs, CDs, SD cards, memory sticks, PowerPoint® presentations, flash presentations, video, webinars, computer software, other electronic media, online/virtual means, and/or written materials. We reserve the right to advise you from time to time, concerning suggested retail prices. (Franchise Agreement – Sections XII, XX and XXV.N)

4. Issue and modify System Standards, products and services for GCD Businesses. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Business or incur higher operating costs. (Franchise Agreement – Sections XII.A, XII.H and XII.O)

5. Inspect the Business from time to time and observe its operation to help you comply with the Franchise Agreement and all System Standards. We will also be available by phone to help resolve operating problems you may encounter. (Franchise Agreement – Sections XII.S and XIV.B)

6. Let you use our confidential information. (Franchise Agreement – Section XVI)

7. Let you use our Marks. (Franchise Agreement – Section XV)

8. Offer refresher management training courses from time to time at our discretion. At our discretion, you and your employees must attend these courses, in person or by virtual training sessions, as we may specify. We do not assist you in hiring your employees. (Franchise Agreement – Sections XII.V and XX.A) (See Item 6)

National Advertising and Development Fund

We may establish in the future a National Advertising and Development Fund (the "**Fund**") for advertising, marketing, and public relations programs and materials we deem appropriate. As of the date of this Disclosure Document, we have not established a Fund. However, if and when we do, you must contribute to the Fund, on a monthly basis, up to one percent (1%) of your Gross Income, as we require (See Item 6). All GCD businesses that we or our affiliate(s) own will contribute to the Fund on the same basis as franchisees. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with GCD businesses and with whom we have agreed that we will so deposit these allowances.

We will direct all programs financed by the Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We reserve the option of using an in-house advertising department or a national or regional advertising agency. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Website and/or related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions. We may also use the Fund to pay for the creative and production costs for such items as billboard design, radio and video production, public relations campaigns, copy for newspaper, magazine advertisements, flyer, and virtual advertisements, and other promotional material.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We have no fiduciary obligation to you for administering the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If not all of the advertising funds are spent in the year they accrue, we will carry the balance over into the next year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses, and provide you with a copy upon your written request. We may also have the Fund audited annually, at the Fund's expense, by an independent certified public accountant, but we are not required to do so. We may incorporate the Fund or operate it through a separate entity as we think best. The successor entity will have all of the rights and duties described herein.

The purpose of the Fund is to maximize recognition of the Marks and patronage of GCD businesses. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all GCD businesses, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by GCD businesses operating in that geographic area or that any GCD business benefits directly or in proportion to its Fund contributions from the development of advertising and marketing materials or the placement of advertising, or that any advertising is placed in your Territory. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce your Fund contributions and, upon thirty (30) days prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliate(s), in proportion to their, and our, respective Fund contributions during the preceding 12-month period. (Franchise Agreement – Section X.B)

During fiscal year 2017, there were no contributions to the Fund.

Regional Advertising Programs

We may designate an advertising coverage area ("**ACA**") – local or regional – in a designated market area (DMA) in which two (2) or more GCD businesses are located in order to seek to establish a regional advertising program ("**Regional Program**"). An ACA is the area covered by the particular advertising medium recognized in the industry. DMA is a recognized marketing medium by Nielsen. If your Business is located in an ACA you must participate. Each GCD business operating in the ACA will have one (1) vote, including each Business we or our affiliate(s) operate.

If a Regional Program is established for your ACA, your Business and each other Business in the ACA (whether franchised or owned by us or an affiliate) must contribute up to two percent (2%) of Gross Income to the Regional Program weekly, monthly, or as otherwise specified by 50% or more of the GCD businesses operating in the ACA. Any amounts you contribute to a Regional Program will count toward the percentage of Monthly Gross Income you are required to spend on local advertising.

We have the power to form, change, dissolve, or merge any Regional Program. Regional Programs will not operate from any written governing documents. We will make available for your review any records showing payments to and expenses of any Regional Program in which you participate. (Franchise Agreement – Section X.C)

Your Local Advertising

In addition to your Fund contributions, if any, and your grand opening marketing and advertising obligation, you must spend a percentage of the Business's Monthly Gross Income against a monthly minimum of $300, whichever is greater, on a descending scale based on longevity as a Franchisee to advertise and promote your Business (including the costs of virtual classified business advertising) as described below:

Advertising	Time Frame
4% of monthly gross income or $300, whichever is greater	Months four (4) through twelve (12)
3.5% of monthly gross income or $300, whichever is greater	Months thirteen (13) through thirty-six (36)
3% of monthly gross income or $300, whichever is greater	Months thirty-seven (37) through eighty-four (84)

Within 10 days after the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Your local advertising and promotion must follow our guidelines. All advertising and promotional materials developed for your Business must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website that mentions or describes you or the Business or displays any of the Marks.

All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use any advertising, promotional and marketing materials that we have not prepared or previously accepted, you must send us or our designated agency samples for review. If you do not receive written rejection If you do not receive written rejection within three (3) business days of our receipt of time sensitive publications, such as newspaper and press releases, ten (10) business days of our receipt of monthly publications and coupons, and twenty-five (25) days of our receipt of exterior signage, car signage, and brochures, they are deemed to be accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or have rejected.

You must list the Business in at least one recommended classified print telephone directory distributed within the Business's market area (in designated business classifications). You must list and advertise the Business in at least one recommended online directory distributed within the Business's market area (in designated business classifications) and use an approved form of online directory advertisement. If other GCD Businesses are located within the directory's distribution area, you must participate in a collective online directory advertisement with those Businesses and pay your share. (Franchise Agreement – Section X.D)

Franchise Advisory Council

We do not currently have a franchisee advisory council that advises us on advertising policies.

The Operations Manual

The Table of Contents for the Operations Manual is shown in Exhibit D. As of the date of this Disclosure Document, the Operations Manual contains a total of 1,128 pages. The number of pages devoted to each subject is also shown in Exhibit D. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**").

Computer System

You must obtain and use a computer system in connection with the operations of the Business (the "**Computer System**") and keep your Computer System current in accordance with our specifications and requirements, which may change from time to time. The principal components of the current Computer System are as follows:

Required Computer Hardware:

- One desktop or laptop PC or MAC computer system

Required Office Software:

- QuickBooks Essentials Online (latest version)
- MS Home & Business (latest version)
  - Word
  - Excel
  - PowerPoint
  - Outlook

Paid Security and Backup Software

Supporting Office System Equipment Requirements:

- 4-in-1 Fax/Printer/Copy/Scanner
- Monitor
- Multi-port wireless router
- Surge protector(s)/battery backup (as needed)
- Mouse (optional for laptop)
- Cables, wires & adapters—as required for system
- Speakers

Minimum System Requirements for the Business PC

Operating System	Windows (latest version in English)
Processor	Intel Core (latest generation)
Processor Speed	Minimum 3.40 GHz
Standard Memory	16 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Maximum write (DVD±R), rewrite (DVD±RW) and read (DVD-ROM) speeds

	of the DVD±RW drive.
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business Mac

Operating System	Mac OS (latest version)
Processor	Intel® (latest generation)
Processor Speed	2.7 GHz
Standard Memory	8 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Optional
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business iPad:

Operating System	Apple iOS (latest version)
Drive Capacity	16 GB
Display	7.9" LED-backlist display
Camera	5.0MP iSight camera with 1080p HD video recording
Camera	FaceTime HD camera
Wireless Capability	Wi-Fi with service contract with a carrier

You will also need a hard (land) line telecommunication system with rollover capabilities to your cell phone. Franchisor will issue phone number that can be forwarded to your phone; this is the only phone number that can be used in advertising your Business. You and your employee(s) must have a cell phone with Foursquare credit card processing capability, Internet and Email capabilities.

The Computer System will manage client data, and generate income and expense reports of the Business, and costs from $750 - $1,250. You may obtain the Computer System from any vendor so long as it meets our standards and specifications. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. Neither we, nor any affiliate(s) or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade service or update service contract for the Computer System, but we reserve the right to do so in the future. All technology specifications and costs are subject to change based on technology changes and/or system changes.

You will not be required to retain a computer expert to set up or operate your Computer System except in the event of any system malfunction. We reserve the right to change the Computer System requirements at any time. There are no contractual limitations on the frequency and cost of this obligation, and we will not reimburse you for any of these costs.

You must also have a functioning email address so that we can send you notice and otherwise communicate with you by Internet. Franchisee's personal information is not to be stored on the business-dedicated Computer System. We have the right to independent, unlimited access to all of the information generated by the Computer System.

Our affiliate has been using the current Computer System since February 2013.

If we or an affiliate should develop any proprietary software or technology for use by the System, we may condition your use of such software or technology on your signing the Software License Agreement or similar document that we or our affiliate(s) prescribes to regulate your use of, and our and your respective rights and responsibilities concerning the software or technology. We or our affiliate(s) may charge you a monthly or other fee for any proprietary software or technology that we or our affiliate(s) license to you and for any maintenance and support services that we or our affiliate(s) provide during the franchise term.

Item 12

TERRITORY

You will not receive an exclusive territory in that customers living in one territory are free to patronize another GCD business elsewhere. You may face competition from other franchisees, from other outlets that we own, or from other channels of distribution or competitive brands that we control.

You will receive a defined territory (the **"Territory"**). We will describe the Territory in your Franchise Agreement before you sign it and, except as disclosed herein, we do not have the right to alter the Territory.

HOME-BASED BUSINESS

You will operate the Home-Based Business only in an area of Primary Responsibility approved by Us. You will not receive an exclusive territory under our Standard Home-Based Business Unit Franchise Agreement. You may face competition from other franchisees, from other outlets that we own, or from other channels of distribution or competitive brands that we control. You will be assigned a Territory/Area of Primary Responsibility. The boundaries of the Area of Primary Responsibility will be inserted in the standard Franchise Agreement when you have been accepted as a Franchisee.

You may operate the Home-Based Business only in the approved Area of Primary Responsibility and may not relocate or re-define the area/location without our approval. We will allow a relocation of your Home-Based Business to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate.

Territory/Area of Primary Responsibility:

The Area of Primary Responsibility will be determined at our discretion, based on factors such as number of households, dog population density, character of neighborhood, number of competing businesses and other factors. It will generally be an area with a population of 300,000, with 20,000 to 30,000 licensed/registered dogs.

The Territory may be defined by one or more contiguous 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries, such as rivers, streets or highways, or may be identified by a map. When determining the Territory, we generally use demographic statistics provided by the U.S. Census Bureau and canine demographic statistics provided by various resources, including but not limited to local canine licensure/registration data.

Franchisee must live within the Territory.

ZEN CENTER

Your GCD Zen Center Business must be located within the Territory at a location that we first must approve. You may operate the Franchise business only from the approved location and may not relocate it without our approval. We will allow a relocation of your Business to another location within the Territory, upon request, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate.

You must operate the GCD Business within the Territory and conducting business outside of the Territory will be considered a material default under the Franchise Agreement; however, you have the right to use any channels of distribution (other than the Internet) to make sales, and you may accept clients from outside your Territory.

We will determine the size and boundaries of the Territory, at our discretion, based on factors such as number of households, dog population density, character of neighborhood, number of competing businesses and other factors. The Territory will include population of 300,000, with 20,000 to 30,000 licensed/registered dogs and may be defined by one or more contiguous 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries, such as rivers, streets or highways, or may be identified by a map. When determining the Territory, we generally use demographic statistics provided by the U.S. Census Bureau and canine demographic statistics provided by various resources, including but not limited to local canine licensure/registration data.

We will not, so long as the Franchise Agreement is in force and effect and you remain in full compliance with all of the terms of the Franchise Agreement, establish or license another GCD franchise with the service(s) you have chosen, as identified in Exhibit L, to conduct business at a location within the Territory.

Reservation of Rights

Except as expressly limited above, we and our affiliate(s) retain all rights with respect to the GCD business, the Marks, the sale of similar or dissimilar products and services, including Proprietary Products, and any other activities we deem appropriate whenever and wherever we desire, including but not limited to:

(1) **the right to** provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at GCD Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including retail businesses, pet-based businesses, including but not limited to pet stores, pet grooming, pet daycare and/or boarding, veterinarians, and the Internet, or similar electronic media) both inside and outside your territory and on any terms and conditions we deem appropriate;

(2) **the right to** establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your territory under the Marks and on any terms and conditions we deem appropriate;

(3) **the right to** operate, and to grant others the right to operate GCD Businesses located anywhere outside your territory under any terms and conditions we deem appropriate and regardless of proximity to the Business;

(4) **the right to** acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at GCD Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in your territory); and

(5) **the right to** be acquired (whether through acquisition of assets, ownership interests or otherwise regardless of the form of transaction), by a business providing products and services similar to those provided at GCD Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your territory.

We are not obligated to pay you if we exercise any of the rights specified above.

Although we and our affiliate(s) have the right to do so (as described above), we and our affiliate(s) have not operated or franchised, and presently have no plans to operate or franchise, other businesses selling or leasing similar products or services under different names than GCD Peaceful Living With Your Dog.

You may not engage in any other business whatsoever within your Territory and you may not engage in any dog training and service business other than the GCD Business anywhere.

You do not have any options, rights of first refusal, or similar rights to acquire additional franchises.

Renewal or Transfer

On renewal or transfer of a franchise, the Territory may be modified. Depending on the then-current demographics of the Territory, and on our then-current Franchise Agreement, specifically relating to the standards for territories, if your defined Territory is larger than our then-current standards for territories, we may require you or the transferee to accept a franchise agreement with a reduced-sized territory then you had been previously awarded.

Continuation of your franchise or territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency. However, if you want to renew your franchise at the end of the initial term, you must attain, during the last twelve (12) months of the term, Gross Income not less than 75% of the chain median (including both company or affiliate owned and franchised outlets) over the same period and receive an average score of at least 85% on audits and mystery clients at your training classes over the last three (3) years of the term.

Item 13

TRADEMARKS

You may use the following Marks in operating the Business:

MARK	REGISTRATION NUMBER	REGISTRATION DATE	INTERNATIONAL CLASS OF GOODS

Good CitiZEN Dog Training	3794873	May 25, 2010	IC 041.US 101 107. G&S
Good CitiZEN Dog Peaceful Living With Your Dog (word mark)	5006519	July 26, 2016	IC 044. US 100 101. G&S

Rosen & Associates, Inc. owns the Marks and has registered the Marks on the Principal Register of the United States Patent and Trademark Office (USPTO), with the Registration Numbers shown above. All affidavits and renewal filings have been done.

Under a license agreement (**"License Agreement A"**), dated February 1, 2013, Rosen & Associates, Inc. has licensed us the right to use the Marks and to sublicense them to our franchisees for use in connection with the operation of GCD Businesses. The License Agreement is perpetual, but either we or Rosen & Associates, Inc. may terminate it with 30 days' notice to the other. However, termination of the License Agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Marks.

Under a license agreement (**"License Agreement B"**), dated July 27, 2016, Rosen & Associates, Inc. has licensed us the right to use the Marks and to sublicense them to our franchisees for use in connection with the operation of GCD Businesses. The License Agreement is perpetual, but either we or Rosen & Associates, Inc. may terminate it with 30 days' notice to the other. However, termination of the License Agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Marks.

You must follow our rules when you use the Marks, including giving proper notices of trademarks and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use the Marks in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Website, without our prior approval.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks and there are no agreements that may limit your use of the Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

We or our affiliate(s) will protect your right to use the Marks and will protect you against claims of infringement or unfair competition resulting from your use of the Marks.

You must notify us immediately of any apparent infringement or challenge to your use of the Marks, or of any trademark claim of any rights in the Marks, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us in protecting and maintaining our interests in any litigation or PTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using the Marks and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Business's signs, for any loss of revenue due to modification or discontinuance of the Marks, or for your expenses of promoting a modified or substitute trademark or service mark.

We will reimburse you for all damages and expenses that you incur in any trademark infringement or unfair competition proceeding disputing your authorized use of the Marks under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and/or control the defense of any proceeding arising from your use of the Marks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the Franchise. We claim copyrights in the Manual (which contains our trade secrets), advertising and marketing materials, dog treats, dog training instruction and dog training services, and similar items used in operating GCD businesses, including our dog treats, dog training materials and articles. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating your Business (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; recipes for dog treats, dog training instruction and dog training services; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating GCD Businesses; marketing and advertising programs for GCD Businesses; any computer software or similar technology that is proprietary to us or the system; knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, and other products and supplies; knowledge of the operating results and financial performance of GCD Businesses other than your Business; and graphic designs and related intellectual property.

All ideas, concepts, techniques or materials concerning a GCD Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use, and we must be a third-party beneficiary of that agreement with independent enforcement rights.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or, if you are an entity, your managing owner) must act as the general manager of the Business with responsibility for direct, on-premises supervision of the Business. You (or your managing owner) must devote full time and efforts to the management and supervision of the Business. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Business. System Standards may regulate the Business's staffing levels, identify the Business's personnel and employee qualifications, training, dress, and appearance. If you are a legal entity, you must appoint a shareholder, member, or partner (as applicable) to be your managing owner, responsible for overseeing and supervising the Business's operation.

You must keep us informed via email at all times of the identity and personal contact information of any and all supervisory employees acting as assistant managers of the Business. Your assistant managers need not have an equity interest in the Business or you; but must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, the principal stockholders or partners and their respective spouses must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "**Personal Guarantee and Assumption of Obligations**" is included in Exhibit 1 of the Franchise Agreement.

The suggested staff required to operate the Business consists of a manager (that can be you or your managing owner), at least one trainer (can be you), and a part-time bookkeeper (optional).

Item 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must offer and perform all approved dog training services, sell all approved items, and use all approved products that we periodically require for a GCD Business, as specified in the Manual. You may not offer or perform any dog training services or sell any items or use any products that we have not authorized or approved (See Item 8). Our System Standards may regulate required and/or authorized

Items and Proprietary Products; unauthorized and prohibited products and dog training services; purchase and storage of products; preparation and procedures for dog training classes; and inventory requirements for Proprietary Products and other products and supplies so that your Business operates at full capacity. We periodically may change required and/or authorized products, dog training services, and Proprietary Products. There are no limits on our right to do so. (See Item 8)

We do not impose any restrictions or conditions that limit your access to clients; however, you may not offer, provide, or sell any items or products, or provide any dog training services other than at your Business location or at a facility you are leasing within Your Territory and you may use the Internet and/or social media sites in connection with the operation of the Business without our prior written consent or in the manner that we specify.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements in Exhibit B in this Disclosure Document.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(a) Length of the franchise term	VII.A	Seven (7) years from the effective date of the Franchise Agreement.
(b) Renewal or extension of the term	VII.B	If you are in full compliance with all terms and conditions, and are eligible for renewal, meaning you have attained Gross Income of not less than 75% of the chain median (including both company or affiliate owned and franchised outlets) during the last 12 months, and receive an average score of at least 85% on audits and mystery clients at your Classes over the last three (3) years of the term, you may acquire two (2) successor franchise terms of seven (7) years each (for a total of fourteen (14) additional years).

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(c) Requirements for franchisee to renew or extend	VII.B	Give us a minimum of 120 days' notice; maintain possession of Business premises or find acceptable substitute premises; remodel Business according to our then-current standards (regardless of cost); and sign our then-current franchise agreement, which may contain terms and provisions that are materially different from the Franchise Agreement, such as different fee requirements and territorial rights, a release (subject to applicable state law), and other documents we use to grant franchises. In addition, you must attain, during the last twelve (12) months of the then-current term of the Franchise Agreement, Gross Income of not less than 75% of the chain median (including both company or affiliate owned and franchised outlets) over the same period, and receive an average score of at least 85% on audits and mystery clients at your Classes over the prior three (3) year period.
(d) Termination by franchisee	XXIII.D	If we breach the Franchise Agreement and an arbitrator determines that we did not cure the breach default after receipt of notice from you.
(e) Termination by franchisor without cause	None	None
(f) Termination by franchisor with cause	XXIII.B	We may terminate your franchise only if you or your owners commit one of several violations.
(g) **"Cause"** defined – curable defaults	XXIII.B	You have 72 hours upon receipt of notification to cure health, safety, or sanitation law violations; 5 days upon receipt of notification to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; and 60 days to relocate to a new site if you lose possession of the premises.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(h) "**Cause**" defined – non-curable defaults	XXIII.C	Non-curable defaults include: misrepresentation in acquiring the franchise; failure to secure a Business Training Site within forty-five (45) days after the Franchise Agreement's effective date and a Business Office site within nine (9) months after Franchise Agreement's effective date (Home-Based Business), or failure to secure a Business Site within sixty (60) days after the Franchise Agreement's effective date (GCD ZEN Center); failure to complete training; abandonment; unapproved transfers; conviction of a felony; dishonest or unethical conduct; unauthorized use or disclosure of the Manual or other confidential information; failure to pay taxes; understating Gross Income; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; and violation of any anti-terrorism law.
(i) Franchisee's obligations on termination/ nonrenewal	XXIV	Obligations include paying outstanding amounts; complete de-identification; assigning telephone and other numbers; and returning confidential information (also see (o) and (r) below).
(j) Assignment of contract by franchisor	XXII.B	No restriction on our right to assign; we may assign without your approval.
(k) "**Transfer**" by franchisee – definition	XXII.A	Includes transfer of Franchise Agreement, the Business (or its profits, losses or capital appreciation), or the Business's assets, and ownership change in you or your owners.
(l) Franchisor approval of transfer by franchisee	XXII.A	No transfer without our prior written consent.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(m) Conditions for franchisor approval of transfer	XXII.A	Transferee qualifies; you pay us, our affiliate(s), and third party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; transferee (and its owners and affiliates) are not in a competitive business; training completed; lease transferred; you or transferee signs our then-current franchise agreement, which may contain terms and provisions that are materially different from the Franchise Agreement, and other documents; transfer fee paid; you sign release (subject to applicable state law); we approve material terms; you subordinate amounts due to you; you de-identify; you correct existing Business deficiencies of which we notify you on punch list; and transferee agrees to upgrade and remodel Business within specified timeframe after transfer (also see (r) below).
(n) Franchisor's right of first refusal to acquire franchisee's business	XXII.D	We may match any offer for your Business or an ownership interest in you.
(o) Franchisor's option to purchase franchisee's business	XXIV.F	We may purchase the dog training equipment, and any or all of the assets of your Business at the then-current book value after the Franchise Agreement is terminated or expires (without renewal)
(p) Mental or physical incapacity, or death of franchisee	XXII.C	Assignment of franchise or an ownership interest in you to approved party within six (6) months of mental or physical incapacity, or within nine (9) months of death; we may manage Business if there is no qualified manager.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(q) Non-competition covenants during the term of the franchise	XIX.B; XIX.D	No diverting business; no ownership interest in or performing services for a competitive business anywhere (**"competitive business"** means any business that derives more than 5% of its revenue from selling dog training instruction and services, or any business granting franchises or licenses to others to operate such a business); no interference with our or our franchisees' employees.
(r) Non-competition covenants after the term of the franchise	XIX.B; XIX.D	No diverting business; no ownership interest in or performing services for a competitive business for two (2) years at the Business premises or within 50 miles of any said premises or any other GCD Business existing or under construction as of date the Franchise Agreement expires or is terminated (same restrictions apply after transfer).
(s) Modification of the agreement	XXV.N	No modifications of Franchise Agreement generally, but we may change the Operations Manual and System Standards.
(t) Integration/merger clause	XXV.J	Only the terms of Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state law), although nothing contained in the Agreement is intended to disclaim the representation made by us in this disclosure document. Any representations or promises outside of the Franchise Agreement or this disclosure document should not be relied upon and may not be enforceable.
(u) Dispute resolution by arbitration or mediation	XXV.D	All disputes must be resolved by arbitration in Pierce County, Washington. (subject to applicable state law)
(v) Choice of forum	XXV.E	Disputes will be arbitrated under the auspices of the American Arbitration Association in Pierce County, Washington (subject to applicable state law). Subject to the arbitration requirement; litigation generally must be in the courts in Pierce County, Washington (subject to applicable state law).

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(w) Choice of Law	XXV.C	Except for the Federal Arbitration Act and other federal law, Washington law governs (subject to applicable state law).

Termination on Bankruptcy

A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be Enforceable under Title 11, United States Code Section 101 et seq.

Reinstatements and Extensions

If any termination or expiration of the term of the franchise agreement would violate any applicable law, we may reinstate or extend the term for the purpose of complying with the law.

Restrictions on Termination or Non-Renewal under State Laws

These and other states have laws that may supersede the franchise agreement and related agreements in your relationship with us, including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H17 and 537A.10], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-11], RHODE ISLAND [Gen. Laws 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement and related agreements in your relationship with us, including the areas of termination and renewal of your franchise.

Restrictions on our Post-Termination Rights

These and other states have laws that may limit our ability to restrict your activity after the franchise expires, is not renewed or has been terminated: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.772 et seq., Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, and Washington Code Section 19.86.030.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. (Franchise Agreement – Sections XXV. and XXVI) We recommend that you carefully review all of these provisions, and each of the agreements attached to this disclosure document in their entirety, with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit F.

Item 18

PUBLIC FIGURES

We do not use any public figure to promote the Franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in writing, and we do not furnish or authorize our salespersons (including officer and directors) to furnish any oral, written or visual representation that states, expressly or by implication, a specific level or range of actual or potential sales, income, gross profits or net profits of a GCD Business. If you are purchasing an existing Business, however, we may provide you with the actual records of that Business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting us at Administration Department of DJR& Associates, LLC, 5121 Pacific Highway East, Fife, Washington 98424 at 253-752-6878 or Deborah@GoodCitizenDog.com, the Federal Trade Commission, and any appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2015 TO 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	2	3	1
	2016	3	2	-1
	2017	2	1	-1
Company-owned*	2015	1	1	0
	2016	1	1	0
	2017	1	2	+1
Total Outlets	2015	3	4	1
	2016	4	3	-1
	2017	3	3	0

*During 2015 - 2017, we did not operate any company-owned outlets, but our affiliate operated an outlet of the type being franchised.

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2015 TO 2017

State	Year	Number of Transfers
All States	2015	0
	2016	1
	2017	0
Total	2015	0
	2016	1
	2017	0

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
CO	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
FL	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	1	0	0
	2017	0	0	0	0	0	0	0
ID	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
MO	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	1	0
	2017	0	0	0	0	0	0	0
WA	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	1	0	0
Total	2015	2	2	0	0	0	1	3
	2016	3	1	0	0	1	1	2
	2017	2	0	0	0	1	0	1

TABLE NO. 4

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2015 TO 2017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets at End of Year
FL	2015	0	0	0	0	0	0
	2016	0	0	1	0	0	1
	2017	1	0	0	0	0	1
WA*	2015	1	0	0	0	0	1
	2016	1	0	0	0	1	0
	2017	0	0	1	0	0	1
All other States	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Total*	2015	1	0	0	0	0	1
	2016	1	0	1	0	1	1
	2017	1	0	1	0	0	2

*During 2015 - 2017, we did not operate any company-owned outlets, but our affiliate operated an outlet of the type being franchised.

TABLE NO. 5

PROJECTED OPENINGS
AS OF DECEMBER 31, 2017

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Current Fiscal Year 2018	Projected New Company-Owned Outlets in the Current Fiscal Year 2018
Florida	0	2	0
Washington	0	1	0
Total	1	3	0

Exhibit E-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Businesses as of December 31, 2017. Exhibit E-2 lists the Franchisees who have signed Franchise Agreements for Businesses which were not yet operational as of December 31, 2017. Exhibit E-3 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet 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 has not communicated with us within ten (10) weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

At this time GCD does not have an Advisory Council.

Item 21

FINANCIAL STATEMENTS

Exhibit C contains our audited financial statements for the periods ending December 31, 2017, December 31, 2016, and December 31, 2015.

Item 22

CONTRACTS

The following agreements are exhibits:

Franchise Agreement – Exhibit B

Personal Guarantee – Exhibit 1 to Franchise Agreement

State Disclosure Supplements and Franchise Agreement Riders Addenda – Exhibit F

Electronic Depository Transfer Account - Exhibit G

Collateral Assignment of Lease – Exhibit H

Confidentiality Agreement– Exhibit I

Nondisclosure and Confidentiality Agreement – Exhibit J

Non-Compete Agreement – Exhibit K

Service Option Selections – Exhibit L

Release – Exhibit M

Item 23

RECEIPTS

Exhibit N contains detachable documents acknowledging your receipt of this disclosure document.

EXHIBIT A

STATE AGENCIES - AGENTS FOR SERVICE OF PROCESS

Directory of Franchise Regulators

FEDERAL:

FEDERAL TRADE COMMISSION Division of Marketing Practices Seventh and Pennsylvania Avenues N.W. Room 238 Washington, D.C. 20580 202-326-2970

STATE:

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

Directory of State Franchise Regulators	Agents Authorized to Receive Process
CALIFORNIA Department of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 (866) 275-2677	**CALIFORNIA** Department of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814
FLORIDA State Department of Agriculture and Consumer Services P.O. Box 6700 Tallahassee, FL 32314-6700 (850) 410-3754	
HAWAII Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HA 96813 (808) 586-2722	**HAWAII** Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HA 96813

ILLINOIS Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	**ILLINOIS** Office of the Attorney General Franchise Division 500 South Second Street Springfield, Illinois 62706
INDIANA Office of Secretary of State Franchise Division 302 W. Washington St., Rm. E111 Indianapolis, IN 46204 (317) 232-6681	**INDIANA** Office of Secretary of State Franchise Division 302 West Washington St., Room E111 Indianapolis, Indiana 46204
MARYLAND Office of the Attorney General Division of Securities 200 St Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**MARYLAND** Maryland Securities Commissioner 200 St Paul Place Baltimore, MD 21202-2020
MICHIGAN Consumer Protection Division Franchise Section PO Box 30213 Lansing MI 48909 (517) 373-7117	
MINNESOTA Minnesota Department of Commerce Securities Section 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	**MINNESOTA** Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101
NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York NY 10005 (212) 416-8	**NEW YORK** New York Secretary of State 99 Washington Avenue Albany, NY 12231

NORTH DAKOTA Franchise Division Securities Department 600 East Boulevard - 5th Floor, Dept. 414 Bismarck, ND 58505 (701) 328-4712	**NORTH DAKOTA** Securities Commissioner 600 East Boulevard - 5th Floor Bismarck, ND 58505
OREGON Corporate Securities Section Dept. of Insurance & Finance Labor & Industries Bldg. Salem, OR 97310 (503) 378-4387	
RHODE ISLAND Franchise Office Division of Securities 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527	**RHODE ISLAND** Department of Business Regulation Securities Division 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920
SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
TEXAS Secretary of State P.O. Box 12887 Austin, TX 78711-2887 (512) 463-5701	
VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main St. 9th Floor Richmond, VA 23219 (804) 371-9051	**VIRGINIA** State Corporation Commission 1300 E. Main St. 9th Floor Richmond, VA 23219

WASHINGTON Director of Dept. of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	**WASHINGTON** The Department of Financial Institutions 150 Israel St SW Tumwater, WA 98501
WISCONSIN Department of Financial Institutions Division of Securities 201 West Washington Ave., Suite 300 PO Box 1768 Madison, WI 53701-1768 (608) 266-1064	**WISCONSIN** Department of Financial Institutions 201 West Washington Ave., Suite 300 Madison, WI 53703
CANADA Director of Franchises Alberta Securities Commission Agency 21st Floor 10025 Jasper Avenue Edmonton, Alberta T5J 3Z5	

EXHIBIT B
FRANCHISE AGREEMENT

DJR & Associations, LLC
A Washington State Limited Liability Company
207 North I Street
Tacoma, Washington 98403
Phone: 253-752-6878

Deborah@GoodCitizenDog.com / www.GoodCitizenDog.com

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EXHIBITS

Exhibit 1 – Personal Guarantee
Exhibit 2 – Defined Territory
Exhibit MAP –

DJR & Associates, LLC
FRANCHISE AGREEMENT

PARTIES

THIS AGREEMENT is made, as of the date of the signature page, by and between DJR & Associates, LLC, a Washington State Limited Liability Company, (hereinafter referred to as "**Good Citizen Dog**," "**GCD**," "**Franchisor**," or "**Us**") and the person(s) or entity signing as Franchisee or (referred to herein individually or collectively as "**Franchisee**," "**You**," or "**Your**") to evidence the agreement and understanding between the parties as follows:

RECITALS

WHEREAS, Franchisor has developed, operates and has the right to license a system or business program, including expertise for conducting and operating a business under the mark Good Citizen Dog Peaceful Living with Your Dog® that offers positive reward based dog-training services; and

WHEREAS, Franchisor has entered into an exclusive license with the owners of the Trademark Good Citizen Dog Training Peaceful Living with Your Dog®, dated February 1, 2013 ("**License Agreement A**") to use certain trade names, trademark, logos, service marks, and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the "**System**") for the establishment and operation of a franchised business offering dog training services; and

WHEREAS, Franchisor has entered into an exclusive license with the owners of the Trademark Good Citizen Dog Peaceful Living with Your Dog®, dated July 27, 2016 ("**License Agreement B**") to use certain trade names, trademark, logos, service marks, and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the "**System**") for the establishment and operation of a franchised business offering dog training services; and

WHEREAS, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including, but not limited to the mark Good Citizen Dog Peaceful Living with Your Dog® and such, other trade names, service marks, trademark and trade dress as are now designated (and may be hereafter be designated by Franchisor in writing) for use in connections with its System (the "**Names and Marks**"); and

WHEREAS, Franchisor for the promotion and identification of the mark, Trademark and stylized logo for the sale of products and services at GCD locations and other locations at the discretion of the licensee GCD (hereinafter referred to as a Franchise Location or "**Business**"); and

WHEREAS, Franchisor has devised a uniform system for the establishment and operation of GCD Businesses, including a distinctive exterior and interior design, trade dress décor and color scheme; uniform standards, specifications, and procedures for operations; procedures for quality control; training and ongoing operational assistance; advertising and promotional programs; and other related benefits for use of Franchisee under the Names and Marks, all of which may be changed, improved, and further developed by Franchisor from time to time; and

WHEREAS, Franchisor continues to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed there under and under its System, and to represent the System's high standards of consistent quality, appearance, and service; and

WHEREAS, Franchisor has established substantial goodwill and business value in its Names and Marks, expertise and System; and

WHEREAS, Franchisee desires to obtain a franchise from Franchisor for the right to use the Names and Marks and the expertise for operating a GCD Unit and to obtain the benefits and knowledge of Franchisor's System including, but without limitation, as detailed in our Manual; business design, operating methods, product preparation, advertising, sales techniques and materials, signs, personnel management, control systems, bookkeeping and accounting methods, and in general a style, method and procedure of business operation utilizing the Names and Marks as a Franchisee of Franchisor; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor, and Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service and the necessity of operating the Business in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

Franchisee (and each partner or shareholder of Franchisee, if Franchisee is a partnership or Corporation or LLC) hereby represents that he or she has conducted an independent investigation of the Franchisor's business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will depend upon Franchisee's abilities as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

II. FRANCHISEE'S ACKNOWLEDGEMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, including the Uniform Franchise Disclosure Document and attachments thereto. Franchisee further acknowledges that Franchisor has accorded Franchisee ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, entitled, "Information for Prospective Franchisees Required by The Federal Trade Commission", at least fourteen (14) days prior to the date on which this Agreement was executed. Franchisee acknowledges that it has received a completed copy of this Agreement, attachments referred to herein and agreements relating hereto, if any, at least seven (7) days prior to the date on which this Agreement was executed if the document has been modified in favor of the Franchisor after initial disclosure.

Franchisee acknowledges that Franchisee has read and understands this Agreement, the attachments hereto, and any agreements relating thereto, and that Franchisee has been advised by a representative of Franchisor to consult with an attorney or advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement prior to its execution.

Franchisee acknowledges that any statements, oral or written, by Franchisor or its agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by Franchisor. The only representations, warranties and obligations of Franchisor are those specifically set forth in the Franchise Disclosure Document and this Agreement. In entering into this Agreement and purchasing a Franchise, Franchisee is not relying on, and the parties do not intend to be bound by, any statement or representation not contained therein.

Franchisee acknowledges that Franchisor will not provide or designate locations for Franchisee, will not provide any financial assistance to Franchisee, and has made no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Business.

III. ACTUAL, AVERAGE, PROJECTED OR FORECASTED FRANCHISE SALES, PROFITS OR EARNINGS

Franchisor does not make or present and has not prepared "**Earning Claims**" or "**Financial Performance Representations**" and has not made them as an exhibit to the Uniform Franchise Disclosure Document. Earnings claims located in the Uniform Franchise Disclosure Document are the only statement of sales, profits or earnings that the Franchisee should rely upon.

Franchisee, and each party executing this document hereto, acknowledges that Franchisor, itself or through any officer, director, employee or agent, has not made, and Franchisee has not received or relied upon, any oral or written, visual, express or implied information, representations, assurances, warranties, guarantees, inducements, promises or agreements concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings or likelihood of success that Franchisee might expect to achieve from operating the Business, except as set forth in the Franchise Disclosure Document reviewed by Franchisee or its representatives.

IV. INDEPENDENT CONTRACTOR

A. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a franchise from Franchisor. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which Franchisor shall have the right to specify. For example, such notices shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the place of business.

B. Franchisor is Not in a Fiduciary Relationship with Franchisee

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

It is understood and agreed that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to incur any debt or other obligation in Franchisor name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder or there under as a result of any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Business or for any claim or judgment arising there from against Franchisee or Franchisor.

V. FRANCHISE GRANT

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and subject to the License Agreement, the right, license, and privilege, and Franchisee hereby accepts a franchise (the "**Franchise**") under the terms and conditions set forth herein for the right to operate a Business at the Location set forth in Section VI (the "**Accepted Location**"), with the non-exclusive right to use solely in connection therewith Franchisor's Names and Marks, advertising and merchandising methods, and System, as they may be changed, improved and further developed from time to time only at the Accepted Location as set forth in Section VI., and provided Franchisee adheres to all of the terms and conditions hereof. It is understood and agreed that, except as expressly provided herein, this Franchise is non-exclusive and includes no right of Franchisee to sub-franchise.

VI. ACCEPTED LOCATION; DEFINED TERRITORY

A. Accepted Location

The Business shall be located within the State of ________________ in the county(s) of _________________________, and in the Designated Marketing Area, as specified by Nielsen, of ____.

The exact address of the Accepted Location is:

____. If the Accepted Location has not been determined prior to the signing of this Agreement, by the parties, then it shall be entered at a later date, under the terms of this Agreement. Franchisee shall not relocate the Business without the express prior written consent of Franchisor. During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating a franchised GCD Business.

B. Defined Territory

You will not receive an exclusive territory in that customers living in one territory are free to patronize another GCD business elsewhere. Your defined territory ("**Territory**") is described on Exhibit 2.

HOME-BASED BUSINESS

You will operate the Home-Based Business only in an area of Primary Responsibility approved by Us. You will not receive an exclusive territory under our Standard Home-Based Business Unit Franchise Agreement. You may face competition from other franchisees, from other outlets that we own, or from other channels of distribution or competitive brands that we control. You will be assigned a Territory/Area of Primary Responsibility. The boundaries of the Area of Primary Responsibility will be inserted in the standard Franchise Agreement when you have been accepted as a Franchisee.

You may operate the Home-Based Business only in the approved Area of Primary Responsibility and may not relocate or re-define the area/location without our approval. We will allow a relocation of your Home-Based Business to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate.

Territory/Area of Primary Responsibility:

The Area of Primary Responsibility will be determined at our discretion, based on factors such as number of households, dog population density, character of neighborhood, number of competing businesses and other factors. It will generally be an area with a population of 300,000, with 20,000 to 30,000 licensed/registered dogs.

Your Territory may be defined by one or more contiguous 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries, such as rivers, streets or highways, or may be identified by a map. When determining the Territory, we generally use demographic statistics provided by the U.S. Census Bureau and canine demographic statistics provided by various resources, including but not limited to local canine licensure/registration data.

You must live within the Territory.

ZEN CENTER

Your GCD Zen Center Business must be located within the Territory at a location that we first must approve. You may operate the Franchise business only from the approved location and may not relocate it without our approval. We will allow a relocation of your Business to another location within the Territory, upon request, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate.

You must operate the GCD Business within the Territory and conducting business outside of the Territory will be considered a material default under the Franchise Agreement; however, you have the right to use any channels of distribution (other than the Internet) to make sales, and you may accept clients from outside your Territory. You may face competition from other franchisees, from other outlets that we own, or from other channels of distribution or competitive brands that we control.

We will determine the size and boundaries of the Territory, at our discretion, based on factors such as number of households, dog population density, character of neighborhood, number of competing businesses and other factors. The Territory will include population of 300,000, with 20,000 to 30,000 licensed/registered dogs and may be defined by one or more contiguous 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries, such as rivers, streets or highways, or may be identified by a map. When determining the Territory, we generally use demographic statistics provided by the U.S. Census Bureau and canine demographic statistics provided by various resources, including but not limited to local canine licensure/registration data.

So long as this Agreement is in force and effect and you remain in full compliance with the terms thereof, we will not license or establish another GCD Unit with the service(s) you have chosen, as identified in Exhibit L, to conduct business at a location located within the Territory.

VII. TERM AND RENEWAL OF AGREEMENT

A. Term

The Franchise herein granted shall be for a term of seven (7) years from the date of execution and acceptance (the "**Effective Date**") of this Franchise Agreement (the "**Agreement**") by Franchisor and subject to earlier termination as herein provided.

B. Renewal

Provided that Franchisee has complied with all the terms and conditions of this Agreement during the term of this Agreement, is in full compliance with the provisions of this Agreement and has attained, during the last twelve (12) months of the initial or then current renewal term of this Agreement, as applicable, Gross Income of not less than 75% of the chain median (including both company or affiliate owned and franchised outlets) over the same period, Franchisee may renew the Franchise granted by this Agreement for two (2) additional periods of seven (7) years each, if Franchisor is still offering franchises at that time subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give Franchisor written notice of its election to renew not less than one hundred twenty (120) days prior to the end of the then-current term;

2. Franchisee must not be in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

3. Franchisee shall complete to Franchisor's satisfaction such maintenance and renovation of the Business as Franchisor may require in writing;

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliate(s), and shall have timely met these obligations throughout the current term;

5. Franchisee shall execute, before the renewal term, Franchisor's then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may materially differ from the terms of this Agreement.

6. Franchisee shall pay Franchisor a renewal fee of two thousand five hundred dollars ($2,500) at the time of renewal.

7. Franchisee shall comply with Franchisor's then current qualification and training requirements; and

8. Franchisee must execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliate(s), and their respective officers, directions, agents and employees, provided that such release is not in conflict with any applicable local, state or federal laws.

VIII. FRANCHISEE'S INITIAL INVESTMENT

Franchisee's initial investment will vary depending upon the size of the Business, its geographical location, leasehold improvements required, the number of Businesses to be opened selected by Franchisee, and other factors.

Franchisee hereby certifies that he, she or it has reviewed the above-estimated start-up costs as detailed in the franchise disclosure document and has sufficient cash resources available to meet said expenses. These start-up costs are in addition to the initial franchise fee.

IX. INITIAL FRANCHISE FEE; TIME LIMIT FOR APPROVING FRANCHISEE; TIME

LIMIT FOR STARTING BUSINESS; COOPERATION; LEASE; USE OF PREMISES

A. Initial Franchise Fee

GCD HOME-BASED BUSINESS: Franchisee shall pay an Initial Franchise Fee in the amount of twenty-nine thousand five hundred dollars ($29,500) (the "**Initial Franchise Fee**") upon execution of this Agreement for one (1) GCD Franchise, and receipt of which is hereby acknowledged by Franchisor. If Franchisee purchases an additional one or more franchise(s) then the Initial Franchise Fee shall be nineteen thousand five hundred dollars ($19,500) for each additional Franchised GCD Unit, which is due upon execution of the Agreement.

GCD ZEN CENTER: Franchisee must pay Us an Initial Franchise Fee of $0 - $29,500. The Initial Franchise Fee will depend upon factors such as: a purchase in combination with the previously purchased GCD HOME-BASED Business; or as an addition to an existing dog-related business; and/or other factors. If Franchisee purchases an additional one or more franchise(s) then the Initial Franchise Fee shall be nineteen thousand five hundred dollars ($19,500) for each additional Franchised GCD Unit, which is due upon execution of the Agreement.

The Initial Franchise Fee shall be paid in a lump sum in U.S. funds and shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others, except as described below in Section IX.C.

As per Item 5 of the FDD, the collection of the initial fees may be deferred until we have fulfilled our pre-opening obligations to you under the franchise agreement and the franchised business is open for business. The franchised business will be deemed to be open for business when we have fulfilled our pre-opening obligations to you under the franchise agreement.

B. Time Limit for Approving Franchisee

Within thirty (30) days following our receipt of the Franchisee's signed application, Franchisor will approve or disapprove Franchisee's application for a Franchise.

C. Time Limit for Starting Business

GCD HOME-BASED BUSINESS: Franchisee shall complete the remodel of the Business at the Accepted Location in accordance with the provisions and requirements of Section XII hereof (the "**Construction**"), shall obtain all necessary business permits and licenses required, shall obtain the required bonding, and open the Franchise for business within forty-five (45) days of the date of acceptance of this Franchise Agreement (the "**Opening Date**") assuming that you are starting your Business from a home office; provided, however, that Franchisee shall have the right to substitute a different site, if such different site is acceptable to Franchisor, within thirty (30) days of execution of this Agreement, or if Franchisee is unable to obtain all necessary business permits and licenses and obtain the bonding requirement for the Accepted Location as a result of causes beyond the reasonable control of Franchisee. Franchisor may grant Franchisee one thirty (30) day extension within which to open the Business. Franchisee must submit documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. Upon the grant of such extension(s) by Franchisor the Opening Date will be commensurately extended.

GCD ZEN CENTER MODEL: Franchisee shall complete the remodel of the Business at the Accepted Location in accordance with the provisions and requirements of Section XII hereof (the

"**Construction**"), shall obtain all necessary business permits and licenses required, shall obtain the required bonding, and open the Franchise for business within one hundred fifty (150) days of the date of acceptance of this Franchise Agreement (the "**Opening Date**"); provided, however, that Franchisee shall have the right to substitute a different site, if such different site is acceptable to Franchisor, within thirty (30) days of execution of this Agreement, or if Franchisee is unable to obtain all necessary business permits and licenses and obtain the bonding requirement for the Accepted Location as a result of causes beyond the reasonable control of Franchisee. Franchisor may grant Franchisee one (1) thirty-day (30) extension within which to open the Business. Franchisee must submit documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. Upon the grant of such extension(s) by Franchisor the Opening Date will be commensurately extended.

Should Franchisee be unable to obtain all necessary business permits and licenses, and the required bonding during the stated period and extension time period or periods as a result of causes beyond the reasonable control of Franchisee (unless the requirement for the issuance of such permits and licenses is waived in writing by Franchisor), this Agreement shall be deemed terminated upon written notice from either Franchisee or Franchisor to the other, without the necessity of further action by either party or further documentation.

D. Cooperation Required

Franchisee shall cooperate reasonably with Franchisor to ensure that the various actions occur which are necessary to obtain acceptance by Franchisor of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by Franchisor regarding Franchisee's business and finances.

E. Lease

The lease for the Accepted Location must include all provisions required by Franchisor, including Franchisor's right to the occupancy of the Business site if the Franchise is terminated or not renewed, or if Franchisee loses possession because of its default under the Lease.

F. Use of Premises

During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating the Business.

X. OTHER FEES; ADVERTISING

A. Royalty

In addition to the Initial Franchise Fee described in Section IX above, Franchisee shall pay Franchisor a monthly Royalty in an amount equal to seven percent (7 %) of the Franchisee's monthly Gross Income or five hundred fifty dollars ($550) per month, whichever is greater. Regardless of what day of the month you open the Business, the last day of the month will signify the end of the first month, subsequent months will begin on the first day of each month and end on the last day of each month.

As used in this Agreement, "**Gross Income**" shall include all revenue earned and/or received from the sale of all products and performance of dog training and/or other dog-related services in, at, upon, about, through or from the Business and every kind and nature related to the Business, whether for cash or credit and regardless of collection in the case of credit, including insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that Gross Income shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, (the retail value of any complimentary services or trade-outs or credit card discounts from Gross Income up to a maximum of two percent (2%) of Gross Income in the aggregate), and the amount of cash refunds to, and coupons used by customers, provided such amounts have been included in gross income. The sale and delivery of products and dog training services from any location other than within the Business territory shall be by written approval of Franchisor only. Should Franchisor agree to allow such sales in writing, these sales will be included in computing Gross Income.

The Royalty shall be payable by Franchisee and must be actually received by the Franchisor by the 10th day of each month, based upon the Gross Income of the prior calendar month. Each monthly payment shall be based upon the Gross Income actually received by Franchisee during the prior month. Franchisee's obligations under this Section X.A shall survive the expiration or any termination of this Agreement for so long as Franchisee continues to receive Gross Income earned during the term of this Agreement.

Any payment or report not actually received by Franchisor on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to Franchisor under this Agreement, Franchisee shall pay Franchisor in addition to the overdue amount, interest on such amount from the date it was due until paid at the greater of the rate of one hundred dollars ($100) per incident plus one and one-half percent (1½%) interest per month, on such amount from the date it was due until paid, or the maximum rate allowed by the laws of the State in which Franchisee's business is located or any successor or substitute law, until paid in full (the "**Default Rate**").

B. National Advertising Fund

In the event that Franchisor establishes a national advertising program ("**Program**") as Franchisor, in its sole discretion, may deem appropriate, to promote the Marks (the "**Fund**"), Franchisee shall contribute up to one percent (1%) of Gross Income to the Fund, as required by Franchisor, on a monthly basis. The monthly contributions are payable by Franchisee and must be actually received by Franchisor by the 10 day of each month, based upon the Gross Income of the prior month, ending the last day of each month. Franchisor will direct all such Programs, and will have sole discretion over the creative concepts, materials, and endorsements and media used in such Programs, and the placement or allocation of such programs. Franchisor shall also determine in its sole discretion, the composition of all geographic territories and market areas for the implementation and development of such Programs. Franchisee acknowledges and agrees that Franchisor undertakes no obligation in administering the Advertising Funds to make expenditures for Franchisee which are equivalent or are proportionate to its contribution, or to ensure that Franchisee benefits directly or pro-rata from advertising or promotion conducted under the Fund, or to place any advertising in the Territory.

C. Regional Advertising Plan

In the event Franchisor establishes a Regional Advertising and Development Plan within Franchisee's Designated Market Area (DMA) (as defined by Nielson, or such other entity as shall be designated by Franchisor, from time to time), Franchisee shall contribute a minimum of two percent (2%) of Gross Income to the Plan each month, or otherwise as specified by fifty percent (50%) or more of the GCD Units. The contributions are payable by Franchisee and must be actually received by the Plan by the 10th day of each month, as specified above, based upon the Gross Income of the prior month, ending the last day of the month. Any amounts Franchisee contributes to a Regional Advertising and Development Plan will count toward the Four – three percent (4-3%) of monthly Gross Income that Franchisee is required to spend on local advertising pursuant to Section X.D of this Agreement.

D. Local Advertising Plan and Expenditures

During the term of this Agreement, Franchisee shall spend a descending minimum of four to three percent (4-3%) of the Monthly Gross Income of the Business against a minimum of $300, whichever is greater (as identified in the chart below), on local advertising and promotion each month; provided, however, that Franchisor shall have the right to accept or reject any advertising proposed by Franchisee, and all Internet marketing and/or advertising of the Business shall be conducted by Franchisor. Franchisee shall submit to Franchisor an accounting of local advertising and promotional expenditures as described above by the 10th day of each month.

Advertising	Time Frame
4% of monthly gross income or $300, whichever is greater	Months four (4) through twelve (12)
3.5% of monthly gross income or $300, whichever is greater	Months thirteen (13) through thirty-six (36)
3% of monthly gross income or $300, whichever is greater	Months thirty-seven (37) through eighty-four (84)

Franchisee shall not advertise the Business in connection with any other business, except with Franchisor's prior written approval, and Franchisee shall not utilize Internet marketing or advertising without Franchisor's prior written approval. Franchisee shall obtain Franchisor's prior acceptance of all advertising and promotional plans and materials that Franchisee desires to use within three (3) business days of our receipt of time sensitive publications, such as newspapers and press releases; ten (10) business days of our receipt of monthly publications, and coupons; and twenty-five (25) days of our receipt of exterior signage, car signage and brochures before the start of such plans. Franchisee shall submit such proposed plans and materials to Franchisors (by personal delivery or through the mail, return receipt requested). Franchisee shall not use such plans or materials until they have been accepted by Franchisor and shall promptly discontinue use of any advertising or promotional plans and material upon the request of Franchisor. Any plans or materials submitted by Franchisee to Franchisor which have not been accepted or rejected in writing within three (3) business days of us receiving time sensitive publications, such as newspapers, and press releases; ten (10) business days of us receiving monthly publications and coupons; and twenty-five (25) days of us receiving exterior signage, car signage and brochures, shall be deemed accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or have rejected.

E. Grand Opening Marketing and Advertising Expenditures

GCD HOME-BASED BUSINESS: Franchisee shall expend a minimum of three thousand three hundred dollars ($3,300) for advertising and promotional dog training services prior to or during the first three months of operation of the Business as described in the Manual.

GCD ZEN CENTER: Franchisee shall expend a minimum of four thousand five hundred dollars ($4,500) for advertising and promotional dog-related services prior to or during the first three months of operation of the Business as described in the Manual.

Franchisor may advise Franchisee regarding the preparation and placement of such advertising and promotional dog training services. Franchisee shall hold at least one day-long "open house" or "meet and greet" event that must be held where Franchisee invites prospective customers to visit the Business to verify all Systems are in order and for additional training of staff. Franchisee shall submit to Franchisor an accounting of its expenditures for advertising and promotional dog training services as described above within ten (10) days from the end of the third month.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the Franchisee's sole responsibility. Franchisor does not finance or guarantee the obligations of Franchisee. The Initial Franchise Fee is due and payable upon execution of this Agreement and as set forth in Section IX.A of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of Franchisor's System and adherence to the Operations Manual (the "**Manual**"), and to Franchisor's standardized design and specifications for decor of the Business and uniformity of equipment, layouts, signs, and other incidents of the Business, are essential to the image and goodwill of the System. Franchisee shall cooperate and assist Franchisor with any customer or marketing research program which Franchisor may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of customer comment cards, questionnaires, and similar items. In order to further protect the System and the goodwill associated therewith, Franchisee shall:

1. Operate the Business and use the Manual solely in the manner prescribed by Franchisor;

2. Comply with such requirements respecting any service mark, trade name, trademark, or copyright protection and fictitious name registrations as Franchisor may, from time to time, direct;

3. Follow the methods of preparation, service, and presentation so as to conform to the specifications and standards of Franchisor in effect from time to time;

4. Use only such supplies, equipment, and products so as to conform to Franchisor's specifications in effect from time to time;

5. Sell from the Business all products and services specified by Franchisor and not sell or offer for sale any other products and services of any kind or character without first obtaining the express approval of Franchisor, which shall be at the full discretion of Franchisor who shall have the sole right of decision in regards to all products and services to be sold in the Franchise Business. Franchisor shall have the right to not approve any product or service for any reason whatsoever or for no reason whatsoever.

6. Discontinue selling or offering for sale or using any products Franchisor may, in its absolute discretion, delete from its standards and specifications for any reason whatsoever or for no reason whatsoever.

7. Maintain in sufficient supply, and use at all times, only such products, materials, supplies, ingredients, methods of preparation and service, weight and dimensions of products used, standards of cleanliness, health and sanitation and housekeeping methods, and methods of dog training service as conform to Franchisor's standards and specifications; and to refrain from deviating there from by using non-conforming items or methods without Franchisor's prior written consent.

8. Purchase such equipment, supplies, or products as may be required by Franchisor, for the appropriate handling and selling of any dog training and/or dog-related services and/or products that become approved for offering in the System.

9. Require clean appropriate attire, along with a logoed polo shirt as described in the Manual, conforming to such specifications as to color, design, etc. as Franchisor may designate, from time to time, to be worn by all of Franchisee's employees at all times while in attendance at the Business, and to cause all employees to present a clean, neat appearance and render competent and courteous service to customers, as may be further detailed in the Manual.

10. Permit Franchisor or its agents, at any reasonable time, to remove from the Business samples of item without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor requires Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

11. Not to install or permit to be installed on or about the Business premises, without Franchisor's prior written consent, any fixtures, furnishings, signs, dog training equipment, dog training supplies, other dog-related equipment and/or supplies, or other improvements not previously approved as meeting Franchisor's standards and specifications.

12. Employ a sufficient number of employees and maintain sufficient inventories as necessary to operate the Business at its maximum capacity as prescribed or approved by Franchisor and to comply with all applicable Laws with respect to such employees.

13. Not engage in any trade practice or other activity or sell any product or literature which Franchisor determines to be harmful to the goodwill or to reflect unfavorably on the reputation of Franchisee, the Business, or the products sold thereat, or which constitutes deceptive or unfair competition, or otherwise is in violation of any applicable laws. The above limitations are closely related to the business image, purpose and marketing strategy of the System and, therefore, any change there from would fundamentally change the nature of the business.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by Franchisor for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Business other than that authorized pursuant to this Agreement, without the prior written approval of Franchisor. Neither Franchisee, nor any of its employees, may conduct any activity at the Business or in connection therewith which is illegal, or which could result in damage to the Names and/or Marks or the reputation and goodwill of Franchisor.

C. Comply with Laws

Franchisee shall comply with all federal, state and local laws and regulations, and shall obtain and at all times maintain any and all permits, certificates, or licenses necessary for full and proper operation of the Business franchised under this Agreement. Franchisor's standards may exceed any and all of the requirements of said laws.

D. <u>Maintain Confidentiality of Proprietary Information</u>

Neither Franchisee nor any of its partners, officers, directors, agents, or employees shall, except as required in the performance of the duties contemplated by this Agreement, disclose or use at any time, whether during the terms of this Agreement or thereafter, any information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to, information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about Franchisor's products, services, or licenses, including information relating to discoveries, ideas, manufacturing, purchasing, accounting, engineering, marketing, merchandising or selling.

E. <u>Maintain and Renovate Business</u>

Franchisee shall at all times maintain the Business in a clean, orderly condition and in first class repair and condition in accordance with all maintenance and operating standards set forth in the Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be determined by Franchisor to be necessary so that the facilities which are viewed by the public will conform to the System's image, as may be prescribed by Franchisor from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions which may be reasonably specified by Franchisor.

At Franchisor's request, which shall not be more often than once every seven (7) years, Franchisee shall refurbish the Business at its expense, to conform to the building design, trade dress, color schemes, and presentation of trademarks and service marks consistent with GCD designated image(s), including, without limitation, remodeling, redecoration, and modifications to existing improvements.

F. <u>Maintain Competent Staff</u>

Franchisee shall maintain a fully trained competent staff capable of rendering courteous quality service in a manner in keeping with the standards set by Franchisor.

G. <u>Open Business within Time Limit</u>

GCD HOME-BASED BUSINESS: Initially you may be located in a home-based Business Office with certain qualifications, as determined by Franchisor after execution of this Agreement, but Franchisee must secure a training site within forty-five (45) days; and within nine (9) months of opening your home-based Business Office, submit a request to continue operating from your home-based office or sign a lease for a commercial office location and relocate to that commercial office site. Franchisee shall obtain Franchisor's approval of the commercial Business office site.

You shall open the Business and commence operations within forty-five (45) days after execution of this Agreement. Time is of the essence. Prior to opening, Franchisee shall complete to Franchisor's satisfaction all preparations of the Business, in accordance with specifications set forth in the Manual, and as required by local governmental agencies, including the installation of fixtures, furnishings, office equipment, dog training equipment, and the acquisition of supplies and inventory.

GCD ZEN CENTER: You shall open the Business and commence operations within one hundred fifty (150) days after execution of this Agreement. Time is of the essence. Prior to opening, Franchisee shall complete to Franchisor's satisfaction all preparations of the Business, in accordance with specifications set forth in the Manual, and as required by local governmental agencies, including the installation of fixtures, furnishings, office equipment, dog training and/or other dog-related equipment, and the acquisition of supplies and inventory.

H. Operate Business in Strict Conformity to Requirements

Franchisee shall operate the Business in strict conformity with such standards, techniques, and procedures as Franchisor may from time to time prescribe in the Manual, or otherwise in writing, and shall not deviate there from without Franchisor's prior written consent. Franchisee further agrees to offer its customers all products and services which Franchisor may, from time to time, prescribe, to offer its customers only those products and services which meet Franchisor's standards of quality and which Franchisor has approved in writing to be offered in connection with the Business's operations, and to discontinue offering any products or services which Franchisor may, in its sole discretion, disapprove in writing at any time.

I. Use Approved Supplies and Products and Services

1. Franchisee shall use in connection with the operation of the Business and offer, sell, and/or provide only such supplies, products and services which may, from time to time, be specified in writing, designated, and approved for sale by Franchisor.

2. To ensure the consistent high quality and uniformity of supplies, products and dog training services provided by GCD Units, Franchisee shall purchase all equipment, inventory, and other supplies, products, and materials used in the operation of GCD Units as Franchisor may specify from time to time, solely from suppliers designated or approved by Franchisor. All suppliers must be designated or approved by Franchisor in writing and not thereafter disapproved. Unless Franchisor has designated an exclusive supplier for any item(s) or services(s), if Franchisee desires to purchase the items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval. In approving any supplier, Franchisor may consider factors such as the supplier's financial strength, quality control, and capacity to supply Franchisee's needs promptly and reliably. Franchisor shall have the right to require, as a condition of its approval and review, that its representatives be permitted to research the proposed supplier and that the proposed product or service be delivered to Franchisor or its designee for review and testing. The cost of such review and testing shall be paid by Franchisee or supplier, and Franchisor shall not be liable for damage to or for the return of any sample. Franchisor reserves the right to re-review the supplier and to retest the product or service of any approved supplier and to revoke any approval if the supplier fails to continue to meet Franchisor's high standards. Notwithstanding anything contained herein to the contrary, Franchisor may, in its sole discretion, require that any supplies, products, dog training services and other items used in connection with the operation of the Business be purchased exclusively from Franchisor, its affiliate(s) or designated suppliers or distributors.

J. Use Approved Equipment

In operating the Business, Franchisee shall install and maintain any and all: dog training equipment, dog training supplies, and/or other dog-related equipment and/or supplies, office equipment, signs, furnishings and fixtures in accordance with the standards and specifications as recommended by Franchisor or that will continue to be recommended by Franchisor.

K. Full-Time Manager Required

Franchisee agrees to maintain a competent, conscientious, trained staff, including at least one (1) fully trained, full-time Manager (which may be you), and to take such steps as are necessary to ensure that its employees preserve good customer relations. You must keep us informed via email at all times of the identity and personal contact information of all supervisory employees acting as managers or assistant managers of the Business. Your managers and assistant managers need not have an equity interest in the Business or you; but must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

L. Use Approved Signs.

Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of the Names and Marks of Franchisor. Upon renewal of this Agreement, Franchisee shall be totally responsible for obtaining and equipping the Business with the signage that is approved for use by Franchisor at the time of the renewal of this Agreement. The color, size, design and location of said signs shall be as specified and/or approved by Franchisor. Franchisee shall not place additional signs, posters or other décor items in, on or about the Accepted Location without the prior written consent of Franchisor.

M. Wear Required Appropriate Attire

Franchisee requires its employees to wear appropriate attire, as described in the Manual, while working at or for the Business and such attire shall be of such design and color as Franchisor may prescribe from time to time, as set forth in the Manual.

N. Maintain Regular Business Hours

GCD HOME-BASED BUSINESS: Franchisee shall keep the Business's office hours open and in normal operation during normal business office hours for its geographical region, for a minimum of two (2) hours per day, five (5) days per week, fifty-two (52) weeks per year, with flexible hours between 9:00 a.m. and 5:00 p.m., always accessible with a cell phone, except Thanksgiving Day and Christmas Day, unless otherwise authorized in writing by Franchisor (subject to local ordinances or lease restrictions, if any). Franchisee shall keep the Business's class hours open and in normal operation during normal business class hours for its geographical region, for seven (7) days per week, fifty-two (52) weeks per year, with flexible hours in the evening and on weekends, always accessible with a cell phone, except Thanksgiving Day and Christmas Day.

GCD ZEN CENTER: Franchisee shall keep the Business's office hours open and in normal operation during normal business office hours for its geographical region, for a minimum of two (2) hours per day, five (5) days per week, fifty-two (52) weeks per year, with flexible hours between 9:00 a.m. and 5:00 p.m., always accessible with a cell phone, except Thanksgiving Day and Christmas Day, unless otherwise authorized in writing by Franchisor (subject to local ordinances or lease restrictions, if any). The Business's Facility hours will vary depending on service(s) offered, as identified in Exhibit K, always accessible with a cell phone, except Thanksgiving Day and Christmas Day.

Such minimum hours and days of operation may be changed as GCD may from time to time specify in the Manual.

O. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail of the design and operation of the Business is important to Franchisee, Franchisor and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for the dog training services sold by the Business under the System, and to protect Franchisor's reputation and goodwill.

P. No Vending Machines Without Franchisor Approval

Newspaper racks, beverage, gum, candy, or other vending machines may not be installed in or at the Business without the express written consent of Franchisor and only then in such manner as prescribed by Franchisor for all of its Franchisees.

Q. Telephone Number of Business

Franchisee understands and agrees that the telephone number(s) for the Business constitutes a part of the System and is subject to the restrictions of this Agreement. Franchisor will issue telephone number(s) to Franchisee. Accordingly, Franchisee shall not change the telephone number(s) for the Business without prior notice and written approval by Franchisor. Franchisee shall advertise and publicize the issued telephone number(s) for the Business in the manner prescribed by Franchisor.

R. Disclose Discoveries and Ideas to Franchisor

Franchisee shall promptly disclose to Franchisor all discoveries, inventions or ideas, whether patent able or not, relating to Franchisor's business, which are conceived or made by Franchisee or any partner, officer, director, agent, or employee of Franchisee solely or jointly with others, during the term of this Agreement, whether or not Franchisor's facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such discoveries, inventions or ideas are the exclusive property of Franchisor, and that Franchisor shall have no obligation to Franchisee with respect thereto. The purpose of this clause is to ensure that ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System.

S. Permit Franchisor to Enter Business

Franchisee shall permit Franchisor and its agents or representatives to enter the Business at any reasonable time for the purpose of conducting inspections, shall cooperate fully with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to correct immediately any deficiency detected during such inspection, Franchisor shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies Franchisor may have pursuant to this Agreement.

T. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited or general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business.

2. Franchisee's Certificate or Articles of Incorporation and Bylaws (or

comparable governing documents) shall at all times provide that its activities are confined exclusively to operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish Franchisor promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, and other governing documents, and any other documents Franchisor may reasonably request, and any amendments thereto, from time to time.

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock of Franchisee and shall furnish such list to Franchisor upon request.

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) except in accordance with the provisions of Article XV. All securities issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

> THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT WITH DJR & ASSOCIATES, LLC DATED________________. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS LLC.

5. All shareholders of Franchisee shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section XII.T shall not apply to any corporation or limited liability company registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation or LLC").

6. If Franchisee is or becomes a partnership, Franchisee shall furnish Franchisor promptly upon request a copy of its partnership agreement and any other documents Franchisor may request, and any amendments thereto, from time to time.

7. Franchisee shall maintain a current list of all general and limited partners, shareholders or member, and all owners of record and all beneficial owners of any class of voting stock of Franchisee and shall furnish the list to Franchisor promptly upon request, from time to time.

8. Each individual who or entity which holds a ten percent (10%) or greater ownership or beneficial ownership interest in Franchisee, directly or indirectly, (including each individual holding a fifty (50%) or greater interest in any partnership or corporation which has a ten percent (10%) or greater interest in Franchisee) shall enter into a continuing guaranty agreement under seal, in the form attached hereto as Exhibit A, as such form may be amended or modified by Franchisor, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Franchise Agreement).

U. <u>Site Selection</u>

GCD HOME-BASED BUSINESS: The Franchisee may initially operate from a home-based Business location; however, Franchisee must submit a written request to continue operating from their home-based location or sign a lease for and relocate business office to a commercial site within nine (9) months after signing Franchise Agreement. Franchisor may grant Franchisee one thirty (30) day extension for leased premises. Franchisee must submit a request in writing for an extension no less than ten (10) days prior to the end of the initial period. Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and developing a site for the Business to be established under the Franchise Agreement and for constructing and equipping the Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to the Accepted Location for the Business unless such Accepted Location is accepted in accordance with the procedure herein set forth and which provides, without limitation, for (a) thirty (30) days prior written notice of any default there under specifying such default and the right (but with no obligation) of Franchisor to cure any such default within said period, and (b) approval of the Franchisor as an assignee of Franchisee's interest there under.

GCD ZEN CENTER: Franchisee must sign a lease within 60 days after signing Franchise Agreement. Franchisor may grant Franchisee one thirty-day (30) extension. Franchisee must submit a request in writing for an extension no less than ten (10) days prior to the end of the sixty (60) day lease signing period. Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and developing a site for the Business to be established under the Franchise Agreement and for constructing and equipping the Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to the Accepted Location for the Business unless such Accepted Location is accepted in accordance with the procedure herein set forth and which provides, without limitation, for (a) thirty (30) days prior written notice of any default there under specifying such default and the right (but with no obligation) of Franchisor to cure any such default within said period, and (b) approval of the Franchisor as an assignee of Franchisee's interest there under.

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR'S ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY FRANCHISOR THAT A GCD UNIT OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

Before commencing the remodeling of the Business, as applicable, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

1. Franchisee shall submit a site plan to Franchisor of the proposed building, and architectural, and signage drawings for approval by Franchisor. Franchisee, at its option, may use any architect or engineer currently used by Franchisor to prepare detailed plans and specifications for the Remodeling of the Business;

2. Franchisee shall use a qualified general contractor or construction supervisor to oversee the Remodeling of the Business and completion of all improvements, and Franchisee shall submit to Franchisor a statement identifying the general contractor or construction supervisor; and

3. Franchisee shall obtain all licenses, permits and certifications required for lawful remodeling and operation of the Business including, without limitation, building, zoning, access, parking, driveway access, sign permits and licenses, and shall certify in writing to Franchisor that all such permits, licenses and certifications have been obtained. Franchisee shall obtain all health, life safety, and other permits and licenses required for operation of the Business and shall certify that all such permits and licenses have been obtained prior to the Opening Date.

4. Franchisee shall cause such Remodeling to be performed only in accordance with the site plan, and plans and specifications, approved by Franchisor, and no changes will

be made to said approved plans and specifications, or the design thereof, or any of the materials used therein, or to interior and exterior colors thereof, without the express written consent of Franchisor.

V. Training

Prior to Franchisee's opening of the Business to the public, Franchisee or one (1) management employee of Franchisee, per unit purchase, (or, if Franchisee is a corporation or limited liability company or partnership, a principal of Franchisee) shall complete, to Franchisor's satisfaction the management training program offered by Franchisor. At Franchisor's option, key personnel subsequently employed by Franchisee shall also complete to Franchisor's satisfaction, the management training program. Franchisor may, at its discretion, make available additional training programs or seminars, as well as refresher courses to Franchisee and/or Franchisee's designated individual(s), from time to time. Franchisor may, at any time, discontinue management training and decline to certify Franchisee and/or Franchisee's designated individual(s), who fail to demonstrate an understanding of the management training acceptable to Franchisor. If Franchisee or Franchisee's designated individual's management training is discontinued by Franchisor, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to Franchisor. If Franchisee's new candidate does not adequately complete the management training, then Franchisor shall have the option of terminating this Agreement. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for all other expenses incurred by Franchisee or its employees in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages.

Franchisor offers training resources, as described below, to assist franchisees at their business location; however, fees will apply. All Franchisor starters shall be deemed employees of the Franchisee during the period(s) of service to the Franchisee, as herein provided.

Franchisee shall give Franchisor not less than fifteen (15) days' notice of when training should begin. In order for training to begin, Franchisee shall have received a Certificate of Occupancy for the Business premises (commercial space only), and all dog training equipment (as applicable), dog training supplies (as applicable), other dog-related equipment and supplies, office equipment, furniture and fixtures shall be in place and functioning.

Pre-Opening Training

Prior to the opening of Franchised Unit Franchisor shall furnish two (2) days of on-site training, upon not less than fifteen (15) days prior written notice received by Franchisor from Franchisee:

Pre-Opening Trainer Supplied by Franchisor

An opening trainer consisting of: CEO and Corporate Trainer Deborah J. Rosen. This trainer will assist in the setup and opening of the Franchised Business and their total cost of travel, food and lodging will be paid by the Franchisor.

W. Fire or Casualty

In the event the leased Business premises and/or building shall be damaged or destroyed by fire or other casualty, or be required to be repaired or reconstructed by any governmental authority, Franchisee shall commence the required repair, reconstruction or relocation of the leased Business premises within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement), and shall complete all required repair or reconstruction or relocation as soon as possible thereafter, in continuity, but in no event later than sixty (60) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored or relocated leased Business premises will be that which existed just prior to the casualty; however, every effort should be made to have the restored or relocated leased Business premise include the then-current image, design and specifications of Franchisor.

If the building is substantially destroyed by fire or other casualty, Franchisee may, with Franchisor's agreement and upon payment of an amount equal to twenty-five percent (25%) of all insurance proceeds as a consequence of such casualty to the Franchisor as a royalty, terminate this Agreement in lieu of Franchisee's reconstructing the leased business premises.

X. Miscellaneous

Franchisee shall give Franchisor advance written notice of Franchisee's intent to institute legal action against Franchisor, specifying the basis for such proposed action, and shall grant Franchisor thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

XIII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Franchisee shall procure, prior to opening the Business, and shall maintain in full force and effect during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisor, and the officers, directors, partners, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, death, property damage, or expense whatsoever arising or occurring upon or in connection with operating the Business. Franchisor and its affiliate(s) shall be named as additional insured parties on all such policies.

Prior to the opening of the Business and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that not less than thirty (30) days prior written notice shall be given to Franchisor in the event of material alteration to termination, non-renewal, or cancellation of, the coverages evidenced by such certificates.

B. Insurance Carrier Must be Approved by Franchisor

Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to Franchisor in accordance with standards and specifications set forth in the Manual or otherwise in writing, from time to time, and shall include, at a minimum (except as additional coverage's and higher policy limits may be specified by Franchisor from time to time), the following initial minimum coverage in the chart below. Refer to the Manual for all required, suggested, and optional insurance.

1. Commercial General Liability Insurance, including coverage for products-completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, having a combined single limit for bodily injury and property damage as defined in the below

chart. All such coverages shall be on an occurrence basis and shall provide for waivers of subrogation.

General Liability	$1,000,000	Per Occurrence
	$2,000,000	In the Aggregate
Animal Bailee Coverage	$ 1,000	Per Occurrence
Workers' Compensation, Unemployment and Disability Insurance	As required by law	Per Employee
Medical Expense	$ 10,000	Per Occurrence
Damage to Rented Premises	$1,000,000	In the Aggregate
Business Interruption Insurance	$ 10,000	Not less than Per Month
Employee Dishonesty and Forgery Insurance	$ 35,000	Per Occurrence
Insurance Bond	$10,000	In the Aggregate
Automobile Liability Insurance (If automobile is owned, non-owned, rented, scheduled or hired by the business)	$1,000,000	Per Person
	$3,000,000	Per Accident
	$ 500,000	Per Occurrence
	$1,000,000	General Liability per Occurrence

2. Franchisee may also maintain comprehensive crime and blanket employee dishonesty insurance in an amount of not less than $10,000.

3. All-risk property insurance, including theft and flood coverage (when applicable), written at replacement cost value covering the leased Business premises, improvements, furniture, fixtures, office equipment, dog training equipment, and inventory. Coverage shall be written in a value which will cover not less than eighty percent (80%) of the replacement cost of the leased Business premises and one hundred percent (100%) of the replacement cost of the contents of the leased Business premises.

4. Employer's Liability and Worker's Compensation Insurance, as required by state law.

5. Business interruption insurance of not less than ten thousand dollars ($10,000) per month for loss of income and other expenses with a limit of not less than six (6) months of coverage.

Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section XVIII of this Agreement.

C. No Limitations on Coverage

Franchisee's obligations to obtain and maintain the foregoing insurance policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Franchisee may maintain such additional insurance as it may consider advisable.

D. Franchisee Must Provide Evidence of Coverage to Franchisor

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of payment to Franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days' prior written notice to Franchisor.

E. Franchisor May Procure Insurance Coverage

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Manual or otherwise in writing, Franchisor shall have the right and authority (but no obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor.

XIV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting and Records

Franchisee shall maintain during the term of this Agreement and shall preserve for a minimum of three (3) years, full, complete accurate records of sales, closeout sheets, payroll, and accounts payable in accordance with the standard accounting system described by Franchisor in the Manual or otherwise specified in writing.

B. Franchisor's Right to Audit

Franchisor or its designated agents shall have the right, at all reasonable times, to examine and copy, at Franchisor expense, the books, records, and tax returns of Franchisee and the Business. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Business. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest on such amount from the date such amount was due until paid, at the Default Rate, calculated on a daily basis. If an inspection discloses an understatement in any payment to Franchisor of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and, at Franchisor's discretion, submit audited financial statements prepared, at Franchisee' expense, by an independent certified public accountant satisfactory to Franchisor. If an inspection discloses an understatement in any payment to Franchisor of four percent (4%) or more, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Section XXIII hereof. The foregoing remedies shall be in addition to any other remedies Franchisor may have pursuant to this Agreement and as provided at law and in equity.

C. Reporting of Gross Income

Franchisee shall submit to Franchisor during the term of this Agreement, after the opening of the Business, (a) a royalty report, on a one (1) month accounting period (the "**Accounting Period**") basis in the form prescribed by Franchisor from time to time, accurately reflecting all Gross Income during each preceding Accounting Period, and such other data or information as Franchisor may require, from time to time, said report to be received by Franchisor within ten (10) days from the end of each such Accounting Period; and (b) profit and loss statements, balance sheets and trial balances prepared in accordance with generally accepted accounting principles, consistently applied, for each accounting period, to be received by Franchisor within fifteen (15) days after the date of expiration of each period covered by the report, (c) copies of all tax returns relating to sales at the Business to be received by Franchisor within ten (10) days of the end of the state sales tax reporting period, and (d) such other data or information as Franchisor may require, from time to time.

D. Submission of Financial Statements

Franchisee shall, at its expense, submit to Franchisor, within thirty (30) days of the end of each calendar quarter during the term of this Agreement, on forms prescribed by Franchisor, a financial statement, which may be unaudited, for the preceding quarter, including both an income statement and balance sheet. Each financial statement shall be signed by Franchisee or by Franchisee's Treasurer or Chief Financial Officer, attesting that the statement is true and correct. Franchisee shall also, at its expense, submit to Franchisor within sixty (60) days of the end of each fiscal year of Franchisee during the terms of this Agreement, a complete financial statement for said fiscal year, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with such other information in such form as Franchisor may require. Franchisee shall also submit to Franchisor the current financial statement and other forms, records, reports, information, and data as Franchisor may designate, in the form, and at the times and the places required by Franchisor, upon request, and as specified from time to time in the Manual or otherwise in writing.

E. Disclosure of Financial Statements

Franchisee hereby grants permission to Franchisor to release to Franchisee's landlord, lenders or prospective landlords or lenders, any financial and operational information relating to Franchisee and/or the Business; however, Franchisor has no obligation to do so.

F. Computer System

Franchisee shall follow and adhere to the daily accounting and reporting procedures, operation procedures and telecommunication procedures as required by Franchisor, from time to time, and shall purchase accounting and reporting equipment, operations equipment and telecommunication equipment, including, but not limited to, the Computer System as required by Franchisor. The Computer System to be used in the Business shall possess several important features in order to facilitate the operation and internal accounting control of the Business.

The principal components of the current Computer system are as follows:

Required Computer Hardware

- One desktop PC or laptop or MAC computer system

Required Internet Capabilities

- High-speed internet/e-mail with password protected Wi-Fi

Office Software System Requirements

- QuickBooks Essential Online (latest version)
- Microsoft Office® (latest version)
  - Word
  - Excel
  - PowerPoint
  - Outlook

Paid Security and Backup Software

Supporting Office System Equipment Requirements

- Monitor
- 4-in-1 Printer (print/copy/fax/scan)
- Multi-port wireless router
- Surge protector(s)/battery backup (as needed)
- Mouse (if applicable)
- Cables, wires & adapters—as required for system
- Speakers

Minimum System Requirements for the Business PC

Operating System	Windows (latest version in English)
Processor	Intel Core (latest generation)
Processor Speed	Minimum 3.40 GHz
Standard Memory	16 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Maximum write (DVD±R), rewrite (DVD±RW) and read (DVD-ROM) speeds of the DVD±RW drive.
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business Mac

Operating System	Mac OS (latest version)
Processor	Intel® (latest generation)
Processor Speed	2.7 GHz
Standard Memory	8 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Optional
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

Minimum System Requirements for the Business iPad:

Operating System	Apple iOS (latest version)
Drive Capacity	16 GB
Display	7.9" LED-backlist display
Camera	5.0MP iSight camera with 1080p HD video recording
Camera	FaceTime HD camera
Wireless Capability	Wi-Fi with service contract with a carrier

You will also need a hard (land) line telecommunication system with rollover capabilities to your cell phone. Franchisor will issue phone number that can be forwarded to your phone; this is the only phone number that can be used in advertising your Business. You and your employee(s) must have a cell phone with Foursquare credit card processing capability, Internet and Email capabilities.

Additionally, the software of the Computer System shall include the following, without limitation:

1. Detailed income tracking ability including, but not limited to, customer counts, sales and procedures, and accounting period to date sales information; and

2. Communication or polling ability for all income information to be retrieved by Franchisee or Franchisor.

G. Website and Database Set-Up

We provide you with a website, and the initial set-up of your database during the initial training program. You pay us or an approved vendor a $1,500 fee for the website and a $250 fee for initial database set-up at least fifteen (15) days before you begin training.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF MARKS

A. Marks are Licensed by Affiliate

Franchisor warrants with respect to the proprietary Names and Marks that:

1. Pursuant to a license agreement originally dated February 1, 2013, between Rosen & Associates, Inc. and DJR & Associates, LLC, a Washington State limited liability company, Franchisor has the right to use the Marks to establish Good Citizen Dog Training Peaceful Living with Your Dog® in the United States and Canada.

2. Pursuant to a license agreement originally dated July 27, 2016, between Rosen & Associates, Inc. and DJR & Associates, LLC, a Washington State limited liability company, Franchisor has the right to use the Marks to establish Good Citizen Dog Peaceful Living with Your Dog® in the United States and Canada.

3. Franchisor or its affiliate(s) are taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Marks; and

4. Franchisor will use and permit Franchisee and other franchisees to use the Names and Marks with the System and standards attendant thereto, which underlie the goodwill associated with and symbolized by the Marks.

B. Franchisee is Licensed to Use Marks

With respect to Franchisee's franchised use of the Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Marks as are approved in writing by Franchisor for Franchisee's use, and shall use them only in the manner authorized and permitted by Franchisor and that in any use whatsoever of the Marks of Franchisor that the Names and Marks are identified as being registered to or owned by Franchisor;

2. Franchisee shall use the Marks only in connection with the operation of the Business and in advertising for the Business conducted at or from the Accepted Location;

3. Franchisee shall use and display, as Franchisor may require in the operation of the Business, a notice in the form approved by Franchisor indicating that Franchisee is a "**Franchised Operator**" under the System and that the Marks are used by Franchisee under such Franchise;

4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Business under the Mark;

5. Franchisee's right to use the Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights;

6. Franchisee shall not use the Marks to incur any obligations or indebtedness on behalf of Franchisor;

7. Franchisee shall not use the Marks or any part thereof as part of its corporate or other legal name;

8. Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability; and

9. In the event any litigation involving the Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in defending such litigation.

10. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Business in conjunction with any use of the Marks, including, but not limited to, on invoices, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises of the Business as Franchisor may designate in writing. The form and content of such identification shall comply with standards set forth in the Manual.

C. Franchisee Will Not Challenge Affiliate's Rights in the Marks

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, Franchisor is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them;

2. The Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or Franchisor's affiliate's ownership of the Marks;

4. Franchisee's use of the Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Marks, except the non-exclusive Franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Marks in its Business under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Marks;

6. Franchisor reserves the right to substitute different Marks for use in identifying the System, the Business and other franchised businesses operating there under; and

7. Franchisee hereby agrees not to register or attempt to register the Marks in Franchisee's name or that of any other firm, person or corporation.

8. The right and license of the Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

a. To use the Marks itself in connection with selling products and services;

b. To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; and

c. To develop and establish other systems using similar names and Marks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

9. Franchisee understands and acknowledges that Franchisor has the unrestricted right to engage, directly or indirectly, through its or their employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of products and services bearing the Marks licensed hereunder or other names or Marks, including without limitation, products and services included as part of the System. Franchisee shall not under any circumstances engage in any wholesale trade or sale of System products and services for resale.

XVI. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Franchisee Will Learn Proprietary Matters

Franchisee acknowledges that he or she will obtain knowledge of proprietary matters, techniques and business procedures or Franchisor that are necessary and essential to the operation of the

Business, without which information Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, the layout of the Business and the Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. As used herein, **"Proprietary Information"** shall mean confidential information concerning:

1. Persons, corporations or other entities which are, have been or will become Franchisees of the System and any investors therein;

2. Persons, corporations or other entities which are, have been or will become customers of the Business;

3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

4. The operating procedures of the System, including without limitation: distinctive management; bookkeeping and accounting systems and procedures; advertising, promotional and marketing methods; personnel hiring and training procedures; preparation of dog training services; handling and storage of dog training equipment, handling and storage of supplies and products used, the manufacturers and suppliers; and lists of vendors and suppliers;

5. The economic and financial characteristics of the System and Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, and capital and debt structures;

6. The services and products offered to customers of Businesses, including, without limitation, the scope of services performed, and services refused; and

7. All documentation of the information listed in Sections XVI.A.1 through XVI.A.7 hereof, including, without limitation, the Manual. During the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Proprietary Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisor to divulge any secret processes, formulas, or the like.

B. <u>Franchisee's Employees Will Not Disclose Proprietary Information</u>

Franchisee may disclose Proprietary Information only to such of its employees, agents and representatives as must have access to it in order to operate the Business. Franchisee shall obtain from each such employee, representative or agent, an agreement that such person shall not during the course of his employment, representation, or agency with Franchisee, or for a period of five (5) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor.

C. <u>Injunctive Relief is Available to Franchisor</u>

Franchisee acknowledges that any failure to comply with the requirements of this Section XVI will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of requirements of this Section XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies which Franchisor may have.

D. Franchisor's Patent Rights and Copyrights

Franchisor does not own rights in or to any patents that are material to the Franchise. However, Franchisor intends to obtain copyright protection for the Manual and certain marketing, sales, and operations literature. Furthermore, Franchisor claims rights to certain trade secrets and confidential information as discussed above.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify Franchisor in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.

B. Franchisee Must Comply with Laws

Franchisee shall, at Franchisee's expense, comply with all federal, state and local laws, rules, regulations and ordinances and shall timely obtain and shall keep in force as required throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Business, including, without limitation, any required permits, licenses to do business; industry-specific certifications and/or licenses, if applicable; fictitious name registrations; sales tax permits; and fire clearances. Copies of the above aforementioned should be sent to Franchisor upon all renewals and issuances.

C. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless tax is credited against income tax otherwise payable by Franchisor.

D. Franchisee May Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the premises of the Business, or any improvements thereon.

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisee further understands and agrees that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Business or any claim or judgment arising there from against Franchisee. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Business, as well as the cost, including attorney's fees, of defending against same.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational dog training and/or dog-related services and other services, sales, promotional and marketing methods and techniques of Franchisor and the System. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or affiliate of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business similar to the Business or that is engaged in the same business as the Business within the Territory or a fifty (50) mile radius of the Territory or the territory of any other GCD Unit in existence or planned as of the time of termination or expiration of this Agreement. For purposes of this provision, a business that provides dog training and/or dog-related services will be deemed to be similar to the Business.

C. Exception to Covenant Not to Compete

Section XIX.B hereof shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation.

D. Franchisee Will Not Divert Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee covenants that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Divert or attempt to divert business or customers or prospective customers of the Business with which or whom Franchisee has had contact during the term of this Agreement to any business or competitor by direct or indirect inducement or otherwise; or

2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both; or

3. Induce, directly or indirectly, any person who is at that time employed by Franchisor or by any other Franchisee of Franchisor, to leave his or her employment. The provisions of this Section XIX.D shall apply only in the geographical area lying within the exclusive territory of the Business.

E. Franchisor Is Entitled to Injunctive Relief

Franchisee acknowledges that any failure to comply with the requirements of this Section XIX will cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section XIX and waives any requirement for the posting of any bond(s) relating thereto. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under the Agreement or otherwise.

F. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section XIX. Franchisee further agrees that Franchisor shall be entitled to set off any amounts owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this Section XIX.

G. No Right of Set-Off

Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XIX. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorney's fees) incurred by Franchisor in connection with the enforcement of this Section XIX.

XX. OBLIGATIONS OF FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

Franchisor shall provide Franchisee with the following assistance and services:

A. Initial Training Program

1. Franchisor will provide an initial training program concerning the operation of the Business consisting of approximately six (6) days of training at our training facility in

Tacoma, Washington or another location to be designated by Franchisor and approximately two (2) days of training at your location for your grand opening/open house. We will also provide ten (10) hours of virtual/electronic/telephone training after you have opened your Business. The training session will begin approximately fifteen (15) days or more before the opening of the Business. The exact days will be mutually selected by Franchisor and Franchisee. Franchisee and/or his, her or its designated representative shall attend such training program at no charge to Franchisee. Franchisee shall be responsible for any travel, lodging, meal or other costs for the attendee(s) of the training program at Franchisor's Home Office. Franchisee must have at least one fully trained, full-time Manager operating the Business during the entire term of the Agreement. Either the Franchisee or Franchisee's Manager must attend the training sessions. Any person subsequently employed as a full-time manager of the Business may be required by Franchisor to complete the initial training program. Satisfactory completion of all mandatory training sessions is required. Failure to do so shall result in a material breach of this Agreement.

At your option, at the time of initial training, we may provide Advanced Meet and Greet (AMG, Module 3) dog training, beyond the initial administrative training and basic dog training for an extra fee. AMG Class is $1,250 per student for approximately three (3) days of training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate, and/or at an operating GCD location, if taken with initial training. The hands-on AMG Class training may run consecutively following the initial training specified above, and therefore may incur additional expenses for lodging and meals for the duration of the AMG Class training.

If taken at a later date following successful completion of Initial Training Module 2, AMG Class is $1,500 per student for approximately three (3) days of intensive training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate, and/or at an operating GCD location.

If taken at a later date, Initial Training Module 2 plus AMG Class is $2,500 per student for approximately nine (9) days of training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Tacoma, Washington or another location we designate, and/or at an operating GCD location.

You (or your managing owner) must complete AMG Class training to our satisfaction in order to receive our GCD AMG dog training certification. The AMG Class training fee must be paid prior to training beginning and is non-refundable.

2. Franchisor shall also offer additional training resources, at a cost to Franchisee to be determined by Franchisor, to assist franchisee at their business location for hourly employees.

3. Franchisor shall provide such continuing advisory assistance to Franchisee in the operation, advertising and promotion of the Business as Franchisor deems advisable. Franchisor shall also provide refresher training programs for Franchisee and to Franchisee's employees as Franchisor deems appropriate.

4. Franchisor may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising as described in Section X.C of this Agreement and may direct the discontinuance of such plans and materials, from time

to time. All other advertising and promotional materials which Franchisee proposes to use must be reviewed and approved by Franchisor, pursuant to Section X.C hereof.

5. Franchisor may conduct additional virtual or hands-on seminars, or other training programs for the benefit of Franchisee, and Franchisee (and/or Franchisee's employees) may attend any such seminar or program. Franchisor may charge a reasonable fee for such seminar or program if it is deemed appropriate. Any and all traveling, living and other expenses incurred by anyone attending training shall be paid by Franchisee.

6. Franchisee may make reasonable request for training in addition to that specified above, and Franchisor shall provide such training, at Franchisee's expense, including without limitation, any travel, lodging, meals and other related costs.

7. Franchisee shall complete and/or shall cause its employees to complete, to Franchisor's satisfaction, such other additional training as Franchisor may reasonably require from time to time.

8. Franchisor may provide Franchisee, from time to time, as Franchisor deems appropriate, such merchandising, marketing and other data and advice as may from time to time be developed by Franchisor and deemed by Franchisor to be helpful in the managing and operation of the Business.

9. Franchisor may provide such periodic individual or group advice, consultation and assistance, rendered by a personal visit, any type of virtual communication(s), telephone, newsletter or bulletins made available from time to time to all GCD franchisees, as Franchisor may deem necessary or appropriate.

10. Franchisor may provide such bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on behalf of Franchisor regarding its plans, policies, developments and activities. In addition, Franchisor may provide such communication concerning new developments, techniques and improvements management which Franchisor feels are relevant to the operation of the Business.

11. Franchisor shall provide the requirements for a standardized system for accounting, cost control, dog training and other dog-related services, and inventory control.

12. Franchisor shall seek to maintain the high standards of quality, appearance, and service of the System, and to that end shall conduct, as it deems advisable, inspections of the Business franchised hereunder, and evaluations of the products sold and services rendered therein.

13. Franchisor is obligated to take any appropriate action to preserve the Names and Marks against unauthorized operations which infringe on such Names and Marks.

14. All obligations of Franchisor under this Agreement shall benefit only Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. Site Selection

Franchisee has the responsibility for selecting a site for the Business. Franchisor shall then review and accept or reject Franchisee's site selection and lease agreement, based on an analysis of local competing businesses, population density and other demographics, visibility and accessibility, traffic patterns, the neighborhood, suitability of the premises to be leased and other factors more fully described in Franchisor's Manual. The suitability of a site is determined on a case-by-case basis. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Business will be profitable at that site.

C. <u>Business-Layout and Design</u>

If Franchisee leases an existing building or a space in an existing building, Franchisor will assist the Franchisee with the layout and design of the Business including location of walls, counters and the location of equipment and fixtures within two weeks following the lease of the premises and delivery of the site plan to Franchisor. The costs of leasehold improvements, signs, all equipment, furniture and fixtures for finishing out a Business are the responsibility of Franchisee.

D. <u>Post-Training Assistance</u>

In addition to the assistance rendered to Franchisee prior to opening, Franchisor will provide continuing consultation and advice regarding business, financial, operational, technical, pricing, legal, sales and advertising matters, products, management of supplies, styles and type of service, operation of the Business, and development of personnel policies. Franchisor will provide such assistance by any type of virtual communication(s), telephone, newsletter or bulletin, or, if the situation warrants, through on-site assistance of appropriate Franchisor personnel.

E. <u>Operations Manual</u>

In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor Proprietary Marks, Franchisee shall conduct its business in accordance with this Agreement and the Manual, which may include DVDs, CDs, SD cards, memory sticks, PowerPoint® presentations, flash presentations, video, webinars, computer software, other electronic media or online/virtual means, and/or written materials, or other written directives which Franchisor may issue to Franchisee from time to time whether or not such directives are made part of the Manual, and any other materials created or approved for use in the operation of the Business by Franchisor, from time to time.

Franchisee shall at all times treat the Manual, any written directives of Franchisor, any business plans and specifications, and any other manuals created for or approved for use in the operation of the Business, and any supplements thereto, and the information contained therein, in trust and as confidential information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Manual, written directives, other manuals and materials, and any other confidential communications provided or approved by Franchisor, shall at all times remain the sole property of Franchisor and shall at all times be kept and maintained in a secure place on the Business premises.

Franchisor may from time to time revise the contents of the Manual and the contents of any other manuals and materials created or approved for use in the operation of the Business, and Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard.

Franchisee shall at all times insure that its copy of the Manual is kept current and up-to-date; and, in the event of any dispute as to the contents of the Manual, the master copy of the Manual maintained by Franchisor at Franchisor headquarters shall be controlling.

Any suggestions Franchisee may have concerning the improvement of products, equipment, uniforms, business facilities, service format and advertising are encouraged and shall be considered by Franchisor when adopting or modifying the standards, specifications and procedures for the System.

F. Suppliers

Franchisor shall provide Franchisee a list of designated and approved suppliers of necessary products, services and supplies.

G. Recommended Price Schedules

Franchisor shall advise Franchisee from time to time, concerning such suggested retail prices. Franchisor and Franchisee agree that any list or schedule of prices furnished to Franchisee by Franchisor is a minimum retail price list. Nothing contained herein shall be deemed a representation by Franchisor that the use of Franchisor's suggested prices will in fact optimize profits.

H. Advertising and Promotion

Franchisor shall develop and provide creative materials for local and regional advertising and make such advertising materials available to its Franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. Franchisor may be reimbursed for the creative and production costs for such items as signage design, radio, television and electronic media production, public relations campaigns, copy for newspaper, magazine advertisements, flyers and other promotional material. Franchisor shall provide specific guidelines for advertising initiated by individual Franchisees and shall reserve the right to disapprove any advertising which, in Franchisor's opinion, is not in accordance with these guidelines. However, no approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in Franchisor's opinion, be detrimental.

I. Start-up Welcome Packet

Franchisor will provide you with a Start-up Welcome Packet that includes: 25 - 50 business cards, and two (2) t-shirts.

XXI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such Franchisee's business. Franchisee shall not have any right to complain about a variation from standard specifications and practices granted to any other Franchisee and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation.

XXII. SALE OF FRANCHISE

A. Assignment by Franchisee

This Agreement restricts Franchisee's right to assign the Agreement to a third party. Neither this Agreement, nor any of Franchisee's rights or privileges, shall be assigned, transferred, shared, redeemed or divided by operation of law or otherwise, in any manner, without the prior written consent of Franchisor, which consent will not be withheld or delayed unreasonably. In granting any such consent, Franchisor may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and payable to us or our affiliate(s);

2. The proposed assignee (or its partners, managers, directors, officers, or controlling shareholders, if it is a corporation or partnership) must meet the then-applicable standards of Franchisor;

3. The proposed assignee must not operate a franchise, license or other business offering services similar to those offered by the Business;

4. The assignee must execute and agree to be bound by the then current Franchise Agreement offered by Franchisor, which may contain terms and provisions that are materially different from the terms and provision from this Agreement or which materially alter the rights or obligations of Franchisee under this Agreement;

5. Franchisor shall not charge such assignee an Initial Franchise Fee for the Franchise but will charge a transfer fee of seven thousand five hundred dollars ($7,500) of the then-current initial franchise fee charged by Franchisor. If Franchisor determines that training is required, assignee will attend training at Franchisor's Home Office as required under the then-current Franchise Agreement. Franchisor shall have the right to require Franchisee and its owners to execute a general release of Franchisor in a form satisfactory to Franchisor's counsel as a condition to its approval of assignment or other transfer of the Franchise;

6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and Franchisor, its subsidiaries or affiliate(s) and, at the time of transfer, shall not be in default thereof;

7. The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall enter into a written assumption agreement, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and/or any new franchise agreement, as hereinafter provided;

9. The transferee shall demonstrate to Franchisor satisfaction that the transferee meets Franchisor educational, managerial, and business standards; possesses a good moral

character, business reputation, and credit rating; has the aptitude and ability to conduct the Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Business.

10. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall execute, for a term ending on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and such other ancillary agreements as Franchisor may require for the Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate, advertising contribution, and service charge for goods; provided; however, that the transferee shall not be required to pay an initial franchise fee;

11. The transferee, at its expense, shall upgrade the Business to conform to the then-current standards and specifications of the new entry System and shall complete the upgrading and other requirements within the time specified by Franchisor;

12. Franchisee shall remain liable for all of the obligations to Franchisor in connection with the Business prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

13. Franchisee shall agree to remain obligated under the covenants against competition of this Agreement as if this Agreement had been terminated on the date of the transfer;

14. At the transferee's expense, the transferee and, if applicable, the transferee's designated individual manager shall complete any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require, and franchisee to pay for all travel expenses, including, but not limited to: airfare, lodging, meals and entertainment;

15. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Business site from the original franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable.

B. <u>Assignment by Franchisor</u>

Franchisor has an unrestricted right to transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor.

C. <u>Transfer Upon Mental or Physical Incapacity, or Death</u>

Upon the mental or physical incapacity or death of any person with an interest in the Business, the executor, administrator, or personal representative of that person must transfer his interest to a third party approved by Franchisor within six (6) months of mental or physical incapacity, or within nine (9) months after death. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any *inter vivos* transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have a reasonable time to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

Pending assignment, upon the death of the Principal, or in the event of any temporary or permanent mental or physical disability of the Principal, a manager shall be employed for the operation of the Business who has successfully completed Franchisor's training courses to operate the Business for the account of Franchisee. If after the death or disability of the Principal, the Business is not being managed by such trained manager, Franchisor is authorized to appoint a manager to maintain the operation of the Business until an approved assignee will be able to assume the management and operation of the Business, but in no event for a period exceeding one (1) year without the approval of the personal representative of the Principal; such manager shall be deemed an employee of Franchisee. All funds from the operation of the Business during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Business, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager (the "**Management Expenses**"), shall be charged to such fund. As compensation for the management services provided, in addition to the Fees due hereunder, Franchisor shall charge such fund the full amount of the direct expenses incurred by Franchisor during such period of management for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the Principal or personal representative of the Principal, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the Principal during any period in which it is managed by a Franchisor - appointed or approved manager.

D. <u>Sale of Franchised Business</u>

If Franchisee (or its owners) desires to sell the Business, or part or all of the ownership of the Business, then Franchisor will reasonably assist Franchisee (or its owners) in connection therewith. If Franchisee (or its owners) shall obtain a bona fide written offer to purchase the Business, or such ownership, such offer shall be submitted promptly to Franchisor. For a period of thirty (30) days from the date of Franchisor's receipt of such offer, Franchisor shall have the right, exercisable by written notice to Franchisee (or its owners), to purchase the Business, or such ownership, for the price and on the same terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. If Franchisor does not exercise its right of first refusal, the bona fide written offer may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor. To enable Franchisor to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including financial statements, as Franchisor may require. In the event that Franchisor elects to purchase said interest, closing on such purchase must occur within ninety (90) days from the date of notice to the seller of the election to purchase said Interest by Franchisor. Failure of Franchisor to exercise the option afforded by this Section XXII.D shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section XXII., with respect to a proposed transfer of any Interest. Any subsequent change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer.

XXIII. TERMINATION OF FRANCHISE

A. <u>Impact of Statutes Upon Franchise Agreement</u>

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005, Title 11, U.S. Code, as amended.

B. <u>By Franchisor with Right to Cure</u>

Franchisee acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of Franchisor, but also the protection of Franchisee and other franchisees of Franchisor. As a result, Franchisee therefore acknowledges and agrees that strict and exact performance by Franchisee of each of the covenants and conditions contained herein is a condition precedent to the continuation of this Agreement. If Franchisee shall breach any material provision of this Agreement, then Franchisor shall notify Franchisee in writing of such breach, specifying its nature and giving Franchisee five (5) days, or such longer period as applicable law may require, in which to remedy same. Notwithstanding the foregoing, Franchisee shall cure violations of health, safety or sanitation laws within 72 hours' notice. If Franchisee shall fail to remedy such breach, then Franchisor can terminate this Agreement and the Franchise effective five (5) days, or such longer period as applicable law may require, after delivery of notice of termination to Franchisee.

C. <u>Termination by Franchisor Without Right to Cure</u>

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and Franchisor, at its option, may terminate this Agreement and all rights granted under it, without affording Franchisee any opportunity to cure the breach, effective immediately upon Franchisor notifying Franchisee in writing of such breach, if Franchisee does any of the following:

1. Abandons, surrenders, or transfers control of the operation of the Business or fails to continuously and actively operate the Business, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

2. Fails to secure the GCD Office site within 30 days after Franchise Agreement's effective date; however, Franchisor may grant one thirty (30) day extension (leased premises), upon written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request;

3. Fails to secure the GCD ZEN Center site within 60 days after Franchise Agreement's effective date; however, Franchisor may grant one thirty (30) day extension within which to sign a lease, upon written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (3) day extension request;

4. Consistently fails or refuses to submit when due any financial statement, tax return or schedule, or to pay when due the Base Royalty Fees, or any other payments due Franchisor or its affiliate(s);

5. Operates the Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;

6. Has made a material misrepresentation or omission on the application for the Franchise;

7. Transfers, assigns, or sub-franchises this Agreement without having the prior written consent of Franchisor, as set forth herein;

8. Discloses or divulges the contents of the Manual or any other Proprietary Information provided to Franchisee by Franchisor;

9. Repeatedly fails to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

10. Commits a breach of this Agreement or engages in any other activity which has a material adverse effect on Franchisor or the Names and Marks;

11. Fails or refuses to comply with any provision of this Agreement or any other agreement between Franchisor and Franchisee relating to the Business or the Franchise, and does not correct such failure or refusal within thirty (30) days after written notice of such failure or refusal to comply is delivered to Franchisee;

12. Is convicted of a felony or has pleaded *nolo contendere* to a felony;

13. Engages in dishonest or unethical conduct;

14. Fails to discharge any valid lien placed against the property of the business;

15. Makes an assignment for the benefit of creditors or an admission of Franchisee's inability to pay its obligations as they become due;

16. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of Franchisee or the Business, or the claims of creditors of Franchisee or the Business are abated or subject to a moratorium under any laws;

17. Becomes insolvent or makes a general assignment for the benefit of creditors;

18. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee;

19. If a receiver or other custodian (permanent or temporary) of the Business, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise;

20. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee;

21. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); or if Franchisee is dissolved or is wound up;

22. If execution is levied against Franchisee's business or property or against any ownership interest in Franchisee;

23. If any real or personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal, or constable;

24. If, in violation of the terms of Sections XII, XVI and/or XX hereof,

Franchisee, its principals, representatives, agents or employees disclose or divulge the contents of the Manual or other confidential information provided to Franchisee by Franchisor, or if Franchisee maintains false books or records, or submits any false reports to Franchisor;

25. If any inspection of Franchisee's records discloses an understatement of payments due Franchisor of four percent (4%) or more.

26. If Franchisee's alternate candidate for management training shall not adequately complete such management training program, after either Franchisee or Franchisee's designated individual previously failed to complete adequately the management training.

D. <u>By Franchisee</u>

If Franchisee is in compliance with this Agreement and Franchisor breaches this Agreement and fails to cure such breach within thirty (30) days after written notice thereof is delivered to Franchisor, then Franchisee may terminate this Agreement and the franchise effective thirty (30) days after delivery to Franchisor of notice thereof.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. <u>Franchisee Shall Cease Using Marks</u>

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any confidential methods, procedures, descriptions of products, and techniques associated with Franchisor and the Marks and any proprietary marks and distinctive forms, slogans, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles which display the Marks. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information.

B. <u>Franchisee Shall Cease Operating Business</u>

Franchisee shall immediately cease to operate the Business under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of Franchisor. In the event that Franchisor elects to exercise its right to assume the lease for the Approved Location, Franchisee shall tender possession of the premises to Franchisor upon demand.

C. <u>Franchisee May Not Adopt Confusingly Similar Names and Marks</u>

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of any Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to any Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor or a former association or connection with Franchisor.

D. <u>Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers</u>

Franchisee further agrees that upon termination or expiration of this Agreement, it will take such action that may be required to cancel all assumed names or equivalent registrations relating to its use of any Marks and to notify the telephone company and listing agencies of the termination or expiration of Franchisee's right to use any telephone number in any classified ad and any other telephone directory listings associated with the Marks or with the Business and to authorize transfer of same to Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone number and directory listings associated with any Marks of the Business. Franchisee further authorizes Franchisor, and hereby appoints Franchisor as its attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction in this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

E. Franchisee Must Return Manual and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to Franchisor all copies of the Manual, training aids and any other materials which have been loaned to it by Franchisor. Franchisee further agrees to turn over to Franchisor any other manuals, computer programs, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and only Franchisee's copy of this Agreement and any correspondence between the parties, and any other document copies which Franchisee reasonably needs for compliance with any provision of law may be retained by Franchisee.

F. Franchisor May Purchase Franchisee's Assets and/or Equipment

Franchisor shall have the right (but not the obligation), to be exercised by notice of intent within thirty (30) days after termination or expiration, to purchase any or all of the Franchisee's inventory, equipment, supplies, signs, advertising materials and/or items bearing Franchisor's Names and Marks, and/or used in connection with the operation of the Business, at fair market value (less the amount of any outstanding liens or encumbrances). If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and determination of such appraiser shall be binding. If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost for the appraisal, if any, against any payment therefore.

G. Franchisee Must Pay Monies Owed to Franchisor

Franchisee shall pay to Franchisor, within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Royalties, National Fund contributions, payments for inventory, equipment or merchandise, or any other sums owed to Franchisor by Franchisee, which are then unpaid. Thereafter, Franchisee shall continue to pay Franchisor a Royalty for any and all Gross Income earned during the term of this Agreement and received by Franchisee after the effective date of termination or expiration of this Agreement within fifteen (15) days after receipt. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorney's fees, incurred by Franchisor in obtaining injunctive or other relief for the enforcement of any provisions of Section XIX.

XXV. ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that he, she or it will not withhold payments of any Base Royalty Fees or any other amounts of money owed to Franchisor for any reason, on grounds of alleged nonperformance by Franchisor of any obligation hereunder. All such claims by Franchisee shall, if not otherwise resolved by Franchisor and Franchisee, be submitted to arbitration as provided in this Agreement.

B. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

C. Applicable Law

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

D. Dispute Resolution

1. Except for actions that are related to or based on the Names or Marks, which, at Franchisor's sole discretion, may be submitted to binding arbitration or to a court of competent jurisdiction in the State, all disputes, claims or controversies (collectively "**Claims**") between Franchisor, its subsidiaries and affiliated companies or their shareholders, officers, directors, limited liability company members or managers, partners, agents and employees, as applicable (collectively "**Franchisor Parties**"), and Franchisee or its employees, officers, directors, limited liability company members or managers, partners, guarantors, or Principal Operators, as applicable (collectively "**Franchisee Parties**") arising out of or related to this Agreement or the System, will be submitted for arbitration to the Tacoma, Washington office of the American Arbitration Association ("**AAA**"), on demand of either party. The term "Claim" shall have the broadest reasonable meaning, including initial claims, counterclaims, cross-claims and third-party claims. The term "Claim" does not include, however, any dispute about the validity, enforceability, arbitrability or scope of this arbitration provision. However, any dispute that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court to decide. Notwithstanding the language above, if the action is based on a separate agreement or instrument between Franchisor and Franchisee (such as a promissory note or lease), the dispute resolution provision in that agreement or instrument will control rather than this Section. Arbitration proceedings will be conducted in Tacoma, Washington and will be heard by a single arbitrator in accordance with the then-current Rules of the AAA that apply to commercial arbitration. The Arbitrator must be a resident of the State and knowledgeable of the law of the State, and the arbitration shall be conducted in English. The parties agree that, in connection with any arbitration proceeding, each will file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This Section D.1 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

2. Arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other or join with any third party in any

arbitration involving Franchisor and Franchisee. Further, neither Franchisor nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving any Franchisor Party and any Franchisee Party with another arbitration of any kind, nor shall Franchisor or Franchisee attempt to certify a class or participate as a party in a class action against the other. Notwithstanding the foregoing, if Franchisee controls, is controlled by, or is in active concert with another franchisee of Franchisor, or if there is a guarantor of some or all of the Franchisee's obligations to Franchisor, then the joinder of those parties to any arbitration between Franchisor and Franchisee shall be permitted; and in all events, the joinder of an owner, director, officer, limited liability company member or manager, partner or other representative or agent of Franchisor or Franchisee shall be permitted.

3. Notwithstanding anything to the contrary contained in this Agreement Franchisor and Franchisee will each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction. Each party agrees that the other party may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party).

4. The arbitrator will have the right to award or include in the award any relief with he/she deems proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, in accordance with this provision; provided that the arbitrator will not award exemplary or punitive damages. The award and decision of the arbitrator will be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award.

5. Any party may apply to the arbitrator for reasonable discovery from the other. The arbitrator shall have the right to impose sanctions against a party that fails or refuses to respond to discovery allowed by the arbitrator, including but not limited to an award in favor of the party requesting the discovery.

E. Consent to Jurisdiction

If a claim is asserted in any legal proceeding involving any Franchisee Party and any Franchisor Party which is not subject to mandatory arbitration, as specified in Section D.1 above, the parties agree that the exclusive venue for disputes between them will be in the state and federal courts of Tacoma, Washington, and each waives any objection either may have to the personal jurisdiction of or venue in the state and federal courts of the State. Each of the Franchisor Parties and the Franchisee Parties waives its right to a trial by jury.

F. Dispute Resolution Expenses

The prevailing party in any action arising out of or related to this Agreement (including an action to compel arbitration) is entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees and costs of collecting monies owed, in addition to all amounts and damages awarded. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party and the relative equities between the parties.

G. Interest on Default

Upon a default concerning money owed by Franchisee to Franchisor, Franchisor is entitled to recover interest on the past due amount at the rate of the lesser of 18% per annum or the highest rated permitted by applicable law, accruing from the date of default until fully paid.

H. Modifications by an Arbitrator or Court

Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that results from a court or arbitrator of competent jurisdiction striking from any of the provisions hereof any portion or portions held to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from a court or arbitrator of competent jurisdiction reducing the scope of any promise or covenant. If any court or arbitrator of competent jurisdiction declares any provision(s) or covenant(s) (including but not limited to, any covenant not to compete) of this Agreement unenforceable because of unreasonableness or being overly broad or any other reason, the Franchisee agrees to be bound to Franchisor under the terms and conditions of such provision or covenant to the maximum extent allowed by law. The remaining provisions of this Agreement shall not be affected by such modification.

I. Rights of Parties Are Cumulative

The rights of Franchisor and Franchisee are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce by the provisions of this Agreement or of the Manual.

J. Judicial Enforcement, Injunction and Specific Performance

Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in Section XXIII of this Agreement, to collect any amounts owed to Franchisor for any unpaid Base Royalty Fees, or other unpaid charges due hereunder, arising out of the business conducted by Franchisee pursuant hereto, and to pursue any rights it may have under any leases, subleases, sales, purchases, or security agreements or other agreements with Franchisee. Franchisor shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Franchisor secures any such injunction or orders of specific performance, Franchisee agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

K. Construction

Any other agreements or instruments referred to herein or which relate to the purchase or lease by Franchisee from Franchisor of any fixtures, signs, equipment, merchandise, or the like, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor or Franchisee relating to the subject matter of this Agreement. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. The term "**Franchisee**" as used herein is applicable to one or more persons, a corporation or partnership, as the case may be, the singular usage includes the plural, and the masculine and neuter usages include the other and the feminine. References to

"**Franchisee**" applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee if Franchisee is a corporation or partnership.

L. Attorney Fees

In the event any legal proceedings between the parties hereto arise under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the other party.

M. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

N. There Are No Unwritten Agreements; Operations Manual is Subject to Change

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto. The Manual may be amended at any time by Franchisor, however, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

O. Entire Agreement

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. Except for those acts permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Regardless of anything contained herein to the contrary, nothing contained in this Agreement or any related agreement is intended to disclaim the representation made by Franchisor in the Franchise Disclosure Document.

P. Force Majeure

Except for monetary obligations hereunder, or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in Article I of this Franchise Agreement.

XXVI. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be obtained in writing.

Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request therefore.

No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Waiver by Franchisor of any particular default or breach by Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXVII. AUTHORITY

Franchisee or, if Franchisee is a corporation or partnership, the individuals executing this Agreement on behalf of such corporation or partnership, warrant to Franchisor, both individually and in their capacities as partners or officers, that all the partners in the partnership or all of the shareholders of the corporation, as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in the partnership or corporation, as set forth in Section XXII herein.

XXVIII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified, registered or express mail, return receipt requested, or by overnight delivery service, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party.

Notices to:
DJR & Associates, LLC
207 North I Street
Tacoma, Washington 98403

Attention: Franchise Department

With Copy To:
Samuel B. Morrison
25 Atlanta Street, Suite D
Marietta, Georgia 30060

Notices to Franchisee:

____
Name of Franchisee

____

____

____
Address of Franchisee

Any notice by certified, registered or express mail, or overnight delivery service, shall be deemed to have been given at the earlier of the date and time of receipt or refusal of receipt or, if by mail, three (3) business days after being deposited in the United States mail.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on this date ________________/____________________2018.

ATTEST:

Attest: ______________________

WITNESS/ATTEST:

Attest: ______________________

____
Individually

____
Individually

DJR & Associates, LLC

By: ______________________
Deborah J. Rosen, President

____
Name of Franchisee Corporation or LLC

By: ______________________
Individually and as President

____

____

EXHIBIT 1 TO FRANCHISE AGREEMENT

PERSONAL GUARANTEE

THIS PERSONAL GUARANTEE is given this _______ day of _____________ 2018, by each person (and his or her spouse) who, directly or indirectly, owns an equity interest in ____________________ d/b/a ____________________________________ or its affiliate company(ies) ("***Franchisee***").

In consideration of, and as an inducement to, the execution of the Franchise Agreement of even date ("***Agreement***") by DJR & Associates, LLC (the "***Company***"), each of the undersigned hereby personally and unconditionally (1) guarantees to the Company and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant included in the Agreement; and (2) shall be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: acceptance and notice of acceptance by the Company of the foregoing undertakings; notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; any right if may have to require that an action be brought against Franchisee or any other person as a condition of liability; and any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (1) it direct and immediate liability hereunder shall be joint and several; (2) he or she shall render any payment or performance require under the Agreement upon demand if Franchisee fails or refuse punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Company of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, which the Company may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Certificate and Guarantee, which shall be continuing and irrevocable during the term of the Agreement.

The undersigned agrees to pay all expenses paid or incurred by the Company in enforcing the Agreement and this Certificate and Guarantee against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collections is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by the Company, its agents, its successors or assigns, with respect to the Agreement, shall in no way modify or amend this Certificate and Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

This Guarantee is personal to each of the undersigned and the obligations and duties imposed herein may not be delegated or assigned; provided, however, that this Guarantee shall be binding upon the successors, assigns, and personal representatives of each of the undersigned. This Guarantee shall inure to the benefit of the Company, its affiliate(s), successors and assigns.

If any one or more provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Guarantee shall be construed to bind the undersigned to the maximum extent permitted by law that is subsumed within the terms of such provision as though it were separately articulated herein.

The Guarantee shall be interpreted and construed under the laws of the State of Washington, which laws shall prevail in the event of any conflict of law. The undersigned agree that any action, suit or proceeding to enforce this Guarantee or arising hereunder of concerning the interpretation of this Guarantee shall be subject to arbitration to the same extent as provided in Section 33 of this Agreement.

Each of the undersigned hereby acknowledges that (i) it is a condition to the granting of the Agreement to Franchisee the each of the undersigned shall execute and deliver this Guarantee to the Company, (ii) that the Company has entered into the Agreement in reliance upon the agreement of the undersigned to do so, and (iii) that, as owners of Franchisee, the undersigned have received adequate consideration to support their execution of this Guarantee. This Guarantee does not grant or create in the undersigned any interests, rights or privileges in the Franchise or the Agreement.

This Guarantee shall expire on the date that is four years after the date of the Agreement.

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

GUARANTOR(S) (INCLUDING ALL SPOUSES)	PERCENTAGE OF OWNERSHIP IN FRANCHISEE
______________________________ Print Name: ____________________	______________________________%
______________________________ Print Name: ____________________	______________________________%

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

Table of Contents for Good CitiZEN Dog Training Peaceful Living With Your Dog®

Total Pages = 1128*

Article Number *Article Heading*

*Includes title pages and the following pages to be signed by the Franchisee: Confidentiality, Disclaimer and Acknowledgement of Receipt.

EXHIBIT E-1

FRANCHISEES
AS OF 12/31/2017

Louis R. Goaziou
DBA K-9 Principles, LLC
10803 W. Cruser Dr.
Boise, ID 83709
208-971-6229

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT E-2

BUSINESSES NOT YET OPEN
AS OF 12/31/2017

NONE

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EXHIBIT E-3

FORMER FRANCHISEES

David Detweiler
D. Train, LLC
4701 Mohawk Drive
Larkspur, CO 80118
303-694-6389

Andrew S. Sands
DBA Coastal Canines, LLC
5726 Cortez Rd. W, #330
Bradenton, FL 34210
941-251-4093

Lindsay R. Behnen
DBA LRB Training, Inc.
11574 Burgess Ave.
Bridgeton, MO 63044
636-255-4881

Lindsay R. Behnen
DBA LRB Training, Inc.
1765 Lakewood Branch Blvd.
Bradenton, FL 34211
636-255-4881

Kevin Kleinman and Victoria McManus-Kleinman
DBA Kleinman's Dogma, LLC
5121 Pacific Hwy E., Ste. A9
Fife, WA 98424
253-517-8115

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EXHIBIT F

STATE SPECIFIC DISCLOSURE SUPPLEMENTS AND FRANCHISE AGREEMENT ADDENDA

STATE ADDENDA

Following this page are Disclosure Supplements and/or Addenda to the Franchise Agreement for the following states:

1. Arkansas
2. California
3. Connecticut
4. Hawaii
5. Illinois
6. Indiana
7. Iowa
8. Louisiana
9. Maryland
10. Minnesota
11. Missouri
12. Nebraska
13. New Jersey
14. New York
15. North Carolina
16. North Dakota
17. Rhode Island
18. South Carolina
19. South Dakota
20. Washington
21. Wisconsin

You must sign the signature page for this exhibit if:
(1) you are an individual resident of any of these states; or
(2) you are an entity formed in any of these states; or
(3) you are an entity with your principal place of business in any of these states; or
(4) your Territory will be in any of these states.

If none of these conditions applies, then this exhibit is not applicable to you.

ARKANSAS

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Arkansas:

1. Any provision of the Agreement that would require you, at the time you enter into the Agreement, to assent to a release, assignment, novation, waiver or estoppel which would relieve any person from liability imposed by the Arkansas Franchise Practices Act is void to the extent that the provision violates applicable law.

CALIFORNIA

"THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT."

a. Franchisor, any person or franchise broker in Item 2 of the FDD is not 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 such persons from membership in such association or exchange.

b. California Business and Professions Code 20000 through 20043 provide rights to Franchisee concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

c. 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.).

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

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

f. The franchise agreement requires binding arbitration. The arbitration will occur at Pierce County, Washington with the costs being borne by each party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

g. The franchise agreement requires application of the laws of the State of Washington. This provision may not be enforceable under California law.

h. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

i. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section

20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

j. Our website has not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at www.corp.ca.gov.

CONNECTICUT

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Connecticut:

1. The following provision will be added to the Agreement Agent for Service of Process. Our agent in Connecticut authorized to receive service of process is Connecticut Banking Commissioner, 260 Constitution Plaza, Hartford, Connecticut 06103-1800.

2. Under the Agreement, we will lend you one copy of the Manual within 15 days after we sign the Agreement. We are not required to deliver any other items, equipment, supplies or operational guidelines to you prior to your beginning operation of your Development Business.

HAWAII

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Hawaii:

1. Any provision of the Agreement that requires you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is deleted from the Agreement.

ILLINOIS

Illinois law governs the agreements between the parties to this franchise. Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

1. To the extent that the Agreement would otherwise violate Illinois law, these sections are amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

2. The Illinois Franchise Disclosure Act, as amended, applies to this transaction and supersedes any conflicting provisions of the Agreement or State of Incorporation law.

3. Any provision in the Agreement that would require you to waive any right granted by the Illinois Franchise Disclosure Act is deleted from Agreement.

INDIANA

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Agreement, or State of Incorporation law, if these provisions are in conflict with Indiana law.

2. 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 including any material breach of the Agreement, will supersede the provisions of the Agreement to the extent it may be inconsistent with this prohibition.

3. Any provision in the Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.

4. The Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Agreement:

No Limitation on Litigation. Notwithstanding the foregoing provisions of any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any the contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Iowa:

1. Any provision in the Agreement which would result in your waiver of any rights under Iowa Business Opportunity Promotions Law before or at the time of signing the Agreement is void to the extent that the provision violates this law.

LOUISIANA

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Louisiana:

1. Any condition, stipulation or provision in the Agreement which would result in your wavier of any rights established by Louisiana law is void to the extent that the condition, stipulation or provision violates this law.

MARYLAND

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Maryland:

1. Any provision in the Agreement that would require you, as part of the Agreement or as a condition of the sale, renewal or assignment of the franchise, to assent to a release which would relieve any person from liability imposed under the provisions of the Maryland Franchise Law is void to the extent that the provision violates this law.

2. Any provision in the Agreement which operates to waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland is void to the extent that the provision violates this law. Claims arising under the Maryland Franchise Law may be brought in any court of competent jurisdiction in Maryland.

MINNESOTA

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

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

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14, Subds. 3-5, 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. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

4. Minnesota Rules 2860.440(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2960.5500(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

MISSOURI

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Missouri:

1. Termination provisions contained in the Agreement will afford you 90 days written notice in advance of any termination, except that 90 days notice is not required for termination as a result of your

criminal misconduct, fraud, abandonment, bankruptcy, insolvency, or giving a "no account" or "insufficient funds" check to us.

NEBRASKA

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Nebraska:

1. No release language set forth in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Nebraska.

2. No language set forth in the Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of any franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of Franchisee, or heirs of the principal owner, so long as basic financial requirements of Franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

NEW JERSEY

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises subject to the New Jersey Franchise Practices Act:

1. No release language set forth in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New Jersey.

2. No language set forth in the Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of a franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of the franchise, or heir of the principal owner, so long as basic financial requirements of Franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

3. Any term or condition which may directly or indirectly violate the New Jersey Franchise Practices Act is deleted from the Agreement.

NEW YORK

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of New York:

COVER PAGE

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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.

ITEM 3: LITIGATION

Except as provided above, with regard to the Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

ITEM 4: BANKRUPTCY

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

ITEM 5: INITIAL FEES

The following is added to the end of Item 5:

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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.

The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgement of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH CAROLINA

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of North Carolina:

1. Agent for Service of Process. Our agent in the state of North Carolina authorized to receive service of process is the North Carolina Secretary of State, 2 South Salisbury Street, Old Revenue Complex, Raleigh, North Carolina 27601.

NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Covenants not to compete upon termination or expiration of the Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.

2. To the extent the Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

3. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Agreement or State of Incorporation law.

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent the Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

SOUTH CAROLINA

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of South Carolina:

1. Agent for Service of Process. Our agent in South Carolina authorized to receive service of process is the South Carolina Secretary of State, 1205 Pendleton Street, Suite 525, Columbia, SC 29201.

SOUTH DAKOTA

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of South Dakota:

1. Covenants not to compete upon termination or expiration of the Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State of State of Incorporation.

3. To the extent that the Agreement would otherwise violate South Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Development Business operating in the State of South Dakota, will be commenced and maintained, at our election, in the state courts of South Dakota or the United States District Court for South Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

4. Termination provisions covering breach of the Agreement, failure to meet performance and quality standards, and failure to make payments contained in the Agreement will afford you 30 days written notice with an opportunity to cure said default prior to termination.

5. REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OF THE FRANCHISE BY THE DIRECTOR.

6. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

WASHINGTON

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Washington.

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

4. A release or waiver of rights signed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

4. Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

WISCONSIN

Notwithstanding anything to the contrary set forth in the Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats. supercedes any provisions of the Agreement that are inconsistent with that law.

IN WITNESS WHEREOF, the parties hereto have duly signed this document as of the Effective Date of the Franchise Agreement between the parties.

Franchise Applicant:	Date:

EXHIBIT G

ELECTRONIC DEPOSITORY TRANSFER ACCOUNT AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT WITHDRAWALS (ACH DEBITS)

I (we) hereby authorize DJR & ASSOCIATES, LLC, hereinafter called COMPANY, to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any credit entries in error to my (our) Checking account at the depository financial institution, hereinafter called DEPOSITORY, and to credit the same to such account. I (we) understand that we will receive notification of such debits to our account if we provide a direct fax number or e-mail address below, or otherwise it shall be by ordinary mail. I (we) agree to reimburse the COMPANY for all costs or expenses it may incur if we do not have sufficient funds in the account on the date of the scheduled debit or on any future attempted debit of that amount. I (we) understand that our failure to have such necessary funds in the account on the scheduled due date is evidence of non-payment, and that the COMPANY may proceed to take any action it deems necessary to collect a debt due to our failure to pay or to have such sufficient funds on account for payment of the debt.

DEPOSITORY
NAME ____________________

CITY ____________________ STATE ____________________

ROUTING NO. ______________

ACCOUNT NO. ______________

**Attach a voided check for verification.

I understand that this is a continuing authorization for the COMPANY to initiate debit transactions to my account listed above upon my written or verbal authorization. This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Franchise Company Name ____

Authorized Signer(s)

____________________________ or ____________________________
Signer 1 Signer 2

____________________________ ____________________________
Printed Name Printed Name

Date ________________________ Fax No. ______________________

E-mail Address ____

EXHIBIT H

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE is made, as of the last date below written, by and between ____________ (the "**Assignor**") and DJR & Associates, LLC (the "**Assignee**").

WHEREAS, the Assignor and the Assignee have entered into that certain Franchise Agreement, dated __________, 201_ (the "**Franchise Agreement**"), wherein Assignee granted Assignor a franchise to operate a GCD franchised business at ________; and

WHEREAS, the Assignor is a party to that certain Lease Agreement, dated ___________, 201_ (the "**Lease**"), between the Assignor, as lessee, and _____________, as lessor (the "**Lessor**"), wherein the Assignor agreed to lease from the Lessor, and the Lessor agreed to lease to the Assignor, the premises more fully described therein, pursuant to the terms and provisions of the Lease; and

WHEREAS, in order to induce the Assignee to enter into the Franchise Agreement, the Assignor has agreed to assign to the Assignee all of the Assignor's right, title and interest in, to and under the Lease, with the right to reassign, pursuant to this instrument, as security for the Assignor's obligations and the Assignee's rights under the Franchise Agreement.

NOW THEREFORE, in consideration for the foregoing premises and the mutual promises contained in the Franchise Agreement, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor and conclusively established, and in order to further secure the Assignor's obligations and the Assignee's rights under the Franchise Agreement, the Assignor does hereby assign, transfer and set over unto the Assignee, with the right to reassign, all of the Assignor's right, title and interest in, to and under the Lease; it being nevertheless expressly understood and agreed that this assignment is made upon the following terms, covenants, limitations and conditions:

(i) The Assignor shall retain all of its rights under the Lease, in accordance with the terms and conditions thereof, until the termination of the Franchise Agreement by either Assignee or Assignor.

(ii) In the event of the termination of the Franchise Agreement by either Assignee or Assignor, the Assignee may, at its option, upon written notice to the Assignor and the Lessor, assume the Lease and all of the Assignor's rights and obligations thereunder. Upon exercise of this option, the Assignee shall be deemed to be substituted as a party to the Equipment Lease, in the place and stead of the Assignor, and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to the Assignor and shall likewise be entitled to enjoy all of the rights and privileges granted to the Assignor under the terms and conditions of the Lease. Notwithstanding the foregoing, Assignor shall in all events remain fully obligated for all of its obligations under the Lease with respect to the period through and including the date that Assignee exercises its rights under this Paragraph 2 (the "**Exercise Date**").

(iii) So long as the Assignee shall not have exercised its option to assume Assignor's rights and obligations under the Lease under the foregoing provisions, the Assignee shall not be liable for any of the Assignor's obligations under the Lease, and the Assignor shall remain solely liable for all such obligations. Assignor shall reimburse Assignee, upon demand, for any payments made by Assignee under the Lease with respect to the period through and including the Exercise Date.

AND FURTHER, the Lessor unites in this assignment for the purpose of indicating its consent to the aforesaid assignment to the Assignee, with the right to reassign, and hereby agrees with the Assignor and the Assignee that, in the event of any default by the Assignor under the Lease, the Lessor will provide to Assignee the same notice and opportunity to cure with respect to such default as is currently provided to the Assignor under the Lease; and that, so long as the Assignee has not assumed the Lease, the Assignee shall not be liable for any other obligations of the Assignor thereunder, and the Assignor shall remain solely liable for all such obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease this ____ day of ___________, 201__.

Assignee:

DJR & Associates, LLC

By: ______________________________
Name:
Title:

Assignor:

By: ___________________________
Name:
Title:

Attest: _________________________
Name:
Title:

Lessor:

By: ______________________________
Name:
Title:

STATE OF :
: **SS**
COUNTY OF :

Personally appeared before me, a Notary Public in and for the jurisdiction aforesaid, ________________________ and ___________________, known or satisfactorily proven to me to be the and ____________________ and ___________________, respectively, of the Assignor and who acknowledged the foregoing as the true act and deed of the said company this __ day of _________, 201_.

____
NOTARY PUBLIC

My Commission expires:

EXHIBIT I

CONFIDENTIALITY AGREEMENT

BETWEEN FRANCHISOR AND FRANCHISEE

This agreement is entered into this ____ day of _________, 20__ by __________________ (hereinafter "**Applicant**") of ____ and DJR & Associates, LLC (hereinafter "**Franchisor**") of Tacoma, Washington, whereby the parties hereto agree to disclose information to each other for the purpose of enabling Applicant to obtain information to make a decision to purchase a Good Citizen Dog Peaceful Living with Your Dog® (hereinafter "**GCD**") franchise; and, Franchisor to determine Applicant's capabilities to purchase a GCD franchise operation. Applicant agrees to keep "**Confidential**" (as provided herein) all information about the GCD System of operations, site analysis and business administrative documentation learned while evaluating the GCD franchise business opportunity. Franchisor agrees to keep "**Confidential**" any information about Applicant it learns while evaluating Applicant's capabilities to operate a GCD franchise, except as provided herein below.

Parties hereto agree that all such information about the other party is proprietary and valuable to each other, and that sever harm to the other party may be done by unauthorized disclosure of such information. The remedy for such unauthorized disclosure may be established by law or a court of competent jurisdiction.

The time period for maintaining confidential all such information about the other party is forever and one day "**Confidential**" shall mean non-disclosure of any information to any other person or entity, except, that:

1. Applicant may provide any licensed attorney at law copies of any legal documents that Applicant may be asked to sign by Franchisor, provided the attorney agrees to keep such documents confidential as professional standards dictate;

2. Applicant may provide any accountant or other financial advisor (including unlicensed financial advisors) any financial information Applicant obtains or develops relating to the proposed GCD franchise opportunity or location, provided the accountant or financial advisor agrees to keep such information confidential, as ordinary standards of confidentiality dictate;

3. Applicant may provide any other business advisor any information about the GCD franchise business opportunity, except relating to any GCD product or operation specifications, provided the business advisor agrees not to divulge such information to others without the prior written permission of Franchisor;

4. Upon Applicant's written approval, Franchisor may provide any financial information it obtains from Applicant to credit reporting agencies, banks, other lenders and/or other financial institutions, in order to obtain information to make a decision on Applicant's financial ability to purchase and operate a franchised GCD operation. Franchisor may also provide such financial information to said financial institutions for purposes of obtaining credit on behalf of said Applicant.

In consideration of Franchisor allowing Applicant to undergo any operation orientation or training program as part of Applicant's analysis process to purchase a GCD franchise, Applicant agrees to hold Franchisor harmless from any injury Applicant may incur in said orientation or training program.

Franchisor ____________________________

By ______________________________
Authorized Officer

Applicant ________________________

By ____________________________
Authorized Officer

EXHIBIT J

NONDISCLOSURE AND CONFIDENTIALITY AGREEMENT

BETWEEN FRANCHISEE AND INDIVIDUAL (I.E., EMPLOYEES)

This "**Agreement**" made as of the ____ day of ____________, 20____, (the "**Effective Date**") is by and between DJR & Associates, LLC ("**Franchisor**") and ________________________ ("**Franchisee**").

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain **Good Citizen Dog Peaceful Living With Your Dog®** Business Franchise Agreement ("**Franchise Agreement**") by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires Individual to have access to or to review certain Trade Secrets and other Confidential Information of the Franchisor, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to Franchisor's Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such Trade Secrets or other Confidential Information to compete against Franchisor, Franchisee or any other franchisee of Franchisor now or in the future.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. **Recitals**

The above preamble and recitals are true and correct and incorporated into this Agreement.

2. **Trade Secrets**

Individual understands Franchisee possesses and will possess the Franchisor's Trade Secrets, which is important to its business. For purposes of this Agreement, "**Trade Secrets**" is information, without regard to form including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, pro-formas, strategic plans, product plans, lists of actual or potential customers or suppliers which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Individual understands Franchisee's providing of access to the Trade Secrets creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets.

3. Confidential Information

For purposes of this Agreement, "**Confidential Information**" means technical and non-technical information used in or related to the Good Citizen Dog Peaceful Living With Your Dog® Franchised business and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by the Franchisor. Confidential Information shall not include, however, any information established by documentary evidence that: (a) is now or subsequently becomes generally available to the public through no fault of the Individual; (b) the Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

4. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any of the Franchisor's Trade Secrets or other Confidential Information.

b) Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee as an officer, director, executive or manager of Franchisee or a holder of a legal or beneficial interest in Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Individual shall (and Franchisee is entitled to) communicate Individual's obligations under this Agreement to any future customer or employer of Individual to the extent deemed necessary by Franchisee for protection of Franchisee's rights and obligations herein.

5. Miscellaneous

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

b) The Franchisor reserves the right to reduce the scope of the obligations under the covenants contained in Articles XVI.B and XVI.C of the Franchise Agreement unilaterally and without the consent of any other person or entities effective upon giving notice thereof.

c) If one or more provisions of this Agreement are held to be illegal or unenforceable under applicable law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms.

d) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns.

e) Individual shall reimburse Franchisee for any and all costs and attorney fees incurred by Franchisee in the enforcement of the terms of this Agreement.

f) The failure of either party to insist in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

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

h) The Franchisor shall be a third-party beneficiary of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer and Individual has executed this Agreement, as of the Effective Date.

WITNESS:	**INDIVIDUAL:**
______________________________	______________________________
______________________________	______________________________
Printed Name	Printed Name
WITNESS:	**FRANCHISEE:**
	______________________________
______________________________	**By:** ___________________________
______________________________	**Its:** ___________________________
Printed Name	
WITNESS:	**FRANCHISOR:** **DJR & Associates, LLC**
______________________________	**By:** ___________________________
______________________________	**Its:** ___________________________
Printed Name	

EXHIBIT K

EMPLOYEE COVENANT NOT TO COMPETE

In consideration for continued employment and other goods and valuable consideration offered by Good Citizen Dog Peaceful Living with Your Dog® (hereinafter "GCD"), I ____ (Employee), hereby enter into this Agreement and agree as follows:

1. **Covenant Not to Compete:** During the period of Employee's employment with GCD, Employee will not directly or indirectly engage in, become employed by, advice, or assistance to any Competing Business. In addition, for a period of ______ (_____) years following termination, conclusion or cessation of Employee's employment with GCD for any reason whatsoever, and within a ______-mile radius of GCD, Employee will not directly or indirectly:
   - Start any new business in competition with GCD.
   - Assist in starting any new business in competition with GCD.
   - Assist in any way, including but not limited to acting as an employee in any existing Competing Business which is in competition with GCD.
   - Assist any existing competing business in the design, development or enhancement of any existing competing business by adding or incorporating any methods, practices, designs, concepts, configurations, techniques, or principles that were utilized by GCD.

'Competing Business' shall be defined herein as any business involved in selling/providing specialty non-invasive treatment services.

2. **Requests for Clarification.** In the event Employee is uncertain as to the meaning of any provision of this Agreement or its application to any particular information, item, or activity, Employee will inquire in writing to the owner of GCD, specifying any areas of uncertainty. GCD will respond in writing within a reasonable time, and will endeavor to clarify any areas of uncertainty, including such matters as whether it considers particular information to be in violation of this Agreement, and will explain any provision of this Agreement.
3. **Notice to Subsequent Employers.** For a period of ______ (_____) years after termination, conclusion or cessation of employment with GCD for any reason whatsoever, Employee will inform any new industry-related employer before accepting employment of the terms of this Agreement.
4. **Obligations Unconditional:** The obligations of the parties under this Agreement are unconditional and do not depend upon the performance of an agreement, duties, obligations, or outside this Agreement.
5. **Remedies:** In the event of any breach by Employee of any of the provisions of this Agreement, GCD, in addition to any other rights, remedies, or damages available at law or in equity, shall be entitled: (a) to injunctive relief enjoining and restraining any such breach by Employee; Employee acknowledges that GCD would not have an adequate remedy at law for the breach or the threatened breach of any of the provisions of this Agreement and consents to the enforcement of this Agreement by GCD by means of a temporary or permanent injunction issued by any court of competent jurisdiction, without the posting of any bond or security by enjoining or restraining any violation or threatened violation of any of the provisions of this Agreement. GCD's right to injunctive relief is in addition to all other rights and claims of action which GCD may have, in law or in equity, including, without limitation, the right to assert a claim against the appropriate parties for the damages resulting from such breach; and (b) in addition to any other award of damages to which GCD may be entitled, to recover from Employee all costs and expenses, including attorney's fees, incurred by GCD, its successors, and assigns as a consequence of any

such breach. As used herein, costs and attorney's fees include any costs and attorney's fees in any appellate proceedings. Further, in the event legal action is commenced with respect to any of the provisions of this Agreement, the _______-year period described in paragraphs one (1) and three (3) above shall run from the date of any Final Judicial Determination of such legal action. 'Final Judicial Determination' shall mean the day on which the time for appeal from a final judgment in such legal action expires or, if an appeal be taken, the day on which a final determination of the appellate proceeding occurs.

6. **Assignment:** GCD may, in its sole discretion, assign this Agreement or its rights under this Agreement to any parent, affiliate, shareholder, or successor of GCD, or to any person or entity which purchases substantially all the assets of GCD. Employee may not transfer or assign this Agreement or any of Employee's rights or obligations under this Agreement.
7. **Binding Effect and Benefit:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal and personal representative, successors, and permitted assigns.
8. **Governing Law:** This Agreement shall in all respects be governed by and interpreted, construed, and enforced in accordance with the laws of the State of ____________________.
9. **Venue:** The venue for any and all legal action in any way related to this Agreement shall be in _________________ County, ________________.
10. **Severability:** Every provision of this Agreement shall be construed, to the extent possible, so as to be valid and enforceable. If any provision of this Agreement so construed is held by a court of competent jurisdiction to be valid, illegal, or otherwise unenforceable, such provision shall be deemed severed from this Agreement, and all other provisions shall remain in full force and effect.
11. **At Will Employment:** This Agreement constitutes no guarantee by the Corporation of the employment or compensation of the Employee. It is expressly understood and agreed that the Employee's employment with GCD shall be terminable at will.
12. **Protection of Legitimate Business Interests:** Employee hereby agrees that GCD has unique systems of marketing, sales, and overall business operations which enable it to generate a substantial number of dog training services sales and in addition foster community goodwill. Employee agrees that these unique systems constitute trade secrets owned by and protected by __________ law. Employee further agrees that without this Agreement, he will gain an unfair advantage in future competition with GCD. Finally, Employee agrees that the execution of the Agreement and enforcement of this Agreement and enforcement thereof is reasonable relating to the protection of these legitimate business interests.
13. **Entire Agreement:** This Agreement sets forth the entire Agreement and understanding between GCD and Employee regarding the subject matter hereof and supersedes all prior agreements and understandings regarding the same subject matter. This Agreement may be modified or amended only by a document duly executed by both GCD and Employee.

EMPLOYEE CERTIFIES THAT (S)HE HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE ABOVE AGREEMENT.

Dated this ___________________________day of _______________________, 20____

GCD

Authorized Signature	Printed Name of Authorized Signer
Employee	Printed Name of Employee
Witness	Witness Attest

EXHIBIT L

SERVICE OPTION SELECTION(S)

Check to indicate which option(s) is/are being purchased:

Check All that apply	**Home-Based Model**	**Initial Franchise Fee**
	Dog Training	
	Dog Walking	
	In-Home Dog Sitting	
TOTAL Initial Franchise Fee		$

Check All that apply	**ZEN Center Model**	**Initial Franchise Fee**
	Dog Training	
	Doggy Daycare	
	Dog Grooming	
	Dog Wash	
	In-Home Pet Sitting	
TOTAL Initial Franchise Fee		$

IN WITNESS WHEREOF, the parties have caused this Selection to be signed by their duly authorized representatives.

DJR & Associates, LLC

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

FRANCHISEE

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

EXHIBIT M

RELEASE

This **RELEASE** (**"Release"**) is made as of the latest date set forth on the signature page hereof between DJR & Associates, LLC (**"Franchisor"**), and the undersigned person or entity (**"Franchisee"**).

<u>Background</u>

A. Franchisor and Franchisee have entered into a Franchise Agreement dated __________ for a franchised business located at ______________ (the **"Agreement"**).

B. Franchisee desires to [transfer] [renew] it franchise rights and Franchisor agrees to consent to such [transfer] [renewal], subject to the conditions contained herein.

NOW THEREFORE, incorporating the foregoing Background herein by reference and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Termination of Agreement**. Franchisor and Franchisee agree and acknowledge that the Agreement is hereby immediately terminated and shall be of no further force or effect.

2. **Conditions.** This Release is expressly contingent upon the execution [by the transferee] [by Franchisee], concurrently with the execution of this Release, of Franchisor's current form of franchise agreement for the operation of a franchised business at ________________ [and such other documents as the Franchisee and transferee have agreed upon and Franchisor has approved in connection with such transfer]. The franchise agreement described in this paragraph includes any ancillary agreements contained in Franchisor's current franchise disclosure document.

3. **Release.**

(a) Franchisee, to the fullest extent permitted by law, hereby forever releases and discharges Franchisor and waives any and all rights or Claims it has, may have, had, or may have had against Franchisor, its affiliate(s) and each of their officers, directors or employees from the beginning of time until the date of this Release, of any kind, whether known or unknown, including but not limited to, any Claims arising under or related to the Agreement.

(b) As used in this paragraph 3, **"Claims"** means any and all manner of actions, causes of action, suits, debts, dues, sums of money, account reckonings, bonds, bills, specialties, covenants, contracts, controversies, sanctions, costs, attorneys' fees, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, of whatever kind or nature, whether absolute or contingent, known or unknown, matured or un-matured, at law, in equity, or in any other proceeding.

(c) Nothing contained in this paragraph 3 is intended to affect the rights and responsibilities of the parties under any of the agreements described in paragraph 2 or any agreements between the parties which may be executed concurrently herewith.

4. **Representations and Warranties.** Franchisee represents and warrants to the Franchisor as follows:

(a) The execution and delivery of this Release does not violate any law applicable to Franchisee, Franchisee's organizational documents, or any other agreement binding upon Franchisee.

(b) Franchisee has the power and authority to execute and deliver this Release and has taken all necessary action (corporate or otherwise) to authorize the execution and delivery of this Release.

5. Miscellaneous.

(a) This Release shall be construed in accordance with and governed by the laws of the State of Washington, without regard to its conflict of laws rules.

(b) This Release constitutes the sole agreement of the parties with respect to the subject matter hereof and thereof and supersedes all oral negotiations and prior writings with respect to the subject matter hereof and thereof. No amendment of this Release, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto.

(c) This Release shall be binding upon the parties hereto and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns, and shall inure to the benefit of the parties hereto and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have caused this Release to be signed by their duly authorized representatives.

DJR & Associates, LLC	**FRANCHISEE**
By: ______________________	By: ______________________
Name: ____________________	Name: ____________________
Title: _____________________	Title: _____________________
Date: _____________________	Date: _____________________

EXHIBIT M

RECEIPT
(Your Copy)

DJR & Associates, LLC
A Washington State Limited Liability Company
207 North I Street
Tacoma, Washington 98403
Phone: 253-752-6878
Email: Deborah@GoodCitizenDog.com / www.GoodCitizenDog.com

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DJR & Associates, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Under Illinois, Iowa, Maine, Maryland, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, we must provide this disclosure document to you at your first (1^{st}) personal meeting to discuss the franchise.

If DJR & Associates, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Deborah J. Rosen, Good Citizen Dog Peaceful Living with Your Dog®, 207 North I Street, Tacoma, Washington 98403, 253-752-6878, or Deborah@GoodCitizenDog.com.

Issuance Date: April 25, 2018

See Exhibit A for our registered agents authorized to receive service or process.

I have received a disclosure document dated ______________ that included the following Exhibits:

A.	State Agencies/Agents for Service of Process
B.	Franchise Agreement
C.	Financial Statements – audited as of 12/31/2017
D.	Operations Manual Table of Contents
E-1	Franchisees [as of December 31, 2017]

E-2	Businesses Not Yet Open [as of December 31, 2017]
E-3	Former Franchisees
F.	State Specific Disclosure Supplements and Franchise Agreement Addenda
G.	Electronic Depository Transfer Account Agreement
H.	Collateral Assignment of Lease
I.	Confidentiality Agreement
J.	Nondisclosure and Confidentiality Agreement
K.	Non-Compete Agreement
L.	Service Option Selection(s)
M.	Release
N.	Receipts

Date	Signature	Printed Name

Date	Signature	Printed Name

Keep this copy for your records.

F. State Specific Disclosure Supplements and Franchise Agreement Addenda
G. Electronic Depository Transfer Account Agreement
H. Collateral Assignment of Lease
I. Confidentiality Agreement
J. Nondisclosure and Confidentiality Agreement
K. Non-Compete Agreement
L. Service Option Selection(s)
M. Release
N. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name