FRANCHISE DISCLOSURE DOCUMENT

Groom Service Mobile Pet Spa, LLC
A Nevada Limited Liability Company
28601 Los Alisos Blvd., Unit 1033
Mission Viejo, CA 92692
949-424-5364
info@groomserviceinc.com
www.groomserviceinc.com

The franchise offered is a state-of-the-art mobile pet spa. Groom Service comes to you, providing personalized, pampered service designed for pet safety, comfort and good health. Individualized pet grooming attention, at your home, in your own driveway.

The total investment necessary to begin operation of a Groom Service franchise is $51,750 to $156,500. This includes the $25,000 franchise fee that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in

connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Renee Van Hoorn and Joe Foster at 28601 Los Alisos Blvd., Unit 1033, Mission Viejo, CA 92692 and 949-424-5364.

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

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

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

This Disclosure Document was issued on July 22, 2022

STATE COVER SHEETS

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information.

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Groom Service business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Groom Service franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, you access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit C.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation on in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for

disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

Certain states may require other risks to be highlighted. Check your "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

DISCLOSURES REQUIRED BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

SELLER: Groom Service Mobile Pet Spa, LLC

FDD Effective Date:

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

SELLER: Groom Service Mobile Pet Spa, LLC

FDD Effective Date:

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

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

(3) A provision that permits a franchisor to terminate a franchise 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 such failure.

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

(5) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

(7) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards; (b) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor; (c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; (d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(8) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a 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 (c).

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE INDIANA SECURITIES AND FRANCHISE CODE ONLY

THE STATE OF INDIANA 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.

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

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

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

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

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

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

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any advertising campaign or contest, promotional campaign, promotional materials, or display decorations or materials, at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

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EXHIBITS

A. FRANCHISE AGREEMENT
B. DEVELOPMENT AGREEMENT
C. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
D. FINANCIAL STATEMENTS
E. MULTI-STATE ADDENDA
Receipt (2 copies)

FRANCHISE DISCLOSURE DOCUMENT

To simplify the language in this Disclosure Document, the words "we," "our," and "us" refer to Groom Service Mobile Pet Spa, LLC, the franchisor of Groom Service businesses. "You" and "your" refer to the person who buys the franchise, whether you are an individual or a business entity. If you are a business entity, certain provisions of this disclosure also apply to your owners and will be noted. Unless otherwise defined in this FDD, all capitalized terms are defined in Section 1 of the Franchise Agreement attached as Exhibit A.

Item 1: The Franchisor, and any Parents, Predecessors, and Affiliates.

Our Franchise Opportunity

The franchise offered is a state-of-the-art mobile pet spa. Groom Service comes to you, providing personalized, pampered service designed for pet safety, comfort and good health. Individualized pet grooming attention, at your home, in your own driveway.

The Market and Competition

We operate in the mobile pet grooming services market that is well developed. Our products and services are offered year-round. You will compete for customers with independent and franchised pet grooming businesses.

The Franchisor

We are a Nevada limited liability company, organized on 11/30/2021, for the purpose of offering Groom Service franchises. We do not operate a business of the type being franchised or engage in any other business.

Our principle business address is 28601 Los Alisos Blvd., Unit 1033, Mission Viejo, CA 92692. We have offered Groom Service franchises since August of 2021. We do not offer franchises in any other line of business.

Our agent for service of process in Nevada is Registered Agents, Inc. whom can be reached at 401 Ryland St, Ste 200-A, Reno, NV 89502. Our agents for service of process in other states are disclosed in Exhibit C.

The Franchisor's Predecessors, Parents, and Affiliates

We do not have any Predecessors or Parents. Our Affiliate is Groom Service Mobile Pet Spa, Inc., with a principal place of business of 28601 Los Alisos Blvd., Unit 1033, Mission Viejo, CA 92692. Our Affiliate has operated a Groom Service business since December 2018. Our Affiliate has not offered franchises in this or in any other line of business.

Industry Regulations

In addition to laws and regulations that apply to businesses generally, your Groom Service franchise will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the American with Disabilities Act; noise ordinances; grooming licensing (where applicable), registration and

permit laws and requirements; bonding requirements; environmental and hazardous waste laws; and health, sanitation, and safety laws and regulations. Local city and county zoning ordinances may prohibit you from establishing your Groom Service franchise in a particular location due to applicable land-use codes, which may prohibit may dog-related services, in neighborhood commercial zones and/or business districts.

In addition, it is your sole obligation to comply with all immigration and naturalization laws, discrimination laws, workers' compensation laws, labor laws, including requirements pursuant to the Fair Labor and Standards Act, as well as federal and state tax laws, including those promulgated by the United States Internal Revenue Service. It is also your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities. Consult your local lawyer about all of these laws, rules, and regulations.

Item 2: Business Experience.

Renee Van Hoorn President/CEO of Franchisor			
Employer	**Position**	**Location**	**Dates**
Groom Service, Inc. dba Groom Service Mobile Pet Spa	CEO	Mission Viejo CA	12/2018-Current
Renee's Grooming Services	Owner	NJ & CA	2011-2018

Joe Foster Vice President/CFO of Franchisor			
Employer	**Position**	**Location**	**Dates**
Groom Service, Inc.	CFO	Mission Viejo CA	5/2011-Current

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.

An initial lump sum franchise fee of $25,000 is due when you sign the Franchise Agreement. The franchise fee is uniform and is not refundable.

Item 6: Other Fees.

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	8% of Gross Revenue	First Monday of each Month	You must pay your royalty fee directly to us from Gross Revenue generated through your business.
Marketing Fund Contribution	1% of Gross Revenue	First Monday of each Month	Every month, you shall contribute 1%~~1%~~ of the monthly gross revenue to the corporate marketing fund to be used to promote, market, and grow the brand.
Software Subscription	Currently, $100-$150 per month	Monthly	This is for the operating software you will use to manage your day to day business.
Approval of Products or Suppliers	$500 to $1,000	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase.	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase. Costs vary depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors. You pay our actual costs only.
Transfer / New Designated Manager Fee	$25,000~~$25,000~~	At the time of transfer or hire	Payable to us at time of transfer or hiring of a new Designated Manager.

"Under New Management" Advertising Fee	1,000 to $5,000 depending on market size	Upon completion of transfer	We will design and implement a "under new management" Advertising & Marketing Campaign to promote your new management of the Franchise Business.
Audit Expenses	All costs and expenses associated with audit, approximately $1,500 to $5,000	Upon completion of audit.	Due if the audit shows you have not spent 3% of your monthly gross revenue on local advertising or if you underreported amounts you owe us by 3% or more. We assume costs vary depending on factors, including prevailing auditor's rates in your area, the business activity being audited and how well you keep your books and records. You pay our actual costs only. You should be able to investigate these costs by contacting auditors in your area.
Late Fees	1.5% per month or the highest rate allowed by the state where you are located (whichever is lower)	As accrued.	Applies to all overdue fees you owe us. Also applies to any understatement in amounts due revealed by an audit. Late fees begin from the date payment was due, but not received, or date of underpayment.
Prevailing party's legal costs	All costs including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs incurred in enforcing your obligations to us if we prevail.
Temporary Management	$600 per day	As Billed	If you are unable to act as or hire a Designated Manager and we elect to operate your Franchise Business due to your death or incapacity. If you receive a notice of termination and we decide to take over as

			temporary manager of your business.
Ongoing Training	$600 per day	As Billed	If we require additional training for your Designated Manger.
Successor Franchise Fee	$0	No Renewal Fee Upon Renewal	Our administrative fee for processing your new Franchise Agreement.

NOTES

All of the fees noted above are uniform, payable only to us and are non-refundable. We do not impose and collect fees for a third party.

Item 7: Estimated Initial Investment.

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount From	- To	Method of payment	When due	To whom payment is to be made
Franchise Fee[1]	$25,000	$25,000	Cashier's Check	Signing of Franchise Agreement	Franchisor
Training Expenses[2]	$1,500	$3,000	Not Specified	During Training	Airlines, Hotels, Restaurants
Computer Hardware and Software[3]	$500	$3,500	Not Specified	Before Beginning Operations	Supplier
Office Expenses[4]	$500	$1,000	Not Specified	Before Beginning Operations	Supplier
Signage[5]	$1,500	$3,000	Not Specified	Before Beginning Operations	Supplier
Tools, Fixtures and Equipment[6]	$500	$1,000	Not Specified	Before Beginning Operations	Supplier
Vehicle & Upfitting[7]	$9,000	$90,000	Not Specified	Before Beginning Operations	Approved Supplier

Inventory[8]	$250	$1,000	Not Specified	Before Beginning Operations	Approved Supplier
Grand Opening Advertising[9]	$1,500	$3,000	Not Specified	Before Beginning Operations	Supplier
Insurance[10]	$300	$3,000	Not Specified	Before Beginning Operations	Insurance Agent
Licenses and Permits[11]	$200	$500	Not Specified	Before Beginning Operations	Relevant Organizations
Legal and Accounting[12]	$1,000	$2,500	Not Specified	Before Beginning Operations	Accountants, Lawyers
Additional Funds – First 3 Months[13]	$10,000	$20,000	Not Specified	Upon Beginning Operations	Suppliers
Total[14]	$51,750	$156,500			

REMARKS

All of the fees noted above are uniform, payable only to us and are non-refundable. We do not impose and collect fees for a third party.

FOOTNOTES

[1] Franchise Fee: The franchise fee and its refund policy are described in greater detail in ITEM 5.

[2] Training. The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation. These expenses are typically non-refundable.

[3] Computer Hardware & Software. This is for computers, monitors, battery backups and other IT work. This also accounts for the POS system for the Outlet. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. The amounts you pay for a computer and software are typically non-refundable, or if refundable, may be subject to a "re-stocking" fee.

[4] Office Expenses. You must purchase general office supplies including stationery, business cards and typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors. Typically, office supplies may be returned if unused but are otherwise nonrefundable. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

[5] Signage. The range of costs represents the outright purchase of all signage on the franchised locations. It is subject to all local ordinances. These costs are typically not refundable.

[6] Tools, Fixtures & Equipment. Although some of these items may be leased, the range shown represents the actual purchase price. Equipment installation charges are included in the range of expenses for location improvements. may be returned if unused but are otherwise nonrefundable. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

[7] Vehicle & Upfitting. You must use a Mercedes-Benz Sprinter Cargo Van, 2500 high roof, white, as the vehicle required for your business. It must be in excellent or better condition, clean, dent-free, and otherwise presenting a professional appearance. The low-end estimate assumes you already have a personal vehicle for the business. The high assumes you lease a new vehicle, with certain fees and costs payable upon signing the lease.

[8] Inventory. You must purchase an initial inventory of products and other items needed for use in the operation of the franchised business. Costs vary based upon the size and location of the franchised business, suppliers and other related factors. Based on our experience this amount of inventory should last you about one month.

[9] Grand Opening Advertising. The Grand Opening Advertising will be managed and operated by us. You will pay the entire amount to a third-party vendor and we will provide direction to the marketing program.

[10] Insurance. You must purchase the following types and amounts of insurance: (1) “all risk” property insurance; (2) workers’ compensation insurance and employer liability coverage with a minimum limit of $100,000 or higher if your state law requires; (3) comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence, or higher if your state law requires. A 20 percent down payment of the annual premium for general liability insurance and workers' compensation insurance costs is included in the low-end estimate, and the full annual premium is included in the high estimate. Factors that may affect your cost of insurance include the size and location of the Approved Location, equipment, inventory, number of employees and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

[11] Licenses & Permits. State and local government agencies typically charge fees for occupancy permits, operating licenses and permits to make improvements to your office and storage area. These fees are typically non-refundable.

[12] Legal & Accounting. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your Outlet. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants and your existing relationships. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

[13] Additional Funds. We recommend that you have a minimum amount of money available to cover operating expenses for the first 3 months that the Outlet is open. The lower end represents estimated expenses to maintain minimal operations without any sales for three months. The high end is a more conservative working capital estimate. We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.

[14] Total. We relied on our Affiliate's experience in the industry operating the type of business being franchised to develop this range of investment. We do not offer direct or indirect financing for any part of the Estimated Initial Investment.

Item 8: Restrictions on Sources of Products and Services.

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit D).

B. Insurance. You must obtain insurance through our approved vendor as described in the Franchise Agreement and in our Brand Standards Manual, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

D. Vehicle, Equipment. You must purchase the vehicle you use for the operation of the franchised business from our approved suppliers and vendors which are disclosed in the Brand Standards manual.

Us or our Affiliates as Supplier

Neither we, nor our affiliate is a supplier of any good or service that you must purchase, although we do reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

None of our officers own any interest in a supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

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

Revenue to Us and Our Affiliates

We currently do not derive revenue from the required purchases and leases by franchisees. However, the franchise agreement does not prohibit us from doing so.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 50% to 80% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 50% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

Benefits Provided to You for Purchases

We do provide material benefit to you based on your purchase of particular goods or services and your use of particular suppliers.

Item 9: Franchisee's Obligations

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

Obligation		Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	5	11
b.	Pre-opening purchases/leases	5, 13	7, 8
c.	Site development and other pre-opening requirements	5	11
d.	Initial and ongoing training	8	6, 7, 11
e.	Opening	5, 8, 11	11
f.	Fees	3, 11	5, 6, 7
g.	Compliance with standards and policies/Operations Manual	9, 12, 13	8, 14, 16
h.	Trademarks and proprietary information	2, 6	13, 14
i.	Restrictions on products/services offered	13	8, 16
j.	Warranty and customer service requirements	13	16
k.	Territorial development and sales quotas	N/A	12
l.	Ongoing product/service purchases	13	8, 11
m.	Maintenance, appearance and remodeling requirements	5, 13	6
n.	Insurance	14	6, 7, 8
o.	Advertising	11	6, 7, 11
p.	Indemnification	20	N/A
q.	Owner's participation/ management/ staffing	8, 13	15

r.	Records and reports	12	11
s.	Inspections and audits	6, 12	6, 11, 13
t.	Transfer	17	6, 17
u.	Renewal	4	17
v.	Post-termination obligations	16	17
w.	Noncompetition covenants	7	17
x.	Dispute resolution	22	17
y.	Right of First Refusal	18	N/A

Item 10: Financing

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

Item 11: Franchisor's Assistance, Advertising, Computer Systems and Training.

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

Initial Obligations of Franchisor

Before you open, we will assist you in selecting a location for your Outlet by approving your site selection based on the condition of the premises, demographics of the surrounding area, proximity to other franchisees and affiliates, proximity to Competitive Businesses, or the size of the location and lease requirements. (§5.1) We will designate a geographic area your site selection will fall within, if you have not already received approval for your location when you sign the Franchise Agreement. (§2.4) We will approve or disapprove of your site selection within 30 days of receiving a proposed location. (§5.1) We will review and approve the lease contract for your site. (§5.3) If you fail to receive approval for your site within six months of signing the Franchise Agreement, we will have the right to terminate that Agreement. (§5.2) We do not generally own the location and sublease it to you. An unrelated third party will own the location and lease it to you.

We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. We will provide you with specifications for the development, remodeling, or decoration of the Approved Location. (§5.4) We will provide training for Franchisee, a Designated manager and up to 1 assistant. (§8.1) We are not obligated to assist you in the hiring or training of your staff, but we will provide other general training/opening assistance. (§8.2) We will not provide you with the necessary equipment, signs, fixtures, opening inventory and supplies required to open for business directly.

Development Timetable

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise location is 90-120 days. Factors that may affect Franchisee's beginning operations include ability to obtain a lease, financing or building permits,

zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures, and signs. (§§5.2, 5.5 and 5.7)

Ongoing Obligations of Franchisor

As we continue to develop our System, we will provide you with developments to by providing updated copies of the Operations Manual or other written documents. (§§7.2 and 9.2) We are not obligated to assist you in the hiring or training of your staff but we will provide additional training to the Designated Manager as necessary and training for newly named Designated Managers. (§§8.4 and 8.5) We will be available to render advice, discuss problems and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods with respect to general operating problems. (§8.6) We will prescribe a standard accounting system in the Operations Manual. (§12) Franchisee determines their own prices. Franchisor will advise about pricing upon request, and Franchisor may strongly encourage certain pricing and Franchisor has final approval on pricing. (§13.1) We will also make periodic visits to the Approved Location to provide you with consultation, assistance and guidance in various aspects of the operation and management of the Outlet. (§8.7)

Advertising Program

We will conduct national advertising by maintaining the Groom Service Website but we are not obligated to advertise directly in your territory. (§11.5) You will be permitted to use your own advertising material for local advertising provided that we first approve the material. (§11.1.1)

We do not have an advertising council. You will not be required to participate in an advertising cooperative.

You must participate in a System-wide Marketing Fund. All franchises and Affiliates will contribute 1%~~1%~~ of their Gross Sales Monthly to the Marketing Fund. We will administer the fund and will have an accounting available to you upon request, of the marketing fund prepared each year at the marketing fund's expense. We did not have a franchisee in the past fiscal year and thus have not yet established the Marketing Fund. If excess amounts remain in any fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the fund, and next out of prior year contributions and then out of current contributions. The System-wide Marketing Fund will not be used to solicit new franchise sales. (§11.3)

Computer System

You are required to purchase the following computer hardware and software:

Hardware	Software
POS Hardware	Groom Service App & Platform POS System Software -scheduling/cc processing/reporting/marketing (My Time)

Computer	Square Payment
Backup Drive	
Hum by Verizon (Hardware and Software) – will be installed on the vehicle.	

The approximate cost of the Computer System is $500 to $3,500. We will be permitted full access your computer and point of sale data without contractual limitation. (§12.4) We are not obligated to repair or maintain your computer system and do not require you to purchase a maintenance package, but you may decide to hire an IT professional for this purpose. To the extent possible and to the extent limited by the contract with the service providers, we will have access to the information generated or stored in your computer system.

Operations Manual

Our Operations Manual includes the following topics:

Manual Section	**Number of Pages**
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	48
Administrative Procedures	25
Daily Procedures	21
Selling & Marketing	22
Total Number of Pages	**188**

Franchisor's Training Program

As of our last fiscal year end, our training program consisted of the following:

TRAINING PROGRAM

Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Getting Started with Groom Service Culture, History, and Basic Setup (Employee Handbook, Orientation Materials, etc.)	3	0	Mission Viejo, CA or Your Location
Operations Basics	3	2	Mission Viejo, CA or Your Location

Pricing	1	0	Mission Viejo, CA or Your Location
New Client Interactions: (Setting Expectations) for New Clients	3	3	Mission Viejo, CA or Your Location
Client Interactions: Managing Relationships and Keeping People as Returning Customers	3	3	Mission Viejo, CA or Your Location
FAQ's	3	0	Mission Viejo, CA or Your Location
Client Satisfaction	2	0	Mission Viejo, CA or Your Location
Getting your Route Planned and Efficiently Managing Visits	2	6	Mission Viejo, CA or Your Location
Weekly Duties	3	3	Mission Viejo, CA or Your Location
Other Procedure Reviews / Miscellaneous	1	0	Mission Viejo, CA or Your Location
Onboarding Graduation	1	0	Mission Viejo, CA or Your Location
TOTALS:	25	17	

ADDITIONAL TRAINING PROGRAM FOR FRANCHISEES (OWNER / OPERATOR / MANAGER)

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-opening Readiness: - Start Up Checklist - Travel to corporate (franchisor) location - Technology Set Up	10	15	Mission Viejo, CA or Your Location

-Building your Business Plan -Market and Area Review			
Business Management Basics: - Operations Manual and FAQs - Company Values - Culture of Recognition - Problem-solving & troubleshooting basics	3	0	Mission Viejo, CA or Your Location
Operations Basics: - Maintenance of spreadsheets, documents, and forms - Manager and Group Tasks List - Managing the Procedure Checklist	2	0	Mission Viejo, CA or Your Location
Human Resources Functions: - Interviewing, hiring, & firing - Coaching, providing feedback, and performance management	5	0	Mission Viejo, CA or Your Location
Advertising / Marketing: - Advertising Procedure & Strategy Calendar - Online Advertising - Offline/In-Person Partnerships - Promotions / Signage - Additional pre-opening expectations - Press releases	5	0	Mission Viejo, CA or Your Location
Payroll: - Software set up & overview - Procedure & Checklist - Bonus / Incentives	3	0	Mission Viejo, CA or Your Location
Staff Scheduling: - Software set up & overview - Schedule Management Procedure	2	0	Mission Viejo, CA or Your Location
TOTALS:	30	15	

The initial training program will be conducted on an as needed basis, approximately 2 months before the opening of your Outlet, and will be held at our location and yours. The training materials include the Operations Manual and related written materials. Renee Van Hoorn and Joe Foster have a combined 10 plus years of industry experience and have 9 years of experience in the Groom Service system. We do not charge for initial training; however, you must pay for all travel costs and living expenses any attendees. You and your designated

manager are required to attend and satisfactorily complete the initial training program. (§8.3). Additional training programs may be required but are not currently scheduled. (§8.5)

Item 12: Territory

If you have already selected a specific location for your business, we will approve that location and include its information in the franchise agreement. If we have not already approved a specific location for your Outlet, you shall select and submit possible sites within the Designated Area for our approval. There is no minimum size for a Territory and the size of your Territory will vary depending on the population and business counts. You are not granted the right to open additional franchise outlets in this Agreement. Additional franchise outlets will be governed by additional franchise agreements. We will allow the reasonable relocation of your Outlet within the Territory.

We grant you an exclusive territory. The territory will include a defined area and will be documented as a defined area based on a 100,000-250,000 minimum population base. The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or other contingency. Neither our Affiliate nor we have retained the right to use other channels of distribution within the Territory under our Marks or different trademarks. You shall not directly market to or solicit customers located within the Territory of another franchisee or Affiliate but may otherwise solicit customers located outside of your Territory.

Neither our Affiliate nor we operate or has plans to operate a business under a different trademark that will compete with you.

Item 13: Trademarks

Principal Trademark(s)

The following are the principal trademarks that we license to you for which we are seeking registration on the principal register of the United State Patent and Trademark Office. As of the date of this Disclosure Document, the trademark has not been filed with the USPTO:

Trademark	Application Date	Serial Number
	10/27/2022	97651290
Groom Service	10/27/2022	97651304

Since we do not have a federal registration for our principal trademark, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Material Determinations

We know of no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceedings pertaining to any of our Marks. We know of no pending material federal or state court litigation regarding our use or ownership rights in any of the Marks.

Trademark Agreements

We have an agreement with our Affiliate for the use and licensing of our Marks that is perpetual and doesn't require the payment of any ongoing fees.

Trademark Liabilities

We are not required to protect your right to use the principle trademark or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims but will take the action, we think appropriate. We have the option to control the defense and settlement of any proceeding related to your use of the Marks. We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding.

If we require you to modify or discontinue using a trademark, you will be solely responsible for all expenses up to the cap for system modifications stated in the Franchise Agreement.

Superior Rights and Infringements

We know of no prior superior uses that could materially affect the use of the Marks in any state in which the Outlet is to be located. We know of no infringing uses that could materially affect your use of the principal trademarks in your state.

Item 14: Patents, Copyrights and Proprietary Information (Trade Secrets).

Patents

We do not own rights in, or licenses to, patents or patent applications that are material to the franchise.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression, including but not limited to our Operations Manual, are automatically protected under the U.S. Copyright Act. We have not sought a copyright registration for any of these materials. You may use our copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of operating your Outlet. There are no material determinations of the United States Copyright Office or any court regarding any of our copyrighted materials. We are not obligated to protect the copyright or to defend you against claims arising from your use of the copyrighted items.

Trade Secrets

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating our franchised business.

Item 15: Obligation to Participate in the Actual Operation of the Franchised Business.

You are required to personally participate or appoint a Designated Manager to provide personal on-premises supervision of the Outlet. The Designated Manager must successfully complete our training program, any additional trainings we designate, and will be required to sign nondisclosure and noncompetition agreements in a form the same as or similar to the Nondisclosure and Noncompetition agreement attached to the Franchise Agreement. If you are a business entity, we do not require that your Designated Manager own an equity interest in your business entity.

Item 16: Restrictions on What the Franchisee May Sell.

You are only permitted to offer the products and services authorized by us and you must discontinue offering any products and services that we may disapprove. You are obligated to sell all of the products and services authorized by us. We may periodically change required or authorized services and products. There are no limits on our right to do so, except that your investment required to change required or authorized services will not exceed $25,000 during the initial term of the franchise. There is no personal on-premises supervision of the Outlet otherwise required for you.

Item 17: Renewal, Termination, Transfer and Dispute Resolution.

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. Franchisee should read these provisions in the agreement attached to this Disclosure

Document. Franchisee should refer to Franchisee's state's-specific addendum attached to this Disclosure Document for exceptions to this ITEM 17.

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	4.1	The initial term is 10 years.
b. Renewal or extension of term	4.2	After the initial term you will be required to sign then current Franchise Agreement that may contain materially different terms and conditions than Franchisee's original contract.
c. Requirements for franchisee to renew or extend	4.2	You may renew the then-current Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement with us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, which may have different terms and conditions than your original Franchise Agreement; comply with current training requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	15.1	You may terminate the Franchise Agreement if you are in compliance with it, we materially breach it, and we fail to begin to cure our breach within 30 days of receiving your written notice.
e. Termination by franchisor without cause	None	

f. Termination by franchisor with cause	15.2	See g and h below.
g. "Cause" defined-curable defaults	15.2.2	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the following defaults: your failure to maintain insurance; your failure to make payments due to us; your failure to comply with any mandatory Specification, standard or operating procedure prescribed in the Operations Manual or otherwise prescribed in writing; or any other default not explicitly stated in the Franchise Agreement.
h. "Cause" defined- non-curable defaults	15.2.1	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely select an approved site for or establish, equip and begin operations; fail to have your Designated Manager satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect the reputation of either party or the brand; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the brand; use the Operations Manual, Training Manuals, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the Outlet for 5 or more consecutive days; surrenders or transfers control of the Outlet in an unauthorized manner; fail to maintain the Outlet under the supervision of a Designated Manager following ITS death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 3%; are adjudicated bankrupt, insolvent or

		make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due to us or any Affiliate; violate on 2 or more occasions any health, safety or other laws or operate the Outlet in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; breach the franchise agreement or fail to comply with specifications on 2 or more occasions within any 12 months; or default under any other agreement with us (or an Affiliate) so that they have the right to terminate such agreement.
i. Franchisee's obligations on termination/nonrenewal	16.1	If the Franchise Agreement is terminated or not renewed, you must: stop operating the Outlet; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	17.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	17.2	"Transfer" means to sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the franchise granted hereby, the Approved Location, its assets, or any part or all of the ownership interest in Franchisee.
l. Franchisor's approval of transfer by franchisee	17.2	You may not transfer your interest without our prior written consent.

m. Conditions for franchisor approval of transfer	17.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; you or the transferee have paid the transfer fee of $10,000, the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide a copy of all contracts and agreements related to the transfer; you or the transferee pay the transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a noncompetition agreement in a form the same as or similar to the Nondisclosure and Noncompetition attached to the Franchise Agreement; the transferee has agreed that its Designated Manager will complete the initial training program before assuming management of the Outlet; and the transferee has obtained all necessary types of insurance.
n. Franchisor's right of first refusal to acquire franchisee's business	18	We may match an offer for the Outlet or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's franchised business	16.4	Except as described in (n) above, we do not have the right to purchase the Outlet; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Outlet for fair market value.
p. Death or disability of franchisee	17.6	Following the death or incapacity of an owner of the Outlet or the death or incapacity of any holder of a legal or beneficial interest in the Outlet, you or your representative must transfer, subject to the terms of the Franchise Agreement, the individual's

		interest in the Outlet within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Noncompetition covenants during the term of the franchise	7.3	You, your owners (and members of their families and households) and its officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the Outlet to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Noncompetition covenants after the franchise is terminated or expires	16.2	For 1 year after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business operating within 25 miles of the franchise location or within the area of primary responsibility (whichever is greater), or within 25 miles of any other franchisee or affiliate; or soliciting or influencing any of our customers, employees or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	9.2 and 21.7	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/ merger clause	21.6	Only the terms of the Franchise Agreement are binding. Any representations or promises made outside of the disclosure document and franchise agreement may not be enforceable. Nothing in this or in any related agreement, however, is intended to disclaim the representations we make in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	N/A	

v. Choice of forum	22.2	Subject to state law, any litigation must be pursued in courts located in Orange County, California.
w. Choice of law	22.1	Subject to state law, California Law applies; except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States.

Item 18: Public Figures.

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

Item 19: Financial Performance Representation.

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 Franchisee is considering buying; or (2) a franchisor supplements the information provided in this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Renee Van Hoorn and Joe Foster, 28601 Los Alisos Blvd., Unit 1033, Mission Viejo, CA 92692, 949-424-5364, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchise Information.

Table No. 1
Systemwide Outlet Summary For Years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0~~1~~	0~~1~~	0

	2020	01	10	0
	2021	01	10	0
Company-Owned	2019	0	1	0
	2020	1	1	0
	2021	1	1	0
Total Outlets	2019	0	1	0
	2020	1	1	0
	2021	1	1	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2019 to 2021

State	Year	Number of Transfers
N/A	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3

Status of Franchised Outlets For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
N/A	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2021

State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
California	0	1	0
Nevada	0	1	0
Total	0	2	0

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

List of Current Franchisees

The following is a list of the current franchisees in our system:

None.

List of Terminated Franchisees

The following is a list of the franchisees who have had an unit terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with Franchisor within 10 weeks of the application date:

None.

List of Units for Sale

The following is a list of the franchised units now under Franchisor control that Franchisor is selling:

None.

Item 21: Financial Statements.

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit D contains our audited opening balance sheet dated 12/31/2022 and our unaudited balance sheet dated 09/31/2022. Our fiscal year end is December 31.

Item 22: Contracts.

All proposed agreements regarding the franchise offering are attached:

Exhibit A	Franchise Agreement
Exhibit 1	General Release
Exhibit 2	Approved Location Addendum
Exhibit 3	Nondisclosure and Noncompetition Agreement
Exhibit 5	Multi-State Addenda to Franchise Agreement
Exhibit 6	Agreement With Landlord
Exhibit 7	Telephone Numbers & Directory Advertising Assignment
Exhibit 8	Deposit Agreement
Exhibit 9	Conversion Addendum
Exhibit F	Franchisee Disclosure Questionnaire
Exhibit G	Multi-State Addend to the Franchise Disclosure Document

Item 23: Receipts.

Two copies of the receipt for this disclosure document, issued on August 1st, 2021 are attached as the last pages. Please sign and return one copy to us and keep the other copy for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

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8. DEPOSIT AGREEMENT
9. CONVERSION ADDENDUM

Groom Service Franchise Agreement

Franchisor:
Groom Service Mobile Pet Spa, LLC
28601 Los Alisos Blvd., Unit 1033
Mission Viejo, CA 92692

Franchisee:
_____
_____
_____

This Franchise Agreement is by and between Franchisor, and Franchisee for the purpose of establishing a franchise relationship between the parties;

Whereas Franchisor intends to sell and Franchisee intends to own and operate a Groom Service Outlet;

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

§1 Definitions

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

"Agreement" means this agreement entitled "Groom Service Franchise Agreement" including the exhibits.

"Approved Location" means the site for the operation of the Outlet selected by Franchisee and approved in writing by Franchisor.

"Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) goods or services the same as or similar to those provided by Groom Service or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to any business operated under a Franchise Agreement with Franchisor.

"Confidential Information" means information used in or related to Groom Service and not commonly known by or available to the public, including, without limitation, Trade Secrets, the customer list and any other information identified or labeled as confidential when delivered by Franchisor.

"Designated Manager" means the individual designated by Franchisee as having primary responsibility for managing the daily affairs of the Outlet.

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

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

"Gross Revenue" means the aggregate of all revenue collected from all sources in connection with the Outlet, whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding (a) any revenue Franchisee remits to a customer or property owner or collection agency that Franchisee is contractually obligated to remit, (b) any chargeback fees Franchisee pays to a collection agency, (c) any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, and (d) any rebate received by Franchisee from a manufacturer or supplier.

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

"Marks" means the trade name or trademark "Groom Service" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with the System;

"Operations Manual" means the Groom Service Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor.

"Outlet" means the Groom Service business authorized by this Agreement and located at the Approved Location.

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

"Trade Secrets" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Groom Service business that are not commonly known by or available to the public and that: (a)

derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

§2 Grant of Franchise and Approved Location

2.1 Grant

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, a revocable, limited license to operate one Outlet using the System.

2.2 Trademark License

Franchisor hereby grants to Franchisee, a revocable, limited license to use the Marks within the Territory to promote and operate its business and otherwise as authorized in this agreement. Franchisee acknowledges that Franchisor owns all rights, title, and interest in and to the Marks. Franchisee agrees not to challenge in any court of law or in any other manner the validity of the Marks. Franchisee acknowledges that all use of the Marks by Franchisee shall inure to the benefit of Franchisor and its good will associated with the Marks.

2.3 Approved Location

The street address (or detailed description of the premises) of the Approved Location for the operation of the Outlet is: _____

_____

_____

_____

2.4 Approved Location Not Determined

If the Approved Location is determined as of the Effective Date, then this Section shall be inapplicable. If the Approved Location is not determined as of the Effective Date, then the geographic area in which the Approved Location is to be located shall be within the geographic area described below ("Designated Area"). Franchisee shall select and submit possible sites for Franchisor's evaluation in accordance with §5.1. When the Approved Location is determined, its address shall be inserted into §2.3, shall be initialed and dated by Franchisee and Franchisor and the Designated Area shall lapse. The failure to insert such address shall not automatically affect the enforceability of this Agreement. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. A detailed description of the geographic area or boundaries of the Designated Area is: _____

_____

_____

_____

2.5 Territory

Franchisee will receive an exclusive territory to be mutually agreed upon by Franchisor and Franchisee and depicted in the map in §2.8below ("Territory"). Franchisee will operate the Outlet within the designated Territory and shall limit all direct marketing, advertising, and business activities as stated in §2.11. As long as this Agreement is in full force and effect and Franchisee is not in default under any of the terms hereof, Franchisor shall not limit or alter the boundaries of Franchisee's Territory. Franchisee's rights in the Territory are subject to Franchisor's rights articulated in §2.10.

2.6 Approved Relocation

If Franchisee wishes to relocate to a new Approved Location, Franchisee shall select and submit possible sites for Franchisor's evaluation in accordance with §§2.4and 5.1. Franchisor shall not unreasonably withhold its approval.

2.7 Additional Franchise Outlets

Franchisee shall not be permitted to open additional outlets within their territory. Additional outlets shall be governed by an additional franchise agreement.

2.8 Map or Description of Territory

The Territory shall be defined by and exist within the following zip codes or other physical, political or natural boundaries: _____

_____

_____

_____

_____

[*or Insert Map Here*]

2.9 Sub-Franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity. Except as permitted in §17, Franchisee shall not grant any person or entity the right to perform any part of Franchisee's rights or obligations licensed hereunder.

2.10 Franchisor's Rights

2.10.1 Franchisee acknowledges that Franchisor expressly retains all rights and discretion with respect to the Marks and System, including the right to:

2.10.1.1 establish, own or operate, and license others to establish, own or operate, Groom Service Businesses outside of the Territory;

2.10.1.2 establish, own or operate, and license others to establish, own or operate other businesses under other systems using other trademarks at locations inside and outside of the Territory;

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

2.10.1.4 provide the services and sell the products authorized for Groom Service Businesses using the Marks or other trademarks through an alternate channel of distribution on such terms and conditions as Franchisor deems appropriate; and

2.10.1.5 purchase or otherwise acquire the assets or controlling ownership of one or more Competitive Business some or all of which may be located anywhere, including within the Territory.

2.10.2 If Franchisor purchases or acquires a Competitive Business within the Territory, Franchisor may, in its sole discretion:

2.10.2.1 offer to sell any such businesses to Franchisee or to Franchisee at the business's fair market value to be operated as a Groom Service; or

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

2.11 Marketing and Solicitation Restrictions

2.11.1 Except as part of cooperative advertising implemented pursuant to §11.3, Franchisee shall not advertise in any media whose primary circulation is within the area of primary responsibility of another franchisee or Affiliate. Franchisor shall make reasonable efforts to enforce these restrictions with regard to Franchisee and any other Groom Service franchisees, but under no circumstances shall Franchisor be required to engage in litigation or similar actions with regard to these restrictions.

2.11.2 Despite the marketing restriction in the previous section, Franchisee shall be permitted to serve any customers regardless of their home or business location at their Approved Location within the Territory.

§3 Fees

3.1 Franchise Fee

Franchisee shall pay the Franchise Fee of $25,000~~$25,000~~ to Franchisor. The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

3.2 Monthly Royalty Fee

On or before the first Monday of each Month, for so long as this Agreement shall be in effect, Franchisor shall be entitled to a fee ("Royalty Fee") equal to 8%~~8%~~ of the Gross Revenue for the previous month. The Royalty Fee will be deemed late if not received by the last day of the month in which it becomes due.

3.3 Late Fees

For all Royalty Fees, Marketing Fund Contributions, amounts due for purchases by Franchisee from Franchisor, time is of the essence. Late fees at the rate of 1.5% per month (or the highest rate allowed by the law of the state where Franchisee is located), from the date payment is due to the date payment is received by Franchisor shall be assessed. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Marketing Fund Contributions or any other amounts due Franchisor, including reasonable accounting and legal fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

3.4 Application of Payments

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

§4 Term & Renewal

4.1 Term

This Agreement shall be effective and binding for an initial term of ten years from the Effective Date, unless sooner terminated pursuant to §15.

4.2 Successor Franchise

4.2.1 Franchisee will have the option, at the expiration of the Term of this Agreement, to enter into a new franchise agreement with Franchisor subject to the following:

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

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

4.2.1.3 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System

modifications such that the Outlet reflects Franchisor's then-current standards and specifications;

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

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

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

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

4.2.1.8 Franchisee does not pay Franchisor a Successor Franchise Fee to process the new Franchise Agreement. We have no renewal fee at this time.

§5 Approved Location

5.1 Selection of Site

Franchisee shall select their residence or a facility to lease or purchase for the operation of the Outlet to be approved by Franchisor ("Approved Location"). If an Approved Location for the Outlet has not been determined as of the Effective Date, Franchisee shall promptly select a site and shall notify Franchisor of such selection. Franchisor shall evaluate the site and notify Franchisee of its approval or disapproval of the site within a reasonable time (usually thirty (30) days) of receiving notice of the site from Franchisee. If Franchisor approves of such selection, the site shall be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee shall select and notify Franchisor of new sites until Franchisor approves a site for the Outlet. Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including, without limitation, the condition of the premises, demographics of the surrounding area, proximity to other Groom Service Outlets, proximity to Competitive Businesses, or the size of the location and lease requirements. Franchisee shall not locate the Outlet on a selected site without the prior written approval of Franchisor. ***Franchisor does not represent that it, or any of its Affiliates, owners, employees or agents, have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to***

indicate or indicates that the Outlet will be profitable or successful at the Approved Location. Franchisee is solely responsible for identifying the Approved Location.

5.2 Failure to Select Site

Should Franchisee fail to obtain an Approved Location within 6 Months after the Effective Date, Franchisor has the right to terminate this Agreement.

5.3 Lease of Approved Location

5.3.1 If Franchisee is to execute a lease for, or a binding agreement to purchase, the Approved Location, Franchisee must obtain Franchisor's approval of the terms. Franchisor shall not unreasonably withhold its approval. ***Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisee acknowledges and agrees that Franchisee shall solely rely on its review of any such lease or purchase agreement.*** Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee shall take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, pursuant to the terms of its standard collateral assignment of lease form, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease shall contain such provisions as Franchisor may reasonably require, including but not limited to:

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

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

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

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

5.3.1.5 a provision allowing Franchisee to display the Marks in accordance with the specifications required by the Operations Manual, subject only to the provisions of applicable law;

5.3.1.6 a provision prohibiting the premises from being used for any purpose other than the operation of the Outlet;

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

5.3.1.8 a provision stating that upon default of this Agreement, Franchisor or its nominee has the right, but not the obligation, to take possession of the Approved Location and operate the Outlet and notwithstanding Franchisor's (or the nominee's) possession, the lessor agrees that during all times prior to an assignment of the lease to Franchisor (or its designee), Franchisee shall be solely responsible for all obligations, debts and payments under the lease incurred prior to or during such possession and prior to such assignment; and

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

5.4 Development of Approved Location

5.4.1 Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the development of the Approved Location, including specifications for improvements, supplies and equipment that are necessary for the development and operation of the Outlet. In connection with the development of the Approved Location, Franchisee shall:

5.4.1.1 obtain all necessary permits and licenses required for operation of the Outlet, and certify in writing that all such permits and certifications have been obtained;

5.4.1.2 purchase any supplies or inventory necessary for the operation of the Outlet, as specified in the Operations Manual;

5.4.1.3 purchase and install all equipment, furniture and fixtures, including any software and computer equipment, required by Franchisor for the operation of the Outlet; and

5.4.1.4 establish broadband or high-speed Internet access and obtain at least one telephone number solely dedicated to the Outlet.

5.5 Failure to Develop Approved Location

Should Franchisee fail to develop the Approved Location within 6 Months after the site approval, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section, Franchisor shall terminate any future obligations to Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 1, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).

5.6 Opening

5.6.1 Before opening the Outlet and commencing business, Franchisee must:

5.6.1.1 fulfill all of the obligations of Franchisee pursuant to the other provisions of 4.2.1.8;

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

5.6.1.3 complete initial training to the satisfaction of Franchisor;

5.6.1.4 hire and train the personnel necessary or required for the operation of the Outlet;

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

5.6.1.6 obtain Franchisor's permission and approval of an opening date; Franchisor shall not unreasonably withhold consent to open. Permission to open shall be based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate; and

5.6.1.7 pay in full all amounts due to Franchisor.

5.7 Failure to Open

Time is of the essence. Should Franchisee fail to commence operations of the Outlet within 12 Months after the site approval, Franchisor has the right to terminate this Agreement.

5.8 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Groom Service in full compliance with this Agreement and the Operations Manual, unless approved in writing by Franchisor.

5.9 Relocation

Franchisee shall not relocate the Approved Location without the prior written consent of Franchisor. If the Approved Location is leased, and the lease expires or terminates through no fault of Franchisee or if the Approved Location's premises is destroyed, condemned or otherwise rendered unusable, Franchisee may request the right to relocate the Approved Location either permanently or temporarily as appropriate under the circumstances and Franchisor shall not unreasonably withhold its consent to such relocation. Should Franchisee desire to relocate the Approved Location for any other reason, Franchisee shall request the right and Franchisor may approve or disapprove such request. Any relocation of the Approved Location shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in §5.1. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including, but not limited to, legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If Franchisor and Franchisee do not agree upon a substitute site within ninety (90) days after the lease expires or is terminated or the Approved Location is rendered unusable, this Agreement shall terminate as provided in §15.2.1.1.

§6 Proprietary Marks

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name but shall register a trade name (aka assumed name or dba) for Groom Service and link such registration to Franchisee. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Groom Service. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Outlet is an "Independently Owned and Operated Franchise of Groom Service Mobile Pet Spa, LLC".

6.3 Notifications

Franchisee shall immediately notify Franchisor of any third-party use of the Marks they become aware of, any challenge made to their use of any of the Marks or any published statements that attack the reputation of the brand. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor has the right to take such action it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Indemnification for Use of Marks

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

6.5 Discontinuance of Use

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

6.6 Right to Inspect

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

6.7 Franchisor's Sole Right to Domain Name

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

§7 Trade Secrets and Other Confidential Information

7.1 Confidentiality of Trade Secrets and Other Confidential Information

Both parties acknowledge that they shall disclose Confidential Information to each other. Neither party shall acquire any interest in the Confidential Information disclosed, other than the right to use it in the development and operation of the Outlet and in performing their duties, during the term of this Agreement. Both parties acknowledge that the use or duplication of the Confidential Information in any other business venture would constitute unfair competition. Both parties acknowledge that the Confidential Information is proprietary and is disclosed solely on the condition that no one shall: (a) use the Confidential Information in any other business or capacity; (b) break the absolute confidentiality of the Confidential Information during or after the term of this Agreement;

(c) make any unauthorized copies of any portion of the Confidential Information disclosed; and (d) fail to adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information. Both parties shall enforce this Section as to its employees, agents and representatives and shall be liable for any unauthorized disclosure or use of Confidential Information by any of them.

7.2 Additional Developments

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

7.3 Exclusive Relationship

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

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

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

7.4 Business Records

Franchisee acknowledges and agrees that Franchisor owns all Business Records with respect to customers, crafts persons, employees, and other service professionals of, and/or related to, Franchisee's Business; including, without limitation, all databases (whether in print, electronic or other form) with customer and potential customers, names, addresses, phone numbers, e-mail addresses, and customer purchase records, and all other records contained in the database. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion.

7.5 Nondisclosure and Noncompetition Agreements with Certain Individuals

Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff of Franchisee to execute a nondisclosure and noncompetition agreement, in a form the same as or similar to the Nondisclosure and Noncompetition Agreement attached as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and noncompetition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein.

7.6 Reasonableness of Restrictions

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

7.7 Customer Lists

Franchisee shall maintain a currently updated customer list including all customer data applicable to the continued service and solicitation of the customers and shall treat the customer list as Confidential Information.

§8 Training and Assistance

8.1 Initial Training

Franchisor's initial training program is available to the Franchisee, one Designated Manager and one assistant, as part of the Franchise Fee. The Designated Manager must attend and successfully complete, to Franchisor's satisfaction, the initial training program sixty days prior to the opening of the Outlet. The Initial Training program will pertain to the operation and administration of the business including, but not limited to, sales and marketing methods; financial controls; maintenance of quality standards; operational procedures; customer service techniques; record keeping; and reporting procedures and other operational issues. Franchisor shall conduct the initial training program at its headquarters, Franchisee's Approved Location or at another designated location. All expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee.

8.2 Opening Assistance

In conjunction with the beginning of operation, but not to exceed sixty days from the opening of the Outlet, Franchisor shall make available to Franchisee, at Franchisor's expense, a minimum of one of Franchisor's representatives, experienced in the System, for the purpose of familiarizing Franchisee's staff with the System and for the purpose of providing general assistance and guidance in connection with the opening of the Outlet.

8.3 Failure to Complete Initial Training Program

If Franchisor determines that the Designated Manager is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement.

8.4 New Designated Manager Training

After beginning operations, should Franchisee name a new Designated Manager, Franchisee must notify Franchisor of the identity of the new Designated Manager and the new Designated Manager must complete the initial training program to Franchisor's satisfaction within thirty days of being named. Franchise shall pay Franchisor an amount equal to the Franchise Fee for the New Designate Manager Training. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the new Designated Manager's attendance at such training.

8.5 Ongoing Training

From time to time, Franchisor may provide and if it does, has the right to require that the Designated Manager attend ongoing training programs or seminars during the term of this Agreement. Franchisor shall charge a fee of $600 per day for any mandatory ongoing training. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Designated Manager's attendance at such training.

8.6 Ongoing Assistance

Franchisor shall make available to Franchisee, at Franchisor's expense, a minimum of one of Franchisor's representatives, experienced in the System, for the purpose of providing consultation, assistance, guidance and general assistance in connection with the operation of the Outlet. Franchisor may charge Franchisee a fee of $600 per day, plus expenses to provide Ongoing Assistance.

8.7 Periodic Visits

Franchisor or Franchisor's representative shall, at the request of Franchisee, travel to the Approved Location for the purposes of providing Ongoing Assistance. All expenses incurred by Franchisor in making the visit including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee

§9 Operations Manual

9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor will provide access to the Operations Manual for Franchisee. Franchisee shall operate the Outlet in strict accordance with the provisions set forth in the Operations Manual. The Operations Manual may consist of one or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Operations Manual shall, at all times, remain the sole property of Franchisor and upon expiration or termination of this Agreement, Franchisee shall return all physical copies to Franchisor and delete all digital copies within seven days.

9.2 Revisions

Franchisor has the right to add to or otherwise modify the Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Operations Manual is up-to-date at all times. If a dispute as to the contents of the Operations Manual arises, the terms of the master copy of the Operations Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9.3 Confidentiality

The Operations Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Operations Manual is available at the Approved Location in a current and up-to-date

manner. If the Operations Manual is in paper form or stored on computer-readable media, Franchisee shall maintain the Operations Manual in a secure manner at the Approved Location; if the Operations Manual is in electronic form, Franchisee shall maintain the Operations Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Operations Manual, access to the Operations Manual or any key, combination or passwords needed for access to the Operations Manual. Franchisee shall not disclose, duplicate or otherwise use any portion of the Operations Manual in an unauthorized manner.

§10 Franchise System

10.1 Uniformity

Franchisee shall strictly comply, and shall cause its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Operations Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisor has the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and computer hardware, software, equipment, inventory, supplies or sales and marketing techniques. Franchisee shall accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. Franchisee shall make such expenditures as such changes, additions or modifications in the System may reasonably require; provided, however, Franchisee shall not be required to implement or conform to any such changes, additions or modifications if the cost to do so would exceed (a) $1.00 during the first year of the term of this Agreement; (b) $25,000.00 in the aggregate during the initial term of this Agreement or (c) if Franchisee provides written notice of its intention not to renew the Franchise. Any required expenditure for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in §13.2. Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order.

10.3 Variance

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

§11 Advertising and Promotional Activities

11.1 Grand Opening Advertising

Franchisor shall specify the time at which Franchisee shall conduct Grand Opening Advertising. Prior to, and/or during a period of approximately three months following the initial opening of the Outlet, Franchisee shall spend an amount specified by Franchisor on local advertisement and promotion of the initial opening ("Grand Opening Advertising"). Franchisor shall approve a plan for Grand Opening Advertising based upon Franchisor's general assessment of the area surrounding the Approved Location and taking into account other potentially relevant factors, such as prevailing costs of advertising in the area, the time of year of opening and other similar factors in consultation with Franchisee. Prior to their use, all materials to be used in Grand Opening Advertising must be approved by Franchisor through the process set forth in §11.2.1. Grand Opening Advertising expenditures shall be in addition to any Local Advertising expenditures and Marketing Fund Contributions.

11.1.1 Franchisee shall continuously promote the Outlet. Every month, Franchisee shall spend 3% of its monthly Gross Revenue on advertising, promotions and public relations within the immediate locality surrounding the Approved Location ("Local Advertising"). Such expenditures shall be made directly by Franchisee, subject to the prior approval and direction of Franchisor. Franchisor shall provide general guidelines to Franchisee for conducting Local Advertising. Within thirty days after the end of each month, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Local Advertising for the preceding month.

11.2 Local Advertising

11.2.1 Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within twenty days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials by the end of such twenty-day period, such materials shall be deemed to have received the required approval. Franchisee shall not use any marketing or promotional material prior to approval by Franchisor. The submission of advertising materials to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services.

11.3 Cooperative Advertising

Franchisor has the right, but not the obligation, to create a cooperative advertising program for the benefit of outlets located within a particular region. Franchisor has the right to collect and designate all or a portion of the Local Advertising to payments or contributions to Franchisor for the funding of a cooperative advertising program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each cooperative advertising program and to require that Franchisee participate in such cooperative advertising programs when established within Franchisee's region. If a cooperative advertising program is

implemented in a particular region, Franchisor has the right to administer the cooperative advertising Program or to establish an advertising council of franchisees to self-administer the cooperative advertising program. Franchisee shall participate in the council according to the rules and procedures established by the council and Franchisee shall abide by the council's decisions. Should Franchisor establish a cooperative advertising program or programs with or without an advertising council, Franchisor has the right, but not the obligation, to change, dissolve or merge such program(s) and/or council(s) at any time.

11.4 System-Wide Marketing Fund

11.4.1 Franchisor has established and administers a System-wide marketing, advertising and promotion fund to assist in Franchisor's regional and national advertising ("Marketing Fund"). Franchisee shall be required to contribute 1%~~1%~~ of Gross Sales Monthly to the Marketing Fund ("Marketing Fund Contribution"). Marketing Fund Contributions shall be made at the time and in the manner provided for Royalty Fees in §3.2. Franchisor shall notify Franchisee at least thirty days before changing Marketing Fund Contribution requirements. Marketing Fund shall be maintained and administered by Franchisor or its designee as follows:

11.4.1.1 Franchisor shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or *pro rata* from expenditures by the Marketing Fund.

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

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

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

11.4.1.5 Each franchisee and Affiliate shall make Marketing Fund Contributions at the same rate as this Outlet.

11.4.1.6 An accounting of the operation of the Marketing Fund shall be prepared annually and shall be available to Franchisee upon request. Franchisor retains the right to have the Marketing Fund reviewed or audited and reported on, at the expense of the Marketing Fund, by an independent certified public accountant selected by Franchisor.

11.4.1.7 Franchisee acknowledges that the Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund.

11.5 Internet, Website and Social Media Marketing

Franchisee may not establish a presence on, or market using, the Internet including but not limited to any website or Social Media (Facebook, LinkedIn, Twitter, YouTube, blogs, and other online social networks, wikis, forums, content sharing communities, etc.) without Franchisor's prior written consent. Franchisor has established and maintains the Groom Service Website at the uniform resource locator www.groomserviceinc.com that provides information about the System and the products and services that Franchisor and its franchisees provide. Franchisor will include at the Groom Service Website an intranet section or an interior page containing information about your location. Franchisor may require Franchisee to prepare all or a portion of the section or page, at Franchisee's expense. All such information shall be subject to Franchisor's approval prior to posting.

§12 Accounting, Records and Reporting Obligations

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Operations Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three years thereafter, all books and records related to the operation of the Outlet including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

12.2 Gross Revenue Reports

Franchisee shall maintain an accurate record of the Gross Revenue and shall deliver to Franchisor via facsimile transmission, email, or the intranet, a signed and verified statement of monthly Gross Revenue ("Gross Revenue Report") by the tenth day of each month for the previous month in a form that Franchisor approves or provides in the Operations Manual.

12.3 Financial Statements

Franchisee shall, at its expense, supply to Franchisor on or before the tenth day of each month following the close of a quarter a balance sheet, income statement and fiscal year-to-date as of the end of the last day of the preceding quarter. Such financial statements shall be prepared in accordance with GAAP, applied on a consistent basis. As required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Operations Manual or otherwise in writing. Franchisee shall submit to Franchisor copies of all state sales tax returns filed with the appropriate governmental agency. Franchisor shall have the right to use all financial and operational information relating to the Outlet in a financial performance representation for prospective franchisees.

12.4 Computer Equipment

Franchisee shall purchase, install and use computer and point-of-sale systems consisting of hardware and software in accordance with Franchisor's recommendations/specifications. Franchisor shall be permitted full access to all of Franchisee's computer and point-of-sale data and systems and all related information upon Franchisor's reasonable request.

12.5 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine, copy and audit the books, records and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of 18% per annum (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower). If the audit or any other inspection discloses an underpayment of 3% or more of the amount due for any period covered by the audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.6 Release of Records

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

§13 Standards of Operation

13.1 Authorized Products, Services and Suppliers

13.1.1 Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services to its customers. Accordingly, Franchisee shall provide for sale at the Outlet all of the home care services that Franchisor from time to time includes in the System.

13.1.2 Franchisor shall provide Franchisee, in the Operations Manual or other written or electronic form, with a list of specifications, pricing and a list of Approved Suppliers for the supplies, signs, furniture, fixtures, inventory, equipment and other approved or specified items and services. Franchisor may from time to time issue revisions to such list. Franchisee shall not offer for sale, sell or provide any products or services that Franchisor has not approved. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor.

13.1.3 If Franchisee desires to utilize any products or services that Franchisor has not approved (for products and services that require supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and samples for Franchisor to make a determination. Franchisee shall bear all expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier. Franchisor will decide within a reasonable time (usually thirty days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

13.1.4 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or

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

13.1.5 Franchisor retains the rights to any business for which Franchisee is solicited but for which Franchisee does not provide the requested products or services. Franchisee shall promptly notify Franchisor of any offers or solicitations they receive but are not equipped at that time to handle so that the franchise system may benefit from that business. Time is of the essence and a prompt reply shall be judged by the individual circumstances of each situation.

13.2 Appearance and Condition of the Unit

Franchisee shall maintain the Approved Location, equipment fixtures, supplies, inventory and signage in "like new" condition, and shall repair or replace such as necessary to comply with the health and safety standards and specifications of Franchisor, Franchisee's lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in §10.2.

13.3 Ownership and Management

13.3.1 The Outlet shall, at all times, be under the direct supervision of Franchisee who will appoint a Designated Manager to provide personal "on premises" supervision of the Unit. If the Designated Manager is not an owner, officer or otherwise covered under the Nondisclosure and Noncompetition Agreement signed by Franchisee, then the Designated Manager will be required to sign the Nondisclosure and Noncompetition Agreement so they may be granted access to all of the relevant information. The Designated Manger is required to devote sufficient efforts to the management of the day-to-day operation of the Outlet, which shall entail not less than thirty-five hours per week, excluding vacation, sick leave and similar absences. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its Designated Manager. Franchisee and the Designated Manager must not engage in any business or other activities that will conflict with their obligations under this Agreement.

13.3.2 If the Franchisee's owners are no longer able to manage the Franchised Business personally or by means of hiring a Designated Manager, due to death or other incapacitation, Franchisor will have the option to either temporarily take over the management of the Franchised Business until Franchisee is able to transfer the Franchised Business for a fee of $600 per day, or terminate this Agreement and proceed with the closure of the Location.

13.4 Days of Operation

Franchisee shall keep the Outlet open for business during normal business hours on the days specified in the Operations Manual.

13.5 Contributions and Donations

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

13.6 Licenses and Permits

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Outlet and shall operate the Outlet in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Unit. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Unit.

13.7 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the receipt of a notice of demand or threatened claim of liability of, or damages against or involving, Franchisee not more than seven days after Franchisee's receipts of such notice. Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee, and of the issuance of any order, writ, injunction, judgment, award or decree in such suit not more than seven days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than seven days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Unit. Franchisee shall at all times give prompt, courteous and efficient service to its customers. Franchisee shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisor will take disciplinary action by giving written notice for failing to comply with good business practices. Termination will occur

after 3 notices have been issued within 12 months. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing Franchisee's customer pursuant to this Section.

13.9 Uniforms

Franchisee shall abide by any uniform or dress code requirements.

13.10 E-Mail

Franchisee shall, at all times and at Franchisee's expense, maintain an e-mail address and account for communicating with Franchisor. Franchisee may change its e-mail address by giving written notice of such change of address to Franchisor.

13.11 Best Efforts

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

13.12 Secret Shopper Program

Franchisor may at any time use a Secret Shopper Program to evaluate Franchisee's facilities and operations. Franchisee's will responsible for the cost of the Secret Shopper Program for two Secret Shoppers per year, unless the Shopper Report is negative as determined solely by the Franchisor. In which case, the Franchisee is responsible for the additional costs of additional Secret Shoppers on an annual basis until a minimum of two consecutive Shopper Reports meet the Franchisor's minimum requirements. Franchisor will provide Franchisee with a bill for the Secret Shopper Program when used and Franchisee will pay such bill within 30 days.

§14 Insurance

14.1 Types and Amounts of Coverage

14.1.1 All policies (except any workers' compensation insurance) shall:

14.1.1.1 expressly name Franchisor as an additional insured or loss payee;

14.1.1.2 contain a waiver of all subrogation rights against Franchisor and its successors and assigns;

14.1.1.3 have a rating of B+ or higher from Moody's or a similar insurance ratings agency.

14.1.2 Within sixty days of the Effective Date, in addition to any other insurance that may be required by applicable law, or by lender or lessor, at Franchisee's sole expense, Franchisee shall procure and maintain in full force and effect during the term of this Agreement:

14.1.2.1 "all risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Unit. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

14.1.2.2 workers' compensation insurance that complies with the statutory requirements of the state in which the Outlet is located and employer liability coverage with a minimum limit of $100,000.00 or, if higher, the statutory minimum limit as required by state law;

14.1.2.3 comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Outlet, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of $1,000,000.00 per occurrence or, if higher, the statutory minimum limit required by state law;

14.1.2.4 such insurance as necessary to provide coverage under the indemnity provisions set forth in §20.3.

14.2 Future Increases

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

14.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating.

14.4 Evidence of Coverage.

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in §20.3. Franchisee shall provide, annually, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty days' prior written notice to Franchisor and shall reflect proof of payment of premiums.

14.5 Failure to Maintain Coverage

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

§15 Default and Termination

15.1 Termination by Franchisee

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

15.2 Termination by Franchisor

15.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee:

15.2.1.1 fails to timely select an approved site for or establish, equip and commence operations of the Outlet pursuant to 4.2.1.8;

15.2.1.2 fails to have its Designated Manager satisfactorily complete any training program pursuant to §8;

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

15.2.1.4 is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or brand;

15.2.1.5 after notice to cure, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the brand;

15.2.1.6 discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Operations Manual, Trade Secrets or any other Confidential Information;

15.2.1.7 if required by Franchisor, fails to have any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and noncompetition agreement, in a form the same as or similar to the Nondisclosure and Noncompetition Agreement attached as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and noncompetition agreements signed pursuant to §7.5 if requested by Franchisor;

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

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

15.2.1.10 fails to maintain the Outlet under the primary supervision of a Designated Manager during the one hundred eighty days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to §17.6;

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

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

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

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

15.2.1.15 violates on two or more occasions any health or safety law, ordinance or regulation, or operates the Outlet in a manner that presents a health or safety hazard to its customers, employees or the public;

15.2.1.16 engages in any activity exclusively reserved to Franchisor;

15.2.1.17 fails to comply with any applicable law or regulation within ten days after being given notice of noncompliance;

15.2.1.18 breaches this Agreement and/or fails to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Operations Manual on two or more separate occasions within any period of twelve consecutive months, whether or not previous breaches or failures are cured; or

15.2.1.19 defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

15.2.2 Except as otherwise provided in §15.2.1, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

15.2.2.1 within five days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

15.2.2.2 within ten days of receiving notice of Franchisee's failure to maintain insurance as specified in §14 of this Agreement; or

15.2.2.3 within thirty days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Operations Manual or otherwise prescribed in writing.

15.3 Reinstatement and Extension

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

15.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to §15.2, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any products or services for which Franchisor is an Approved Supplier to Franchisee, until such time as Franchisee corrects the breach.

15.5 Right of Franchisor to Operate The Unit

Following the delivery of a notice of termination pursuant to §15.2, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume the operation of the Outlet until such time as Franchisee corrects the breach. Franchisor may charge a management fee as stated in the Operations Manual from time to time, currently equal to $600.00 per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of Franchisee's operating cash flow. Should Franchisor elect to assume the operation of the Outlet on a temporary basis, Franchisor shall have no responsibility or liability for the obligations, debts or payments under the lease for the Approved Location (if any) or otherwise.

15.6 Right of Franchisor to Purchase the Assets

Following the delivery of a notice of termination pursuant to §15.2, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to purchase the assets of the business, including but not limited to the equipment, fixtures, signage, computer and POS system, and inventory at a fair market value to be determined by an independent 3rd party appraiser approved by both Franchisor and Franchisee.

§16 Rights and Duties Upon Expiration or Termination

16.1 Actions to be Taken

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

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

16.1.1.2 cease to use the Trade Secrets, customer list or other Confidential Information, the System and the Marks including, without limitation, all

signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

16.1.1.3 upon demand by Franchisor, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Approved Location to Franchisor and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

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

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

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

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

16.1.1.8 assign all telephone listings and numbers for the franchised business to Franchisor, notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing, authorize transfer of same to or at the direction of Franchisor, and execute such instruments required effectuate such transfer; and

16.1.1.9 comply with all other applicable provisions of this Agreement.

16.2 Post-Termination Covenant Not to Compete

16.2.1 Franchisee acknowledges that the restrictive covenants contained in this Section and in §7.5 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

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

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

16.2.1.3 to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff and Designated Managers.

16.2.2 Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of one year after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:

16.2.2.1 own an interest in, manage, operate or provide the same goods or services to customers through a Competitive Business located or operating (a) within the Territory, or (b) within the territory of any other franchisee of affiliate in existence at the time of termination or expiration; or

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

16.2.3 In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or noncompetition agreements in a form the same as or similar to the Nondisclosure and Noncompetition Agreement attached as Exhibit 2.

16.2.4 If for whatever reason, either the above area or time frame covered by the Nondisclosure and Noncompetition Agreement is deemed unreasonable by a court of law, then and only in such an event shall such area and/or its time frame be reduced accordingly by the court. The rulings by the court concerning the area or time frame or any other judicial interpretation shall not affect the rest and remainder of such restrictive covenants.

16.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that

suggests or represents an association or connection with Franchisor. If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location. Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

16.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the Right of first refusal under §18 of this Agreement (but not the obligation), for a period of thirty days after termination or expiration of this Agreement, to purchase any or all assets of the Outlet including leasehold improvements, equipment, supplies and other inventory. The purchase price shall be equal to the assets' fair market value, as determined by an independent appraiser. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price.

16.5 Survival of Certain Provisions

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

§17 Transferability of Interest

17.1 Transfer by Franchisor

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

17.2 Transfer by Franchisee to a Third Party

17.2.1 The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and

financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Outlet, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be voidable and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

17.2.1.1 Franchisee has complied with the requirements set forth in §18;

17.2.1.2 all obligations owed to Franchisor, and all other outstanding obligations relating to the Outlet, are fully paid and satisfied;

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

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

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

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

17.2.1.7 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of $10,000;

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

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

17.2.1.10 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and noncompetition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and noncompetition covenants contained in §§7.5 and 16.2;

17.2.1.11 the transferee agrees that its Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in §8.1 prior to assuming the management of the day-to-day operation of the Unit; and

17.2.1.12 the transferee has obtained all necessary types of insurance as described in §14.1.

17.3 Transfer to a Controlled Entity

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

17.3.1.1 the Controlled Entity intends to use the same Designated Manager;

17.3.1.2 the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Unit;

17.3.1.3 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

17.3.1.4 all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to §17.2.1.7;

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

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

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

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

17.3.1.9 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of $10,000.00.

17.3.2 The term of the transferred franchise shall be the unexpired term of this Agreement.

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

17.4 Franchisor's Disclosure to Transferee

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

17.5 For-Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Outlet, or in any communication media, any form of advertising relating to the sale of the Outlet or the rights granted hereunder.

17.6 Transfer by Death or Incapacity

17.6.1 Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty days following such event, transfer such individual's interest in the Outlet or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Franchisee resided, with such choice of law provision being applicable only for this Section. During such one hundred eighty-day period, the Outlet must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications.

17.6.2 Following such a death or Incapacity of such person as described in this Section, if necessary, in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Outlet until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Operations Manual from time to time, currently equal to $600.00 per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Unit.

§18 Right of First Refusal

18.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to §17.6) the Outlet (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

18.2 Franchisor's Right to Purchase

Franchisor shall, for thirty days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller

of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

18.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise its right of first refusal within thirty days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by §17.2. Should the sale fail to close within one hundred eighty days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

18.4 Sales or Transfers to Family Excepted

If Franchisee, or any of its owners, proposes to sell or otherwise transfer the Outlet (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder to a member of Franchisee's (or its owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section shall be construed to relieve Franchisee from full compliance with the terms and conditions of §17.3 prior to a sale or transfer to family pursuant to this Section.

§19 Beneficial Owners of Franchisee

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit 3 are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee.

§20 Relationship and Indemnification

20.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner or employee of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Outlet operating the Outlet pursuant to a franchise agreement with Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Unit. Any third

party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

20.2 Standard of Care

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

20.3 Indemnification

To the fullest extent permitted by law, Franchisee shall, at Franchisee's sole cost and expense, hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon (a) any personal injury, bodily injury or property damage whatsoever occurring in or at the Approved Location; (b) any bodily injury to an employee of Franchisee arising out of and in the course of employment of the employee; (c) Franchisee's ownership or operation of the Unit; (d) Franchisee's breach of the lease for the Approved Location; (e) Franchisee's violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (f) Franchisee's breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (g) Franchisee's defamation of Franchisor or the System; (h) Franchisee's acts, errors or omissions committed or incurred in connection with the operation of the Outlet including any negligent or intentional acts; or (i) Franchisee's infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

20.4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or

circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section to take corrective or remedial action, causes any of Franchisee's insurers to refuse to pay a third party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.

§21 General Conditions and Provisions

21.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

21.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in §§6.2, 7.1 and 16.2 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and Franchisee shall be responsible for Franchisor's reasonable attorneys' fees incurred in pursuing the same. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial. Franchisor's rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court.

21.3 Notices

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

accordance with this Section. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

Groom Service Mobile Pet Spa, LLC
Attn: Renee Van Hoorn and Joe Foster
28601 Los Alisos Blvd., Unit 1033
Mission Viejo, CA 92692

21.4 Cost of Enforcement or Defense

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

21.5 Approvals

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

21.6 Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to you.

21.7 Severability and Modification

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

21.7.2 Notwithstanding the above, each of the covenants contained in §7 and §16 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or

invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

21.8 Construction

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

21.9 Force Majeure

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

21.10 Timing

Time is of the essence. Failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

21.11 Withholding Payments

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

21.12 Further Assurances

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

21.13 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or

Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

21.14 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

§22 Dispute Resolution

22.1 Choice of Law

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

22.2 Consent to Jurisdiction

Any action brought by either party shall only be brought in the appropriate state or Federal courts located in or serving Mission Viejo, California. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

22.3 Cumulative Rights and Remedies

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

22.4 Limitation of Damages

In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

§23 Acknowledgements

23.1 Receipt of this Agreement and the Franchise Disclosure Document

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

23.2 Independent Counsel

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

23.3 True and Accurate Information

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

23.4 Risk

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

23.5 No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Unit. Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

23.6 No Violation of Other Agreements

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

23.7 Severability

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect: the validity or enforceability in that jurisdiction of any other provision of this Agreement; or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

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

Groom Service Mobile Pet Spa, LLC
Franchisor

_____
Signature

Renee Van Hoorn
Name Printed

_____
Title:

_____
Signature

Joe Foster
Name Printed

_____
Title:

_____
Franchisee

_____
Signature

_____
Name Printed

_____
Title

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

This General Release is made by RELEASOR in consideration of the execution by Groom Service Mobile Pet Spa, LLC, A California limited liability company ("RELEASEE"), of a Franchise Agreement between RELEASOR and RELEASEE and other good and valuable consideration, the adequacy of which is hereby acknowledged.

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

Any action brought by either party regarding this Release, shall only be brought in the appropriate state or federal court located in or serving Mission Viejo, California. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

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

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

RELEASOR:_____

Signature:_____

Title:_____

Date:_____

APPROVED LOCATION ADDENDUM

THIS APPROVED LOCATION ADDENDUM is signed on _____ _____between Groom Service Mobile Pet Spa, LLC ("we, "us" or "our") and _____ ("you" or "your").

BACKGROUND

A. The parties have signed a Groom Service Franchise Agreement (the "Agreement") before you selected a location that we had approved for the Franchise Business.

B. You have now selected a location that we have approved and, under Section 1.2 of the Agreement, the parties are entering into this Addendum.

The parties agree as follows:

TERMS

1. You agree that you will operate the Franchise Business only at ____ _____ (the "Premises").

2. Your Limited Protected Territory is the following zip codes: _____ _____.

3. Upon any inconsistency between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum supersede and control. In all other respects, the parties ratify and confirm the terms of the Franchise Agreement.

IN WITNESS WHEREOF, the parties have signed this Addendum.

Groom Service Mobile Pet Spa, LLC:

_____

(You)_____:

_____

NONDISCLOSURE AND NONCOMPETITION AGREEMENT (MANAGER)

This "Agreement" is by and between Groom Service Mobile Pet Spa, LLC, ("Franchisor") and _____ ("Manager").

W I T N E S S E T H:

WHEREAS, _____ ("Franchisee") is a party to a Franchise Agreement with Franchisor;

WHEREAS, Franchisee desires Manager to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below;

WHEREAS, Franchisee is required by the Franchise Agreement to have Manager execute this Agreement prior to providing Manager access to said Trade Secrets and other Confidential Information; and

WHEREAS, Manager understands the necessity of not disclosing any such information to any other party or using such information to compete against Franchisor or any of its affiliates or franchisees (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) products or services the same as or similar to those provided by Franchisee or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisor or any of its affiliates or franchisees (hereinafter, "Competitive Business"); provided, however, that the term Competitive Business shall not apply to any business operated under a Franchise Agreement with Franchisor.

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. Trade Secrets and Confidential Information

Manager understands Franchisor possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Franchise that is not commonly known by or available to the public and that information: (i) derives economic value,

actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and nontechnical information used in or related to the Franchise that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisor or Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Manager; (ii) Manager can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Franchisor or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Manager of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Manager understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Manager and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. <u>Confidentiality/Nondisclosure</u>

a) Manager 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 Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Manager must take all steps reasonably necessary and/or requested by Franchisor or Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Manager must comply with all applicable policies, procedures and practices that Franchisor has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) Manager's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Manager's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Manager's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Manager or

any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Competitive Business.

3. Noncompetition

a) During the term of Manager's relationship with Franchisee and for a period of one year after the expiration or termination of Manager's relationship with Franchisee, regardless of the cause of expiration or termination, Manager shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor's trademark "Groom Service" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Franchisor designates to be used in connection with Groom Service.

b) During the term of Manager's relationship with Franchisee, Manager shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, work for, render services to, or own or share in the earnings of any Competitive Business anywhere within Franchisee's Territory, without the express written consent of Franchisor, except for any stock ownership in a Competitive Business purchased on the open stock market.

c) For a one year period following the term of Manager's relationship with Franchisee, regardless of the cause of termination, Manager shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, work for, render services to, or own or share in the earnings of any Competitive Business within Franchisee's Territory, or within the territory of any other Groom Service Business without the express written consent of Franchisor, except for any stock ownership in a Competitive Business purchased on the open stock market.

d) During the term of Manager's relationship with Franchisee and for a period of one year thereafter, regardless of the cause of termination, Manager shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Franchisor or any other Groom Service Business to compete against, or terminate or modify his, her or its employment or business relationship with, Franchisee, Franchisor or any other Groom Service Business.

4. Reasonableness of Restrictions

Manager acknowledges that each of the terms set forth herein, including the restrictive covenants, are fair and reasonable and are reasonably required for the

protection of Franchisor and Franchisor's Trade Secrets and other Confidential Information, the Franchisor's business system, network of franchises and trade and service marks, and Manager waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Manager shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Nonsolicitation and Noncompetition

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

6. 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 Manager and Franchisor. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

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

c) Any action brought by either party, shall only be brought in the appropriate state or federal court located in or serving Mission Viejo, California. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Franchisor may bring claims for injunctive relief where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the

ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

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

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

f) The failure of either party to insist upon performance in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

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

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

i) This Agreement may be modified or amended only by a written instrument duly executed by Manager and Franchisor.

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

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

MANAGER 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.

FRANCHISOR:

_____ Name:_____

Title:_____

MANAGER:

_____ Name:_____

HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE, OFFICERS AND DIRECTORS

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State of incorporation / organization / residence: _____

2. **Sole Proprietor**

Name	Social Security Number

3. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

4. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

MULTI-STATE ADDENDA

FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. New §16.6 is inserted into the Franchise Agreement and states as follows:

If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four calendar months of operation of Franchisee preceding Franchisee's default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four calendar months, projected on a twenty-four calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including recovery of attorneys' fees and costs.

2. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-31516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- The California Franchise Relations Act provides rights to Franchisee concerning termination or nonrenewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically §§4.2 and 15.2.

- §15.2.1.12 that terminates the Franchise Agreement upon the bankruptcy of Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

- §16.2 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.

- Paragraph 1 of this Addendum contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

3. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

4. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FOR THE STATE OF HAWAII

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning nonrenewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically §§4.2, 15.2 and 17.2 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

- §§4.2.1.7 and 17.2.1.3 require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

- §15.2.1.12, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE STATE OF ILLINOIS

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- §§ 4.2.1.7 and 17.2.1.3 are amended to add: No general release shall be required as a condition of renewal or transfer or as a condition to receiving a refund of a portion of the Franchise Fee following a termination of the Franchise that is intended to require Franchisee to waive compliance with the Illinois Franchise Disclosure Act, 815 ILCS 705.

- §15, §16 and §22 are amended to add: The conditions under which the Franchise Agreement can be terminated and Franchisee's rights upon termination or nonrenewal, as well as the application by which Franchisee must bring any claims, are governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/26, 27 (West 2012).

- §§22.1 and 22.2 are amended to add: The Franchise Agreement will be governed by Illinois law. Jurisdiction and venue for court litigations shall be in Illinois. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

- §22.3 is amended to add: No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after Franchisee becomes aware of facts or circumstances reasonably indicating that the Franchisee may have a claim for relief in respect to conduct governed by the Act, or ninety days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- §§4.2.1.9, 17.2.1.3 and 17.2.1.6 require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise and §5.5 requires Franchisee to

sign a general release as a condition to receiving a refund of a portion of the Franchise Fee following a termination of the Franchise; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.

- §15.2.1.12, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

- §22.1 requires that the Franchise be governed by the laws of the State of California; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.

- §§22.2 require litigation to be conducted in the State of California; a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

- Any Section of the Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise are not intended to, nor shall they act as a, release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

- §22.3 is amended to the extent that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, §§80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

- §§4 and 15 are amended to add that with respect to Franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law that

requires, except in certain specified cases, that Franchisee be given 90-day notice of termination (with 60 days to cure) and 180-day notice of nonrenewal of the Agreement.

- §§4.2.1.9, 5.5, 17.2.1.3 and 17.2.1.6 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

- §6 is amended to add that as required by Minnesota Franchise Act, Groom Service Mobile Pet Spa, LLC will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Groom Service Mobile Pet Spa, LLC , and so long as Groom Service Mobile Pet Spa, LLC is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

- §22.3 is amended to state that any claim concerning the Franchise or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court system with or without a bond as determined by a court. Minn. Rule Part 2860.4400J prohibits Franchisee from waving its rights to a jury trial or waiving its rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Franchise Agreement requires Franchisee to waive these rights, the Franchise Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE STATE OF NEW YORK

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- §§4.2.1.9, 5.5, 17.2.1.3 and 17.2.1.6 require Franchisee to sign a general release as a condition of renewal, transfer, or receiving a refund of a portion of the Franchise Fee following termination of the Franchise; such release shall exclude claims arising under the General Business Laws.

- Under §17.1, Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.

- §20.3 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

- §22.1 requires that the Franchise be governed by the laws of the state Franchisor's principal business is then located, such a requirement will not be considered a waiver of any right conferred upon Franchisee by Article 33 of the General Business Laws.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the California Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- Under §§4.2.1.9, 5.5, 17.2.1.3 and 17.2.1.6, the execution of a general release upon renewal, transfer, or as a condition of receipt of a refund of a portion of the Franchise Fee following termination, shall be inapplicable to Franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.

- §7 is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

- §§16.1.5 and 16.1.6 are amended to state: If Franchisor or Franchisee is required to enforce this Agreement via judicial or arbitration proceedings, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and legal fees in connection with such proceeding.

- §16.2 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

- §22.1 is amended to state that in the event of a conflict of laws, North Dakota Law shall prevail.

- §22.2 is amended to add that any action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.

- §22.3 is amended to state that the statute of limitations under North Dakota Law shall apply.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- §§4.2.1.9, 5.5, 17.2.1.3 and 17.2.1.6, require Franchisee to sign a general release as a condition of renewal, transfer, or receipt of a refund of a portion of the Franchise Fee following termination of the Franchise; such release shall exclude claims arising under The Rhode Island Franchise Investment Act.

- §§22.1 and 22.2 are amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE COMMONWEALTH OF VIRGINIA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____to amend and revise said Franchise Agreement as follows:

- §15.2.1.12, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

- §15.2.1.19 of the Franchise Agreement will not be applicable to the Franchise Agreement signed by the Virginia franchisee entering into the attached agreement.

FOR THE STATE OF WASHINGTON

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____.

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Franchise Agreement for Groom Service Mobile Pet Spa, LLC is amended as follows:

- The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions

which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

- §§4.2.1.9, 5.5, 17.2.1.3 and 17.2.1.6, require Franchisee to sign a general release as a condition of renewal, transfer, or receipt of a refund of a portion of the Franchise Fee following termination of the Franchise; such release shall exclude claims arising under the Washington Franchise Investment Protection Act.

- §22.1 requires that the Franchise be governed by the laws of the State of California; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

- §§22.2 requires litigation to be conducted in the State of California; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or restrict or limit rights or remedies available to a franchisee under the Act, such as a waiver of the right to a jury trial, may not be enforceable. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

- Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Groom Service Mobile Pet Spa, LLC and _____ _____ to amend and revise said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Groom Service Mobile Pet Spa, LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

AGREEMENT WITH LANDLORD

THIS AGREEMENT is signed on _____ among Groom Service Mobile Pet Spa, LLC, a limited liability company (the "Franchisor"); _____ _____ (the "Landlord") and _____ (the "Tenant/Franchisee").

BACKGROUND

A. The Tenant/Franchisee is a franchisee of the Franchisor under a Groom Service Franchise Agreement between the Franchisor and the Tenant/Franchisee (the "Franchise Agreement") for the operation of Groom Service franchise (the “Franchise Business”).

B. The Landlord and the Tenant/Franchisee are parties to a Lease Agreement (the "Lease") for the premises located at _____ (the "Premises") that the Franchisor has approved on condition that all the parties sign this Agreement.

C. In order to assure that a franchise business may continue to operate at the Premises, the Landlord grants certain rights to the Franchisor under the Lease to protect the Franchisor's interest under the Franchise Agreement.

TERMS

1. **Signage.** The Landlord agrees to the Franchisor’s signage requirements for the Tenant/Franchisee, subject to local signage ordinances and approval by local governmental agencies, if necessary.

2. **Use of Premises**. The Landlord and the Tenant/Franchisee agree that the Tenant/Franchisee may only use the Premises for the operation of the Franchised Business, unless the Franchisor otherwise approves in writing. The Landlord acknowledges that this use does not violate any zoning restrictions, restrictive covenants or existing exclusive uses granted to any other tenant of the Landlord in the building/center or adjacent outparcel owned by the Landlord in which the Premises are located. The Landlord further acknowledges that during the term of the Lease or any extension of the Lease, the Landlord will not lease space within the building/center or outparcel to a business similar to the Franchised Business, or permit an existing tenant to offer products that compete with the Franchised Business.

3. **Tenant Information; Notices of Default**. The Landlord will send to the Franchisor at the address set forth below by regular U.S. mail copies of all sales reports, financial information, correspondence and other communications sent by the Landlord to the Tenant/Franchisee or sent by the Tenant/Franchisee to the Landlord. The Landlord will overnight to the Franchisor at the address below by USPS, FedEx or UPS copies of

all written notices of default sent by the Landlord to the Tenant/Franchisee. Landlord acknowledges that the Franchisor is not responsible for any actions of the Tenant/Franchisee or any of its employees, agents, suppliers or customers.

Groom Service Mobile Pet Spa, LLC
28601 Los Alisos Blvd., Unit 1033
Mission Viejo, CA 92692

4. **Right to Cure and Take Occupancy.**

a. If the Tenant/Franchisee defaults under the Lease, the Franchisor may (but is under no obligation to), within 30 days after receipt of written notice from the Landlord, cure the default (or a longer period of time if the default is not capable of being cured within 30 days and the Franchisor is diligently proceeding to cure the default). If the Franchisor cures the Tenant/Franchisee's default, the Franchisor has the right to occupy the Premises and operate the Franchised Business. The Tenant/Franchisee is deemed to have assigned the Lease to the Franchisor, but the Tenant/Franchisee and any guarantors are not released from their obligations under the Lease. From and after the deemed assignment, the Franchisor will assume and perform all of the obligations of the Tenant/Franchisee under the Lease until the Franchisor is released in accordance with Subsection 4(b).

b. The Franchisor may assign the Lease to another Groom Service Franchisee with the Landlord's written approval of the new tenant/franchisee. The Landlord will not unreasonably withhold, delay or condition its approval of the new tenant/franchisee. Upon the permitted assignment by the Franchisor to the new tenant/franchisee, the Franchisor is released from all further obligations under the Lease.

5. **Franchisor's Rights Upon Termination or Expiration of Franchise Agreement.** The Landlord acknowledges that any landlord's lien or security interest does not include any property of the Tenant/Franchisee that includes any items bearing the Franchisor's trademarks including the signage and proprietary trade dress. If the Franchisor does not take occupancy of the Premises and does not assume the Lease, **t**he Landlord agrees to the Franchisor's rights under the Franchise Agreement, upon reasonable notice to the Landlord, to enter the Premises solely for the purposes of taking all steps necessary to protect its interest under the Franchise Agreement including the removal of all signs and other items bearing the Proprietary Marks of the Franchisor (without damage to the Premises).

6. **Modification of Lease.** The Landlord and the Tenant/Franchisee will not make any material modifications to the Lease without the Franchisor's written consent, which consent the Franchisor will not unreasonably withhold, delay or condition.

7. **Noncompetition.** If the Franchisor does not take over the Lease upon the termination or expiration of the Franchise Agreement and the Tenant/Franchisee remains in possession of the Premises, the Landlord and the Tenant/Franchisee agree that, for a

period of 2 years after the expiration or termination of the Franchise Agreement, the Premises will not be used for a Competitive Business.

8. **Landlord's Statutory Lien or Security Interest**. The Landlord subordinates its statutory lien or security interest in the Tenant's property to the security interest of the Franchisor. The Landlord will further cooperate in signing all required documents to recognize the subordination.

9. **Attorneys' Fees**. If a party institutes any action to enforce any provision of this Agreement, the prevailing party is entitled to recover all attorneys' fees and costs incurred in connection with the action from the non-prevailing party.

10. **Governing Law; Venue**. This Agreement is governed by and construed in accordance with the laws of the state in which the Premises are located. Venue will be in the county in which the Premises are located.

11. **Conflict.** Upon any inconsistency between this Agreement and the terms of the Lease, this Agreement supersedes and controls.

12. **Binding Effect.** This Agreement is binding upon the personal representatives, heirs, successors and assigns of the parties.

IN WITNESS WHEREOF, this Agreement has been signed the date and year first above written.

FRANCHISOR:

Groom Service Mobile Pet Spa, LLC

_____

By:

_____

LANDLORD:

_____

By:

_____

Its:

TENANT/FRANCHISEE:

By:

Its:

TELEPHONE NUMBER AND DIRECTORY ADVERTISING ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is signed on_____, between Groom Service Mobile Pet Spa, LLC, a California limited liability company ("we," "us" or "our") and _____ ("you" or "your").

BACKGROUND

A. The parties have entered into a Groom Service franchise agreement (the "Franchise Agreement").

B. As a condition to signing the Franchise Agreement, we have required that you assign to us all of your right, title and interest in the telephone numbers, telephone listings, facsimile numbers, and telephone directory advertisements relating to the Groom Service Franchise (the "Franchise Business") upon the expiration or termination of the Franchise Agreement

The parties agree as follows:

TERMS

1. **Assignment**. In order to secure continuity and stability of our operation of the Franchise Business, immediately upon the expiration or termination of the Franchise Agreement, this Agreement constitutes your automatic assignment to us all of your right, title and interest in and to certain telephone numbers, facsimile numbers, email addresses, telephone listings and telephone directory advertisements, whether on the Internet or in print, pursuant to which you operate your Franchise Business in accordance with the terms of the Franchise Agreement without further action on your part.

2. **Assumption.** Immediately upon the expiration or termination of the Franchise Agreement, in consideration of the transfer of telephone service for the telephone numbers, we may assume and pay all future obligations for the telephone numbers, including the payment of all charges for future local and long distance service, telecommunications equipment, toll credit cards, public telephone service and equipment and directory advertising existing.

3. **Your Representation and Warranties**. You represent, warrant and covenant to us that:

(a) As of the effective date of the Assignment, all of your obligations and indebtedness for telephone services, telephone listing services and telephone directory advertisement services must be paid and current.

(b) As of the date of this Agreement, you have full power and legal right to enter into, sign, deliver and perform this Agreement.

(c) This Agreement is your legal and binding obligation enforceable in accordance with its terms.

(d) The signing, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which you are a party or by which you are bound, and no consent of nor approval by any third party is required.

(e) You have the specific power to assign and transfer your right, title and interest in your telephone numbers, telephone listings and telephone directory advertisements, and you have obtained all necessary consents to this Assignment.

4 **Other Documents**. You agree to sign any other documents required by the telephone service provider and/or publisher required to make the assignment effective.

5. **Miscellaneous**. The validity, construction and performance of this Assignment is governed by the laws of the State in which we are located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All our rights inure to our benefit and to the benefit of our successors and assigns.

IN WITNESS WHEREOF, each of the parties has signed this Assignment as of the day and year first written above.

Groom Service Mobile Pet Spa, LLC:

_____

_____(YOU):

_____

DEPOSIT AGREEMENT

_____, ("you" or "your") have made a formal application for a Groom Service Franchise (the "Franchise Business"). Groom Service Mobile Pet Spa, LLC, a California limited liability company ("we, "us" or "our") acknowledge receipt of $10,000 (the "Deposit Fee"), which you are depositing with us as an indication of your *bona fide* intent to enter into a Groom Service Franchise Agreement. You acknowledge that you have received from us a copy of our Franchise Disclosure Document dated _____ _____ (the "FDD") that includes as exhibits this Deposit Agreement, the Franchise Agreement and all other exhibits listed in the FDD's Table of Contents. You acknowledge that you have had a copy of the FDD for at least 14 days before you signed this Agreement, or before you paid us the Deposit Fee or any other consideration for a Groom Service Franchise. The dispute resolution provisions of ARTICLE 22 of the Franchise Agreement are incorporated into this Agreement by reference and are a part of this Agreement.

You understand that, in reliance on your signing this Agreement and giving us the Deposit Fee, you will look for locations suitable for a Franchised Business within _____ _____ (the "Reserved Area"). We expect that the parties will sign the Franchise Agreement and related documents within the next 30 days. If you desire to cancel this Agreement within the next 30 days, you must give us written notice and we will return the Deposit Fee to you less any out-of-pocket expenses we have incurred. You must also sign the General Release included as Exhibit M. If you do not cancel, you must sign the Franchise Agreement 8 days after you receive the completed Franchise Agreement and related documents. If you timely sign the Franchise Agreement and related documents, we will credit the entire Deposit Fee against the Initial Franchise Fee. If you fail to timely sign the Franchise Agreement and related documents, we will retain the entire Deposit Fee to compensate us for our expenses, and for the time and effort that we expended in reliance upon your Franchise Application and for our lost opportunities.

You agree not to disclose or make use of, directly or indirectly, any trade secrets or confidential information we disclose to you in reliance on this Agreement, including contemplated locations for a Franchise Business, demographic data, methods of financing, sources of supply, merchandising techniques and operating methods. This provision is effective regardless of whether the parties sign a Franchise Agreement. If the parties do not sign a Franchise Agreement and related documents within the specified time, you will immediately return to us copies of any documents, manuals, or other materials, in whatever form, in your possession or in the possession of your advisors, and will verify in writing that you have returned all copies to us.

Groom Service Mobile Pet Spa, LLC:

_____

(Depositor)_____:

_____

CONVERSION ADDENDUM

THIS CONVERSION ADDENDUM is signed on _____ between Groom Service Mobile Pet Spa, LLC ("we, "us" or "our") and _____ _____ ("you" or "your").

BACKGROUND

A. You currently and own and operate a _____ (the "Operating Unit") located at _____ (the "Premises").

B. We are the franchisor of Groom Service Franchises and you desire to purchase franchise rights from us and convert the Operating Unit into a Groom Service Franchise (the "Franchise Business").

C. The parties are entering into the Franchise Agreement (the "Agreement") at the same time as this Addendum and agree to amend certain terms of the Agreement to reflect the conversion of the Operating Unit into a Franchise Business in accordance with the terms of this Conversion Addendum.

The parties agree as follows:

TERMS

1. Sections 7.6 of the Agreement is stricken and replaced with the following:

Franchisee shall provide Franchisor with their current customer list at the time this agreement is signed. Franchisee shall then maintain a currently updated customer list including all customer data applicable to the continued service and solicitation of the customers and shall treat the customer list as Confidential Information.

2. Section 16.1.1.2 of the Agreement is stricken and replaced with the following:

cease to use the Trade Secrets, customer list (with the exception of the customers on the list at the time the original franchise agreement was signed) or other Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

3. Before signing the Agreement and this Addendum, you furnished to us as part of your application for a Franchise Business, information regarding your existing Premises including a copy of the lease, a written description of the location, exterior and interior photographs of the Premises, plans and specifications, and such other information we reasonably require. You also have obtained the written consent of your

landlord for the conversion including any required construction, renovation, refurbishing, décor changers, new signage and variance from the use clause of the lease and out Agreement with Landlord.

4. After the parties sign the Agreement and this Addendum, we will furnish you with our requirements for the conversion of the Operating Unit to a Franchise Business including any required construction, renovation and refurbishing to conform to our Trade Dress of a Franchise Business in accordance with the Agreement. As part of the conversion process, you agree to sell, remove or otherwise dispose of all inventory, materials, furniture, fixtures, signs and equipment that do not conform with the Business System, are not approved by us or do not meet our standards and specifications.

5. You will convert all of your books, accounts, ledgers, bookkeeping systems and related records and systems to comply in format and content with our standards and specifications as set forth in the Agreement and the Operation & Policies Manual. You must also modify or replace you existing Computer/POS systems and/or software as required to comply with our specification for Franchise Businesses.

6. You acknowledge that, notwithstanding the fact that you operated a business similar to a Franchise Business, you are subject to all of the terms of the Agreement including the confidentiality and non-competition provisions and our ownership of the Confidential Information.

7. You represent and warrant to us as follows:

(a) You are the sole owner of the Operating Unit;

(b) You do not operate any other business, other than the Operating Unit, that is in competition with our business that would be in violation of Subsection 13.1(a)(i) of the Agreement;

(c) You and the Operating Unit are not subject to any other franchise, license, loan or other agreement that restricts you from entering into the Agreement and this Addendum; and

(d) The assets comprising the Operating Unit are not subject to any lien, security interest or other encumbrance.

8. Upon any inconsistency between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum supersede and control. In all other respects, the parties ratify and confirm the terms of the Agreement.

IN WITNESS WHEREOF, the parties have signed this Addendum.

EXHIBIT 9 TO THE FRANCHISE AGREEMENT

Groom Service Mobile Pet Spa, LLC:

_____

(You)_____:

_____

EXHIBIT B TO THE DISCLOSURE DOCUMENT
AREA DEVELOPER AGREEMENT

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EXHIBITS

A. DEVELOPMENT AREA
B. DEVELOPMENT SCHEDULE

GROOM SERVICE Area Developer Agreement

Franchisor:
GROOM SERVICE MOBILE PET SPA, LLC
28601 Los Alisos Blvd., Unit 1033
Mission Viejo, CA 92692

Developer:
_____
_____
_____

This Franchise Agreement is by and between Groom Service Mobile Pet Spa, LLC, a California limited liability company, ("Franchisor"), and _____, [an individual residing in [*or*] business entity established in] the State of _____ _____ ("Developer") and is for the purpose of establishing the terms by which Developer will develop the Territory

The Franchisor has written this Agreement in plain English to make it easy to read and to help you become thoroughly familiar with all of the important rights and obligations that the Agreement covers before you sign it. In this Agreement, the Franchisor is referred to as "we," "us" or "our." The Developer is referred to as "you" or "your";

Whereas Franchisor and Developer will be signing a Franchise Agreement for Developer's first GROOM SERVICE Outlet concurrently with the signing of this Agreement;

Whereas Franchisor intends to sell and Franchisee intends to purchase, own and operate additional GROOM SERVICE Outlets;

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

§1 Appointment of the Developer

1.1 Grant of Area Development Rights

We hereby grant to you the option and right to purchase, and you undertake the obligation to, construct, open and operate Franchised Businesses within the Development Area described in Section 1.2 and in accordance with the Development Schedule stated in Exhibit B subject to the terms in this Agreement. You may exercise these rights by signing our then current Franchise Agreement either yourself or with a new entity that you form and own at least 51% of the voting rights therein.

1.2 Development Area

1.2.1 Your Development Area is described in Exhibit A. All Franchise Businesses you construct and open must be within the Development Area.

1.2.2 While this Agreement remains in effect, we will not enter into Franchise Agreements for the purpose of operating Franchise Businesses in Traditional Sites with any person or business entity other than you within the Development Area, or establish any Company-Owned Units in Traditional Sites within the Development Area, except where it may be necessary to do so to prevent a Competitive Business from being located in the Development Area.

1.3 Development Schedule

You will use your best efforts to comply with the minimum Development Schedule described in Exhibit B. Your compliance will be judged by the current amount of active signed Franchise Agreements at the end of each calendar year. If a Franchise Agreement is terminated, we will deduct that Franchise Business from the number of Operating Franchise Businesses. A Franchise Business remains credited against the Development Schedule if relocated in accordance with its Franchise Agreement. You will maintain sufficient financial resources to construct, open and operate the Franchise Businesses. You will maintain a minimum net worth of $_____ during the Term or have a firm commitment from a lender reasonably satisfactory to us for financing the development of the Franchise Businesses. If you fail to achieve the Development Schedule, we have the right to terminate this Agreement and retain the entire Development Fee. If we terminate this Agreement for your failure to meet the Development Schedule, we may immediately grant other individuals and entities the right to develop and open Franchise Businesses in the Development Area, or ourselves open Company-Owned Units in the Development Area. You will retain all rights under the Franchise Agreements for the Franchise Businesses you have under lease, construction or in operation, provided you are not otherwise in default under the Franchise Agreements.

1.4 Acquisition of a Competitive Business

If Franchisor acquires a Competitive Business and units of the Competitive Business fall within Developer's Development Area, Franchisor will provide Developer with the option to purchase those units or Franchisor will otherwise close those units within one year of its acquisition.

§2 Fees and Payments

2.1 Development Fee

In consideration of the rights granted to you hereunder, you will pay to us a Development Fee of $_____at the same time this Agreement is signed. This is in addition to the Initial Franchise Fee that you pay for your first Franchise Business. The Development Fee is nonrefundable and we fully earn it upon signing this Agreement.

2.2 Franchise Fee

When you sign the Franchise Agreement for a Franchise Business after the second Franchise Agreement, we will discount our then current franchise fee by $5,000.

§3 Transfer

3.1 Transfer by Franchisor

We have the absolute right to transfer, assign or delegate all or any part of our rights or obligations under this Agreement to any person without your consent.

3.2 Transfer by Developer

The rights and duties in this Agreement are personal to you. We have granted this Agreement in reliance on your business and personal skills, reputation, aptitudes and financial capacity. Accordingly, you agree that you cannot sell, assign, transfer, convey, give or encumber (collectively "transfer") this Agreement without our written consent (which may be granted or withheld by us in our sole and absolute discretion). The transfer of Area Development Rights under this Agreement must include all signed Franchise Agreements, unless we otherwise agree in writing. You may transfer this Agreement to a business entity owned by you but you continue to remain personally liable for all of your obligations under this Agreement. If you intend to transfer this Agreement as part of your sale of all of the assets comprising your Franchise Businesses under construction or in operation, we will consent to the transfer provided you pay us a transfer fee of $10,000 for the transfer of Area Development Rights. Any purported transfer by you, by operation of law or otherwise in violation of this Agreement is ineffective and is a material breach of this Agreement giving us the right to terminate this Agreement without affording you an opportunity to cure.

§4 Term

4.1 Initial Term

The Initial Term of this Agreement is _____ years.

4.2 Continuation of Development

If at the conclusion of the Term or at any point prior that Developer has fully met its obligations under the Development Schedule for this Agreement, the parties may agree to execute another Development Agreement for the further development of the Development Area, a contiguous territory or a new territory, on such terms as the parties agree to at that time.

§5 Default and Termination

5.1 Termination

If either party believes the other is in material breach of this Agreement, they may give the other party written notice of the nature of the breach. If the party in breach does not cure the breach within 30 days or within a longer reasonable period, if the nature of the breach is such that it cannot be cured within 30 days, then the noticing party will have the right to terminate this Agreement by providing notice of the termination. This Agreement may also be terminated upon the mutual written agreement.

5.2 Effect of Termination

Upon termination or expiration of this Agreement Franchisor is then free to open Company-Owned Units or grant Franchises to others within your former Development Area but outside any Exclusive Territories granted to you under Franchise Agreements for Franchised Units you are currently operating or are under construction.

§6 Definitions

As used in this Agreement, the following terms have the following meanings:

"**Agreement**" means this Groom Service Development Agreement, as it may be amended, supplemented or otherwise modified by a written agreement the parties sign.

"**Area Development Rights**" means the rights granted to you under Section 1 to construct and operate Franchise Businesses in the Development Area under the terms of this Agreement and the Franchise Agreements.

"**Company-Owned Unit**" means a Groom Service business operating pursuant to the Business System owned by us or by any affiliate.

"**Franchise Business**" means the Groom Service franchise we authorize you to establish and operate under a Franchise Agreement.

§7 General

7.1 Amendments

The parties may only amend, supplement or change the provisions of this Agreement by an Amendment to Area Development Agreement signed by the parties except: (a) we may change the contents of the Operating Manual; (b) we may modify the Business System; and (c) a court may modify any provision of the Development Agreement in accordance with applicable law. Only our President has the authority to sign an Amendment to Area Development Agreement on our behalf.

7.2 Binding Effect

The provisions of this Agreement bind, benefit and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns.

7.3 Communications and Notices

All notices, requests, consents and other written communications required or permitted under this Agreement should be given by e-mail to the e-mail address below or to another e-mail address that one party provides to the other party except for those matters specifically required to be sent USPS, FedEx or UPS addressed to:

Franchisor:
Renee Van Hoorn and Joe Foster
28601 Los Alisos Blvd., Unit 1033
Mission Viejo, CA 92692
949-424-5364
info@groomserviceinc.com

Developer:

7.4 Headings

The headings and subheadings in this Agreement are for convenience of reference only, are not to be considered a part of this Agreement and do not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

7.5 Severability

7.5.1 If any provision of this Agreement or any other agreement entered into under this Agreement is contrary to, prohibited by or invalid under applicable law or regulation, that term only will be inapplicable and omitted to the extent so contrary, prohibited or invalid. The parties agree that the remainder of this Agreement continues in full effect so far as possible. If any provision of this Agreement can be construed in more than one way, one that renders the term invalid or otherwise voidable or unenforceable, and another that renders the term valid and enforceable, that provision has the meaning that renders it valid and enforceable.

7.5.2 If a law of any applicable jurisdiction requires us to give a greater notice of the termination of or non-renewal of this Agreement (if permitted) than is required under this Agreement, or requires us to take of some other action not required under this Agreement, or if under a law of any applicable jurisdiction, any term of this Agreement or any of our requirements is invalid or unenforceable, the notice and/or other action required by that law will be substituted for the comparable provisions of this Agreement. We have the right, in our sole discretion, to modify any invalid or unenforceable requirement to the extent to make it valid and enforceable. Any modification to this Agreement will be effective only in that jurisdiction, unless we elect to give the modification greater applicability, and this Agreement is enforceable as originally entered into by the parties in all other jurisdictions.

7.6 Waivers

The failure or delay of a party to require performance by another party of any term of this Agreement, even if known, will not affect the right of that party to require performance of that provision or to exercise any right or remedy under this Agreement. Any waiver by any party of a breach of any term of this Agreement is not a waiver of any continuing or later breach of that term, a waiver of the term itself, or a waiver of any right or remedy under this Agreement. No notice to or demand on any party in any case, of itself, entitles that party to any other notice or demand in similar or other circumstances.

7.7 Remedies Cumulative

Except as otherwise stated in this Agreement, no remedy afforded a party in this Agreement is exclusive of any other remedy. Each remedy is cumulative and is in addition to every other remedy, now or later existing, at law, in equity, by statute or otherwise. No single or partial exercise by any party of any right or remedy under this Agreement precludes any other exercise of any other right or remedy.

7.8 Effectiveness Counterparts

This Agreement is not effective or binding and enforceable against us until we accept this Agreement at our home office and our President signs this Agreement. The parties may sign this Agreement in counterparts, each of which is a duplicate original, but together are the same document. Confirmation of signing by sending a PDF version of the signature page by e-mail binds the party to the confirmation.

7.9 Interpretation

Each of the parties agree that he, she or it had the opportunity to have been represented by its own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement. You will not, while this Agreement is effective or after its termination or expiration, claim or assert that any term of this Agreement or any of the other document be construed against us.

7.10 Entire Agreement

This Agreement represents the entire understanding and agreement between the parties on the subject matter of this Agreement, and supersedes all other negotiations, understandings and representations, if any, made between the parties. No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Agreement are of any effect. Nothing in the Agreement disclaims the representations we made in the Franchise Disclosure Document and Exhibits that we furnished to you.

7.11 Survival

All obligations of the parties that expressly or by their nature survive the expiration or termination of this Agreement, continue in full force and effect after its expiration or termination and until they are satisfied or by their nature expire.

7.12 Liability of Multiple Developers

If the Developer consists of more than one person, all persons are jointly and individually liable for your obligations under this Agreement.

7.13 Force Majeure

Neither party is liable for loss or damage or is in breach of this Agreement, if the failure to perform his, her or its obligations is based solely from the following causes beyond his, her or its reasonable control: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material, or energy; (b) compliance with any applicable law; or (c) war, terrorism, strikes, natural disaster or acts of God. Any delay resulting from any of these causes extends performance accordingly or excuses performance as may be reasonable, except that these causes do not excuse payments of amounts owed to us for any reason.

7.14 Third Parties

Nothing in this Agreement, whether express or implied, confers any rights or remedies under or based on this Agreement on any person other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns. Nothing in this Agreement relieves or discharges the obligation or liability of any third persons to any party to this Agreement, nor does any provision give any third person any right of subrogation or action over or against any party to this Agreement.

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

Groom Service Mobile Pet Spa, LLC
Franchisor

_____
Signature

_____
Name Printed

_____
Title:

_____
Signature

_____
Name Printed

_____
Title:

_____
Developer

_____
Signature

_____
Name Printed

_____
Title

EXHIBIT A
DEVELOPMENT AREA

EXHIBIT B
DEVELOPMENT SCHEDULE

Number of Operating Franchised Franchise Businesses Operating	**Date When Businesses are to be**
____	_____, 2022
____	_____, 2023
____	_____, 2024
____	_____, 2025

LIST OF STATE ADMINISTRATORS

AND

AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation One Sansome Street, Suite 200 San Francisco, CA 94104-4428 (415) 972-8565	Department of Financial Protection and Innovation One Sansome Street, Suite 200 San Francisco, CA 94104-4428 (415) 972-8565
Connecticut	Connecticut Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CN 06103	Connecticut Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CN 06103
Florida	Division of Consumer Services Attn: Business Opportunities 2005 Apalachee Parkway Tallahassee, FL 32399-6500	Division of Consumer Services Attn: Business Opportunities 2005 Apalachee Parkway Tallahassee, FL 32399-6500
Hawaii	Commissioner of Securities Department of Commerce and Consumer Affairs P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744
Illinois	Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Secretary of State Securities Division Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State Securities Division Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681
Kentucky	Office of the Attorney General Consumer Protection Division Attn: Business Opportunity 1024 Capital Center Drive Frankfort, KY 40601-8204	Office of the Attorney General Consumer Protection Division Attn: Business Opportunity 1024 Capital Center Drive Frankfort, KY 40601-8204

State	State Administrator	Agent for Service of Process
Maine	Department of Professional and Financial Regulations Bureau of Banking Securities Division 121 Statehouse Station Augusta, Maine 04333	Department of Professional and Financial Regulations Bureau of Banking Securities Division 121 Statehouse Station Augusta, Maine 04333
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities Office of Attorney General 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328
Nebraska	Nebraska Department of Banking and Finance Commerce Court 1230 O Street, Suite 400 Lincoln, NE 68509	Nebraska Department of Banking and Finance Commerce Court 1230 O Street, Suite 400 Lincoln, NE 68509
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8236	Secretary of State 99 Washington Ave. Albany, New York 12231
North Carolina	Secretary of State Securities Division 300 North Salisbury Street, Suite 100 Raleigh, NC 27603-5909	Secretary of State Securities Division 300 North Salisbury Street, Suite 100 Raleigh, NC 27603-5909

State	State Administrator	Agent for Service of Process
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527
South Carolina	Office of the Secretary of State 1205 Pendleton Street Edgar Brown Building, Suite 525 Columbia, South Carolina 29201	Office of the Secretary of State 1205 Pendleton Street Edgar Brown Building, Suite 525 Columbia, South Carolina 29201
South Dakota	Department of Revenue and Regulation Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823	Department of Revenue and Regulation Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823
Texas	Office of the Secretary of State Statutory Document Section 1019 Brazos Street Austin, Texas 78701	Office of the Secretary of State Statutory Document Section 1019 Brazos Street Austin, Texas 78701
Utah	Utah Department of Commerce Division of Consumer Protection 160 East Three Hundred South P.O. Box 146704 Salt Lake City, Utah 84114-6704	Utah Department of Commerce Division of Consumer Protection 160 East Three Hundred South P.O. Box 146704 Salt Lake City, Utah 84114-6704

State	State Administrator	Agent for Service of Process
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, Wisconsin 53701 (608) 266-2801	Commissioner of Securities 345 West Washington Street, 4th Floor Madison, Wisconsin 53703

EXHIBIT D TO THE DISCLOSURE DOCUMENT

ITEM 21 FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

10/26/2022

Balance Sheet

Current Assets:	
Cash	$2,000
Due from Affiliate	-
Total Current Assets	$2,000
Fixed Assets	
Equipment	-
Accum Depreciation	-
Total Fixed Assets	-
Other Assets	
Intangible Assets	-
Total Assets	$2,000
Current Liabilities	
Accounts Payable	-
Due to Affiliates	$2,000
Total Liabilities	$2,000
Member's Equity	
Member's Equity	-
Total Equity	-
Total Liabilities and Equity	$2,000

EXHIBIT D TO THE DISCLOSURE DOCUMENT

GROOM SERVICE MOBILE PET SPA LLC
Balance Sheet as of December 31, 2021

TOGETHER WITH INDEPENDENT ACCOUNTANT AUDIT REPORT

EXHIBIT D TO THE DISCLOSURE DOCUMENT

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NAPER CPA GROUP

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Suite 120 - 189
Naperville, IL 60565
+1 (815) 348-2421
omar@napercpa.com

INDEPENDENT ACCOUNTANT AUDIT REPORT

To the Management of GROOM SERVICE MOBILE PET SPA LLC

We have audited the accompanying financial statements of GROOM SERVICE MOBILE PET SPA LLC (the "Company"), which comprise the Balance Sheet as of December 31, 2021.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GROOM SERVICE MOBILE PET SPA LLC as of December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Omar Alnuaimi, CPA

Naperville, IL
July 22, 2022

GROOM SERVICE MOBILE PET SPA LLC
BALANCE SHEET
AS OF DECEMBER 31, 2021

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 2,020
TOTAL CURRENT ASSETS	2,020
NON-CURRENT ASSETS	
TOTAL NON-CURRENT ASSETS	-
TOTAL ASSETS	2,020
LIABILITIES AND OWNER'S EQUITY	
CURRENT LIABILITIES	
TOTAL CURRENT LIABILITIES	-
NON-CURRENT LIABILITIES	
TOTAL NON-CURRENT LIABILITIES	-
TOTAL LIABILITIES	-
OWNER'S EQUITY	
Retained Earnings (Deficit)	2,020
TOTAL SHAREHOLDERS' EQUITY	2,020
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,020

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

GROOM SERVICE MOBILE PET SPA LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

GROOM SERVICE MOBILE PET SPA LLC (the "Company") was incorporated under the laws of the State of Neveda for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Groom Service Pet Spa location, as a franchise.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). As a result, the Company records revenue when earned and expenses when incurred. The Company has adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities and other items, as well as the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and any cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Revenue Recognition

Revenues are primarily derived from franchise fees (one-time and recurring monthly fees). In accordance with Accounting Standards Codification (ASC) Topic 606, Revenue will be recognized when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonable assured. The determination of whether fees and fixed or determinable and collection is reasonable assured involves the use of assumptions. Arrangement terms and customer information are evaluated to ensure that these criteria are met prior to recognition of revenue.

Specifically for franchisors, The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' in 2021 which provides a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard.

GROOM SERVICE MOBILE PET SPA LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

The Company , with the consent of its shareholders, has elected to be an S-Corporation (for tax purposes). In lieu of corporate income taxes, the shareholder(s) of an S-Corporation is taxed based on its proportionate share of The Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

Commitments and Contingencies

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of December 31, 2021, the Company has not reported any lawsuit or known plans of litigation by or against the Company.

NOTE C – EQUITY

The Company is 100% owned by it's sole shareholder, Joseph Foster.

NOTE D – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE E – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 22, 2022, the date on which the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of Management's review substantially affect the amounts and disclosure of the accompanying financial statements.

EXHIBIT E TO THE DISCLOSURE DOCUMENT

MULTI STATE ADDENDA

FOR THE STATE OF CALIFORNIA

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

2. §31125 of the California Corporations Code requires Franchisor to give Franchisee 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.

3. You must sign a general release if Franchisee renew or transfer Franchisee's franchise. California Corporations Code §31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

4. Neither the franchisor, any person or franchise broker in ITEM 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

5. ITEM 17 of the Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.

- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

- The following URL address is for the franchisor's website: www.groomserviceinc.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF ~~BUSINESS OVERSIGHT~~FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

6. The following paragraph is added at the end of Item 5 of the Disclosure Document:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FOR THE STATE OF HAWAII

1. The following list reflects the status of Franchisor's franchise registrations in the states that have franchise registration and/or disclosure laws:

- This registration is not currently effective in any state.
- This proposed registration is on file with or will shortly be on file with the States of California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Nebraska, New York, North Carolina, North Dakota, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.
- There are no states that have refused, by order or otherwise, to register these franchises.
- There are no states that have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

- The Hawaii Franchise Investment Law provides rights to the franchisee concerning nonrenewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, §§4.2 and 15 and 17, contains a

provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

- §§4.2.9, 17.2.3 and 17.2.6 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise and §§5.2, 5.5 and 8.3 require franchisee to sign a general release as a condition to receiving a refund of a portion of the franchise fee following a termination of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

- §15.2.1.12 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. The Receipt Pages are amended to add the following:

- THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

- THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.

- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.

- Any provision in the Franchise Agreement requiring a general release is void if the provision requires a waiver of compliance with the Illinois Franchise Disclosure Act.

- Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void.

ITEM 17 of the Disclosure Document is amended to add the following:

- The conditions under which a franchise can be terminated and Franchisee's rights upon nonrenewal, as well as the application by which Franchisee must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

- The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

FOR THE STATE OF MARYLAND

1. ITEM 17 of the Disclosure Document is amended to add the following:

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

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

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

   - In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Exhibit E to the Disclosure Document is amended as follows:

- All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

FOR THE STATE OF MINNESOTA

1. ITEM 13 of the Disclosure Document is amended as follows:

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

2. ITEM 17 of the Disclosure Document is amended as follows:

- With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that Franchisee be given 90-day notice of termination (with 60 days to cure) and 180-day notice of nonrenewal of the Agreement.

- ITEM 17 shall not provide for a prospective general release of claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

EXHIBIT E TO THE DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently

effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

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.

4. 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.

5. 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.

6. 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.

7. 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 judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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.

FOR THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of Franchisee and related preparatory work performed and expenses actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.

- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.

- The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

- ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

- ITEM 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE COMMONWEALTH OF VIRGINIA

ITEM 17 (h) of the Disclosure Document is amended to add the following:

- Pursuant to §13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given by any provision contained in the franchise, specifically §15.2.1.19 of the Franchise Agreement. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

FOR THE STATE OF WASHINGTON

ITEM 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

- A general release or waiver of rights signed by Franchisee will not include rights under the Washington Franchise Investment Protection Act.

- Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, including the right to a jury trial may not be enforceable.

- Transfer fees are collectable if they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

- The Franchise Agreement requires any litigation to be conducted in a state other than Washington; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

ITEM 21 of the Disclosure Document is amended to add the following:

- We have not been in business for three years or more and cannot include all the financial statements required by the Rule.

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Groom Service Mobile Pet Spa, LLC:	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

State	Effective Date

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Groom Service Mobile Pet Spa, LLC offers you a franchise, Groom Service Mobile Pet Spa, LLC must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale unless otherwise stated in your state's addendum. The delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship in the States of Rhode Island and New York.

If Groom Service Mobile Pet Spa, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit C.

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

Renee Van Hoorn and Joe Foster, 28601 Los Alisos Blvd., Unit 1033, Mission Viejo, CA 92692, 949-424-5364

Issuance Date: July 22, 2022

I have received a Franchise Disclosure Document dated 8/01/2021 including the following exhibits on the date listed below:

A-Franchise Agreement
B-Development Agreement
C-List of State Administrators and Agents for Service of Process
D-Financial Statements
E-Multi-State Addenda

Name: _____ Date: _____

Signature: _____

You should return this copy of the signed receipt either by signing, dating, and mailing it to Groom Service Mobile Pet Spa, LLC, 28601 Los Alisos Blvd., Unit 1033, Mission Viejo, CA 92692 or by scanning and emailing a copy of the signed receipt to: info@groomserviceinc.com

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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Name: _____ Date: _____

Signature: _____

You may keep this copy for your records.