FRANCHISE DISCLOSURE DOCUMENT
(UNIT)

HIKE DOGGIE	Happie Doggie, LLC A Delaware Limited Liability Company 780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452 (855) 825-7387 franchise@hikedoggie.com www.hikedoggie.com

We offer a franchise opportunity to establish and operate a dog hiking business, providing transportation and outdoor activities for dogs.

The total investment necessary to begin operation of a Hike Doggie Unit franchise is $83,100 - $205,400. This includes $45,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a Multi-Territory Franchise consisting of two to five territories is $110,100 - $285,400 under the Multi-Territory Addendum. This includes $72,000 - $125,000 that must be paid to the franchisor or an 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, contact Kelly Wyatt at 780 Lynnhaven Pkwy Suite 240, Virginia Beach, VA 23452, telephone 855-825-7387.

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

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

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

Issuance date: April 17, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
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 G 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 Hike Doggie 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 Hike Doggie franchisee?	Item 20 or Exhibits E and F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Virginia. 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 Virginia than in your own state.

2. **Limited Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

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

MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor; (iii) The unwillingness of the proposed transferee to agree in writing

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This 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).

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

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

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

To simplify the language in this disclosure document, the terms "we," "us," "our," and "Hike Doggie" refer to Happie Doggie, LLC d/b/a Hike Doggie, the Franchisor. The terms "you" and "your" refer to the person or entity that buys this franchise, including any guarantors.

The Franchisor

We are a Delaware Limited Liability Company formed on September 16, 2025. Our principal business address is 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452. We do business under our corporate name and the name Hike Doggie.

We have offered franchises of the type offered here since October 2025. Pursuant to a separate Franchise Disclosure Document, we began offering Area Representative franchises in October 2025. As of the date of this disclosure document, we do not have any Area Representatives.

We do not operate a business of the type you are being offered or offer franchises in other lines of business. At times, we may acquire and operate a franchised outlet and run it as a company store.

Exhibit B contains our agents for service of process.

Parents and Predecessors

We have two parent companies, Loyalty, LLC ("Loyalty") and Hike Doggie Franchising, LLC ("HDF"). Loyalty was formed on November 6, 2017, as a Virginia Limited Liability company. Loyalty's principal place of business is also located at 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. Loyalty does not conduct a business of the type being franchised nor has it offered franchises in any other line of business.

HDF, also our predecessor, is a Colorado limited liability company formed on June 20, 2023, with a principal business address of 505 Washington Avenue, Golden, Colorado 80403. HDF continues to exist as a member of us. HDF offered franchises from January 2024 to September 2025.

Affiliates-Hike Doggie, Inc.

We have an affiliate Hike Doggie, Inc. ("HDI"), formed on February 1, 2016, with a principal business address of 505 Washington Avenue, Golden, Colorado 80403. HDI owns and controls the intellectual property for the Hike Doggie Franchises and licenses it to us. HDI has operated a business of the type being franchised since May 2016. HDI does not offer franchises in any line of business.

Affiliates-Other Brands

We have an affiliate, ATAX LLC d/b/a ATAX, formed on February 20, 2019, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. ATAX offers franchise opportunities for retail tax, bookkeeping, and payroll services. ATAX also offers

franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since 2019. As of December 31, 2025, ATAX had 110 Unit franchise outlets and 32 Area Representative franchises.

We have an affiliate, Cooper's Scoopers LLC d/b/a Cooper's Scoopers, formed on December 26, 2024, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. Cooper's Scoopers offers franchise opportunities for a professional pet waste management business. Cooper's Scoopers also offers franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since January 2025. As of December 31, 2025, Cooper's Scoopers had 4 Unit franchise outlets and no Area Representative franchises.

We have an affiliate, Loyalty Business Services LLC d/b/a Ledgers, formed on October 30, 2019, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. Ledgers offers franchise opportunities for compliance, advisory, and tax services. Ledgers also offers franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since 2020. As of December 31, 2025, Ledgers had 16 Unit franchise outlets and 3 Area Representative franchises.

We have an affiliate, Purely Pet LLC d/b/a Salty Dawg, formed on May 20, 2024, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. Salty Dawg offers franchise opportunities to operate high-end pet salons that provide pet grooming, retail pet food and treats, pet merchandise, and other pet care services. Salty Dawg also offers franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since August 2024. As of December 31, 2025, Salty Dawg had 2 Unit franchise outlets and 3 Area Representative franchises.

We have an affiliate, Tectum Franchising LLC d/b/a CR3 American Exteriors, formed on July 12, 2022, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. CR3 American Exteriors offers franchise opportunities to provide, sell, and perform roofing and remodeling services for commercial and residential customers. CR3 American Exteriors also offers franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since 2022. As of December 31, 2025, CR3 American Exteriors had 13 Unit franchise outlets and 2 Area Representative franchises.

We have an affiliate, Whole PM Holdings LLC d/b/a Whole Property Management, formed on April 29, 2025, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. Whole Property Management offers franchise opportunities for property management services. Whole Property Management also offers franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since 2025. As of December 31, 2025, Whole PM Holdings had no Unit franchise outlets and no Area Representative franchises.

We have an affiliate, Zoomin Groomin USA, LLC d/b/a Zoomin Groomin, formed on December 30, 2020, with a principal business address of 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia 23452. Zoomin Groomin offers franchise opportunities for pet grooming services.

Zoomin Groomin also offers franchise opportunities for Area Representatives to recruit and support unit franchisees. This affiliate has offered franchises since 2020. As of December 31, 2025, Zoomin Groomin had 257 Unit franchise outlets and 57 Area Representative franchises.

None of the affiliates listed above operate a business of the type being franchised, nor have they offered franchises in any other line of business. You will not directly or indirectly conduct business with these affiliates.

The Franchise Offered

The franchise offered is to establish and operate a dog hiking business, providing transportation and outdoor activities for dogs. ("Franchised Business").

The Franchised Business does business under the trade name Hike Doggie and other related service marks, trademarks, or logos (our "Marks"). The franchise may be operated from a commercial location or from a home-based location. The franchise operates according to our standards, methods, procedures, and specifications, collectively referred to as our "System."

We offer two franchise packages. A Single Territory Franchise allows you to operate one Hike Doggie Business in one territory. A Multi-Territory Franchise allows you to operate between 2-5 Hike Doggie Businesses, each in its own territory. If you purchase a Multi-Territory Franchise, you will sign one Franchise Agreement (Exhibit C) and a Multi-Territory Addendum (Exhibit C, Schedule 6) at the same time. The Multi-Territory Addendum will include your Initial Franchise Fee and Bus Development Schedule.

Area Representatives

We offer an Area Representative franchise opportunity through a separate Franchise Disclosure Document. Area representatives recruit and support unit franchisees in exchange for a portion of the initial franchise fee and ongoing royalty. Area representatives do not have management responsibility for the franchise, except for those individuals specifically identified in Item 2 of this disclosure document. There may be an area representative with area representative rights over your Territory when you sign a Franchise Agreement or during the term. We will provide a roster of all current area representatives upon request.

Market and Competition

The market for your services and products are pet owners. In most areas, the market is developed. Sales are year-round.

Your Franchised Business may have to compete with other businesses offering services and products similar to those that you will offer, including franchised operations, national chains, and other independently owned companies.

Industry Specific Regulations

Your Franchise Business may be subject to various federal, state, and local laws and regulations. You must comply with rules and regulations concerning bonding requirements, leash laws (keeping pets restrained except in certain specified areas), noise ordinances, pet waste removal laws while on public property, and animal welfare and transportation laws, which forbid unsafe transportation and inhumane treatment of animals.

You also must comply with the laws and regulations generally applicable to businesses, including motor vehicle and licensing laws, sales tax requirements, workers' compensation, the Occupational Safety and Health Administration ("OSHA"), environmental protection laws, and the Americans with Disabilities Act.

You should investigate the application of these laws further.

ITEM 2. BUSINESS EXPERIENCE

Cory Hughes, CEO. Cory Hughes has served as our CEO since October 1, 2025. Mr. Hughes served as COO for Threshold Brands, LLC from August 2023 to May 2025 in Leawood, Kansas. Mr. Hughes also served as Executive Vice President of Operations for Liberty Tax Services from March 2018 to August 2023 in Virginia Beach, Virginia. Mr. Hughes was a Franchisee with Sola Salon Studios from November 2012 until September 2021 in Tulsa, Oklahoma.

Kathleen Allen, Founder & President. Kathleen Allen is our Founder and has served as our President since September 15, 2025. Ms. Allen is also the Founder and President of our affiliate, HDI in Golden, Colorado, and has been since its inception in May 2016. Ms. Allen has also served as President of our predecessor and parent, HDF in Golden, Colorado, since its inception in June 2023.

Abbey Lee, Director of Operations. Abbey Lee has served as our Director of Operations since September 15, 2025. Ms. Lee also served as a Member and in Franchise Development of HDF in Golden, Colorado, since June 30, 2023. Ms. Lee has also served as a partner of HDI in Golden, Colorado, since January 2017. She was the Chief People & IT Officer for HDI in Golden, Colorado, from May 2017 to January 2024.

A. William Allen, Director. William Allen has served as our Director since September 15, 2025. Mr. Allen has been a member of HDF in Newport Beach, California, since its inception in June 2023. Mr. Allen has been a shareholder and Director of HDI in Newport Beach, California, since its inception in May 2016.

Kelly Wyatt, Vice President of Franchise Development. Mr. Kelly Wyatt has served as Vice President of Franchise Development for Loyalty, LLC since November 2025, after previously holding the role of Director of Franchise Development since September 2021. Mr. Wyatt has also owned Tinsel Grooming LLC, a Zoomin Groomin franchise in Columbia, SC, since March 2023, and has served as a Zoomin Groomin Area Representative through Nimooz LLC in Columbia, SC, since August 2022. Prior to joining Loyalty, LLC, Mr. Wyatt served as the Senior Vice President

of Sales for FranDevCo in Charlotte, NC, from March 2021 to September 2021. He also served as Vice President of Sales at JTH Tax Inc. in Virginia Beach, VA, from April 2018 to January 2021.

Joe Dent, CEO of Everything Pets, LLC. Mr. Joe Dent serves as CEO of Everything Pets, LLC, a division of Loyalty, LLC, since July 2025, in Virginia Beach, VA. Mr. Dent also serves as interim CEO of Salty Dawg, LLC since July 2025. He served as an Executive Consultant at Loyalty, LLC from February 2025 until June 2025 in Virginia Beach, VA. Mr. Dent served as President of Three Dog Bakery from October 2019 until November 2024, in Kansas City, Missouri.

John T. Hewitt, Director. John T. Hewitt has served as our Director since September 15, 2025. Mr. Hewitt also serves as the Chief Executive Officer and Chairman of one of our parent companies, Loyalty, and its affiliates in Virginia Beach, Virginia, since September 2017.

ITEM 3. LITIGATION

John Hewitt, Chief Executive Officer and Chairman of Loyalty, has been named in the following litigation:

Pending Actions:

Ira Lubert and John Martinson v. John T. Hewitt, ATAX, LLC, and Loyalty, LLC (Case No 250503829) Court of Common Pleas of Philadelphia County, Pennsylvania, filed May 30, 2025, amended August 19, 2025. Plaintiffs are minority investors in ATAX, LLC, who allege they were solicited to invest in ATAX as a qualified opportunity zone business and that ATAX failed to qualify. Plaintiffs further allege that Defendants failed to perform certain remedial commitments, including an amendment to ATAX's Operating Agreement and certain financial controls, and that Hewitt caused unauthorized cash transfers from ATAX's accounts to himself and affiliated entities without Board approval. Plaintiffs assert the following claims: (1) Fraud (against Hewitt); (2) Aiding and Abetting Fraud (against Loyalty); (3) Breach of Fiduciary Duty (against Hewitt and Loyalty); (4) Conversion (against Hewitt and Loyalty); (5) Breach of Contract (against Hewitt, Loyalty, and ATAX); (6) Unjust Enrichment (against Hewitt and Loyalty); (7) Breach of the Virginia Stock Corporation Act (against Hewitt and Loyalty); and (8) Violation of the Pennsylvania Voidable Transfers Act (against Hewitt and Loyalty). Plaintiffs seek rescission of their investments, redemption of their ownership interests at fair value, monetary damages, attorneys' fees, and interest. Defendants deny all allegations and intend to vigorously contest all claims. Trial is scheduled for May 30, 2027.

Fortis Lux Financial, Inc. and Tutum Strategies, LLC v. Loyalty Business Services, LLC a/k/a Ledgers USA, JMS Tax, Inc. d/b/a Ledgers, USA, Loyalty, LLC d/b/a Loyalty Brands and John T. Hewitt, filed May 9, 2025, before the American Arbitration Association for hearing in Virginia (AAA Case No. 01-25-0002-2722). John T. Hewitt was not initially named as a Respondent; however, he was later personally named in Claimant's Statement of Claim and JMS TAX, Inc. was voluntarily removed in an Amended Statement of Claim. The Claimants are an investment advisory and insurance products sales organization, and they entered a joint venture with Ledgers to develop or acquire accounting offices and then convert them to franchise locations. The

Claimants filed an Amended Statement of Claim on January 21, 2026, alleging breach of contract, breach of implied duty of good faith and fair dealing, fraud in the inducement, common-law fraud, negligent misrepresentation or in the alternate rescission/restitution. The Respondents deny the allegations and have asserted counterclaims alleging that the Claimant breached the joint venture agreement by failing to enter into franchise agreements, and failing to operate as a franchise and pay advertising fees, royalties, training fees, and other required fees, along with failure to comply with operational requirements, unauthorized use of registered trademarks, false advertising, and failure to pay for certain support services. The Claimant seeks approximately $1,945,301.11 in damages, together with interest, attorneys' fees, arbitration costs, and such other relief as permitted by law or agreement. The Respondents seek $225,000 on the counterclaims. No conclusions of law or fact have been made, and no arbitration date has been set.

Concluded Actions:

K&A Publicidad, Inc. v. JTH Tax, Inc., d/b/a Liberty Tax Service, Liberty Tax, Inc. d/b/a Siempre Tax and John Hewitt, (Case No. CL17-4169), filed on September 5, 2017 in the Virginia Beach Circuit Court. Plaintiff is a company owned and controlled by Kirke Franz Szawronski. Plaintiff alleges that it entered into a contract with Liberty to provide promotional and strategic relationship services to help grow the SiempreTax brand. Plaintiff alleged that defendants breached the contract for failure to pay for services and seeks damages. This matter, along with the *Kirke Franz Szawronski* matter described below, settled on January 26, 2019, with Liberty agreeing to pay plaintiff $50,000 to settle both matters, in exchange for a release.

Kirke Franz Szawronski v. JTH Tax, Inc., d/b/a Liberty Tax Service, Liberty Tax, Inc., d/b/a Siempre Tax and John Hewitt, (Case No. CL17-4170), filed on September 5, 2017 in the Virginia Beach Circuit Court. Plaintiff was a former employee and filed a lawsuit claiming breach of employment agreement with Plaintiff by failing to pay 6-months' severance. Plaintiff also asserted a claim for defamation. This matter, along with the *K&A Publicidad, Inc.* matter described above, settled on January 26, 2019, with Liberty agreeing to pay plaintiff $50,000 to settle both matters, in exchange for a release.

Asbestos Workers' Philadelphia Pension Fund, derivatively on behalf of Liberty Tax, Inc., v. John Hewitt. Defendant, and Liberty Tax, Inc., Nominal Defendant, (Case No. 2017-0883), filed on December 12, 2017 in the Court of Chancery of the State of Delaware. Plaintiff alleged that Liberty's former CEO, John T. Hewitt ("Hewitt"), breached his fiduciary duties as an officer based upon certain allegations of misconduct on his part. The Plaintiff also alleged breach of fiduciary duty against Hewitt in his capacity as a director of LT Inc. The Complaint sought compensatory damages and attorney's fees. On December 27, 2017, this action was consolidated with the *Erie County* matter described just below and then continued under the caption *In Re: Liberty Tax, Inc. Stockholder Litigation*.

Erie County Employees Retirement. System, on behalf of Liberty Tax, Inc. v. John T. Hewitt. Defendant, and Liberty Tax, Inc. Nominal Defendant, Case No. 2017-0914, was filed the Court of Chancery of the State of Delaware on December 22, 2017. Plaintiff also alleged that Hewitt breached his fiduciary duties as an officer based upon certain allegations of misconduct on his part. The Plaintiff also alleged breach of fiduciary duty against Hewitt in his capacity as a director of

LT Inc. The Complaint sought to enjoin Hewitt from managing LT's business operations and seeks compensatory damages and attorney's fees. On December 27, 2017, this action was consolidated with another action into In Re: Liberty Tax, Inc. Stockholder Litigation *(see below)*.

On December 27, 2017, the two above referenced shareholder matters were consolidated with the caption *In Re: Liberty Tax, Inc. Stockholder Litigation*, (Case No. 2017-0883). The Complaint asserted claims for breach of fiduciary duty and breach of fiduciary duty by violation of the nominating committee charter. A mediation took place on November 12, 2018 but did not result in a resolution. On March 15, 2019, the parties entered into a stipulation of settlement of which the material terms of the settlement are as follows: (i) Liberty Tax agreed to implement an anti-harassment policy; (ii) Liberty Tax will conduct yearly code of conduct training; (iii) Liberty Tax will terminate for cause any employee who violates the anti-harassment policy that has been substantiated as such; (iv) Liberty Tax will revise its audit committee charter to reflect that SEC filings must be pre-approved by the Audit Committee; (v) Liberty Tax will take reasonable steps to be listed on NASDAQ or NYSE; (vi) Hewitt agrees not to solicit company employees; and (vii) No party admits any liability. On June 28, 2019, the Court of Chancery approved a Derivative and Class Action Settlement. All issues have been resolved and the Delaware derivative actions were dismissed with prejudice in 2019 without any finding of liability on the part of the Defendants.

RSL Senior Partners, LLC, derivatively and on behalf of Liberty Tax, Inc. v Brunot et al, (Case No. 2:18-cv-00127-HCM-DEM), filed on March 7, 2018, in the United States District Court for the Eastern District of Virginia. This purported shareholder derivative action was filed on behalf of LT Inc. seeking to address the alleged wrongs of LT Inc.'s directors and officers. The Complaint claimed that certain conduct created an inappropriate tone at the top, resulting in the loss of key executives, employees, directors and otherwise harmed LT Inc. The Complaint asserted claims under Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Section 10(b) and Rule 10b-5 and Section 20(a) of the Exchange Act, breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The Complaint sought the following relief: (a) declaring that the Plaintiff may maintain this action on behalf of LT Inc., and that the Plaintiff is an adequate representative of LT Inc.; (b) declaring that the Individual Defendants have breached and/or aided and abetted the breach of their fiduciary duties to LT Inc.; (c) determining and awarding to LT Inc. the damages sustained by it as a result of the violations set forth above from each of the Individual Defendants, jointly and severally, together with pre-judgment and post-judgment interest thereon; (d) directing LT Inc. and the Individual Defendants to take all necessary actions to reform and improve its corporate governance and internal procedures to comply with applicable laws and to protect LT Inc. and its shareholders from a repeat of the damaging events (e) awarding LT Inc. restitution from Individual Defendants; and (f) awarding the Plaintiff the costs and disbursements of the action, including reasonable attorneys' and experts' fees, costs, and expenses. The parties to this action have agreed that all claims have been settled and agreed to dismiss the action within five business days of the *In Re: Liberty Tax, Inc. Stockholder Litigation* action in Delaware Chancery Court becoming final. On September 11, 2019, the Court conducted a hearing for approval of the settlement and for attorney's fees. On September 12, 2019, the Court found the shareholder notice to be adequate and in compliance with the requirements of rule 23.1(c). The Court approved the settlement ordered in the *In Re: Liberty Tax, Inc. Stockholder Litigation* which incorporated the

Plaintiff's claims in this action and approved the $295,000 in attorneys' fees, including the case contribution award of $2,000 to Plaintiff. This matter was dismissed with prejudice.

Bablu Shahabuddin v. JTH Tax, Inc., Siempre Tax, and John Hewitt, (Case No. 2:18-cv-00016-MDS-DEM) filed on January 11, 2018 in the United States District Court for the Eastern District of Virginia. The plaintiff filed suit which, as amended, claimed that JTH Tax and Siempre Tax failed to pay to him certain monies owed under various Purchase and Sale Agreements, that a constructive trust should be imposed on certain monies received by Liberty Tax and Siempre for the subsequent sale of those territories, that the defendants committed fraud in the inducement, and that Hewitt orally guaranteed the Purchase and Sale obligations. Shahabuddin sued for $600,000 in compensatory damages, $350,000 in punitive damages, plus pre-judgment and post-judgment interest. The parties reached a settlement of all claims whereby JTH Tax paid $775,000 and a portion of certain upcoming Net Revenue at offices previously owned by the plaintiff to him. The case was dismissed on November 14, 2018.

JTH Tax LLC d/b/a Liberty Tax Service v. John T. Hewitt, Loyalty LLC, ATAX LLC, ATAX Franchise, Inc. and Yneva Marte (Case No.2:21-cv-00076-RBS-LRL) filed February 4, 2021 in the United States District Court for the Eastern District of Virginia. Plaintiff filed the action alleging that ATAX franchisees maintained signage that is confusingly similar to trade dress and logos of the plaintiff. The Plaintiff also alleges that Mr. Hewitt tortiously interfered with certain contractual relations by discussing with existing and former franchisees of the Plaintiff opportunities at ATAX. The complaint alleges that Mr. Hewitt breached his employment agreement by sharing and using trade secrets, confidential and proprietary information for his own benefit or the benefit of a third party by convincing existing and prospective franchisees of the Plaintiff to leave and instead open ATAX franchises. Lastly, the complaint alleges that Mr. Hewitt engaged in a conspiracy to unfairly compete against and damage Liberty Tax by convincing customers and prospective customers to pick ATAX over Liberty Tax. Plaintiffs sought $20 million in actual damages, treble damages, costs, and legal fees along with injunctive relief. The Defendants have denied the allegations. The matter was settled on December 31, 2021. Under the Settlement Agreement, Defendants agreed to pay the Plaintiff $545,000 over 6 years, and to refrain from: (1) unfairly competing with Liberty Tax by tortiously interfering with its franchise agreements; (2) diverting or attempting to interfere with or divert any leases from Liberty; (3) palming off any of ATAX's products or services as those of Liberty; (4) any action or statement that could reasonably cause likelihood of confusion that any ATAX location is associated with Liberty; (5) possessing, misappropriating, using or disclosing Liberty's confidential information; and (6) accessing any of Liberty's computer systems or databases. ATAX agreed to permanently close three specific ATAX locations and use their best efforts to assign leases for those locations to Liberty. The Court retained jurisdiction to enforce the final consent order.

Governmental Actions Against John T. Hewitt:

In the Matter of a Consent Order between The Commissioner of Financial Protection and Innovation and John T. Hewitt, before the Commissioner of Financial Protection and Innovation for the State of California. The Commissioner is the head of the Department of Financial Protection and Innovation (Department) and is responsible for administering and enforcing the Franchise Investment Law (FIL) (Corp. Code, § 31000 et seq.), The Commissioner has determined

pursuant to her authority under the FIL that John T. Hewitt is "subject to" the Final Order entered in the matter of United States of America v. Franchise Group Intermediate L 1, LLC d/b/a Liberty Tax Service (Case No. 2:19-cv-00653-RAJ-DEM) filed on or around December 3, 2019 in the United States District Court for the Eastern District of Virginia (the Final Order). John T. Hewitt agreed that he is required to disclose the Final Order in Item 3 of any Franchise Disclosure Document filed by any present or future Franchisor where John T. Hewitt is a director, trustee, general partner, principal officer, or maintains management responsibility relating to the sale or operation of the respective Franchisor, along with disclosure of this governmental action.

Governmental Actions against Unrelated Entities:

United States of America v. Franchise Group Intermediate L 1, LLC d/b/a Liberty Tax Service, (Case No. 2:19-cv-00653-RAJ-DEM) filed on or around December 3, 2019 in the United States District Court for the Eastern District of Virginia. The Department of Justice (DOJ) filed a complaint asserting that Liberty Tax failed to maintain adequate controls over the tax returns prepared by its franchisees and failed to take steps to prevent the filing of potentially false or fraudulent returns prepared by its franchises despite notice of fraud at some of its franchisee stores. The primary focus of the DOJ's investigation that preceded the complaint related to the alleged operational wrongdoing of 12 franchisees. Also on December 3, 2019, the DOJ and Liberty Tax filed a joint motion asking the court to approve a proposed settlement order setting forth certain enhancements to the Liberty Tax service compliance program and requiring Liberty Tax to retain an independent monitor to oversee the implementation of the required enhancements to the compliance program; and work with Liberty Tax to make further enhancements to improve the compliance program. As part of the proposed order, Liberty Tax agreed not to rehire John T. Hewitt, under whose supervision the alleged conduct at issue occurred. Liberty Tax further agreed not to grant John T. Hewitt any options or other rights to acquire equity in Liberty Tax or to nominate him to the company's board of directors. On December 20, 2019, the court granted the joint motion and the motion to seal, which fully resolved the legal proceedings initiated by the DOJ. Although he is referenced in the court's order, John T. Hewitt was not a named party to this case.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

The Initial Franchise Fee for a single Hike Doggie Franchised Business is $45,000. If you purchase Multiple Territories from us, pursuant to the Multi-Territory Addendum, you will realize a unit discount as shown below:

Franchise Package	Initial Franchise Fee
Single Franchise	$45,000

Franchise Package	Initial Franchise Fee
Multi-2 Territory	$72,000
Multi-3 Territory	$96,000
Multi-4 Territory	$116,000
Multi-5 Territory	$125,000

If you purchase a Multi-Territory Franchise, you will sign the Multi-Territory Addendum attached to this Franchise Disclosure Document in Exhibit C (Schedule-5) at the time you sign your Franchise Agreement. Your Territories and a Bus Development Schedule for purchasing additional Buses will be described in the Multi-Territory Addendum.

The initial fees are due to us in full, in a lump sum, when you return signed copies of your Franchise Agreement. The initial franchise fee is fully earned and nonrefundable upon signing the franchise agreement and receipt of the funds by us.

Except as described in this Item 5, the Initial Fees are uniformly imposed.

Discounts

If you are a current franchisee, in good standing, of one of our affiliate brands and you purchase a Hike Doggie Franchised Business to be operated in a territory that overlaps with your existing affiliate-brand franchise territory, then the Initial Franchise Fee will be $10,000. This discount is subject to territory availability and must be requested and approved before you sign the Franchise Agreement.

We offer a 10% discount on the Initial Franchise Fee to qualified veterans and first responders. We may require reasonable documentation.

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ITEM 6. OTHER FEES

Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Royalty Fee	The greater of 8% of Gross Revenues or $125 per week	Weekly on Tuesday	See Note 3 for a definition of Gross Revenues.
Brand Fund Contribution	2% of Gross Revenues	Weekly on Tuesday	You will pay to us the Brand Fund Contribution to support our advertising program.
Local Advertising	$500 per month/per territory	Payable after receipt of invoice	You will spend this amount each month per territory on local advertising, including online and social media advertising, pursuant to our guidelines. There may be times when we handle or coordinate local advertising programs. You will provide proof of your expenditures to us if we so request.
Technology Fee	Up to $500 per month (currently $250 per month)	Weekly on Tuesday	You will pay fees for technology provided to you. You are only required to pay a single Technology Fee for all territories operated by you.
Customer Service Call Fee	$5/per call	Monthly	Payable to us for Customer Service calls. If we approve (in our sole discretion) your request to make the customer-service calls, you will not be charged this fee. We may revoke such approval and resume making the calls at any time, and you must pay this fee.
Update or Additional Training Fee (Note 4)	$0 Mutually agreed fee for requested training, up to $15,000	At time of training	A fee is only charged if you request and we agree to provide non-standard or in-person assistance.

Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Audit Fee	Our actual expenses incurred to perform the audit plus Late Fees	Immediately upon conclusion of audit	Payable if an audit discloses an under reporting of Gross Revenues or underpayment to us by 2% or more.
Testing/ Inspection Fees to Approve a Supplier	$100/hour plus any costs incurred	When incurred	You must pay this fee to us if you request us to test and inspect a new supplier.
Transfer Fee	$5,000 per territory	Due before transfer.	We must approve the transfer.
Credit Card Processing Fee	The then-current charge imposed by third-party credit card processor, which may increase up to the actual cost as determined by the vendor	As incurred	Payable if you elect to pay any sums to us by credit card.
Late Fee	Lesser of 1% per month or the highest rate allowable by law of the state where you are located.	As incurred	Applied to amounts owed to us that are five days past due
Non-Sufficient Funds Fee	$100	As invoiced	You will pay this fee to us if an electronic transfer or other payment from you to us is declined.
Customer Issue Resolutions	The amount of any fee we refund to a customer	As invoiced	If you do not resolve a customer service complaint and we believe a reasonable basis exists for a refund to the customer of all or a portion of the customer fees, we may make the refund and bill you. You will pay the charges.
Management Fee	$250 per day, plus costs and expenses	At time of expense	We are entitled to this fee if we must operate your franchise due to your death or incapacity.
Sales, Excise, or Gross Receipts tax	Actual amount of tax paid	At time of payment of fees to us which are subject to any	If required by the federal government, state, or locality in which your Franchised

Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
		tax	Business is located, the initial franchise fee, royalties, and possibly other goods or services may be subject to sales, excise, gross receipts or similar type tax, which you will pay to us at the same time and in the same manner as you pay these fees to us
Third party charges we incur on your behalf	Actual amount of charge	At time of expense	If we incur third party charges on your behalf, because you failed to pay a required obligation, you will reimburse us for any such charges.
Indemnity	Actual loss sustained	At time of loss	You must indemnify us from any loss caused by your operation of the Franchised Business, including Attorney Fees.
Attorney Fees and Costs	Actual amount incurred	At time of expense	If we are the substantially prevailing as to any Claims You will pay our costs and attorney fees.
Insurance	All premiums, costs and expenses we incur, plus a reasonable fee for our time, not to exceed $1,000.	As incurred	If you fail or refuse to obtain and maintain the insurance we require, we may obtain such insurance for you, and you shall reimburse us for all premiums, costs, and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

Note 1 – Except where otherwise specified, we uniformly impose and collect all the fees in this table, you pay them to us, and we do not refund them. We may adjust all fixed dollar amounts under the Franchise Agreement for inflation.

Note 2 – Before you can open for business, you must sign and deliver to us all bank documents needed to permit us to debit your bank account via ACH Electronic Transfer for all fees and

payments due to us or our affiliates. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and the bank new documents to permit us to debit your bank account within three days. We require you to execute an Automatic Bank Draft Authorization and pay most fees to us via ACH electronic funds transfer. See Schedule 2 to the Franchise Agreement.

Note 3 – "**Gross Revenues**" is defined as all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes and gratuities or tips paid to employees by customers.

Note 4 – **Update or Additional Training**. Update or additional training can be obtained from us via phone, video conference, and webinar. There is no charge for remote assistance. However, if additional assistance is requested onsite, you must pay us an agreed-upon fee based on the requested training, as well as any per diem travel costs, including necessary transportation, lodging, and meals.

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ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee (Note 1)	$45,000	$45,000	As arranged	Upon signing the Franchise Agreement	Us
Brand Identity Package (Note 2)	$4,500	$4,500	As arranged	Before opening	Designated Suppliers
Bus, Bus Upfitting & Transportation Equipment (Note 3)	$1,700	$88,300	As arranged	Before opening	Designated Suppliers
Bus Vehicle Wrap (Note 4)	$4,700	$5,000	As arranged	Before opening	Designated Suppliers
Bus Transport/Delivery (Note 5)	$0	$4,000	As arranged	Before opening	Designated Suppliers
Hike Doggie Bus Inventory and Supplies (Note 6)	$2,400	$3,400	As arranged	As incurred	Suppliers
Computer System (Note 7)	$2,100	$3,000	As arranged	As incurred	Third Parties
Hike Doggie Bus Stop Equipment and Supplies (Note 8)	$4,200	$11,200	As arranged	As incurred	Suppliers
Training Expenses (Note 9)	$1,500	$3,000	As arranged	As incurred	Third Parties
Insurance – 3 Months (Note 10)	$2,500	$3,500	As arranged	As incurred	Third Parties
Professional Expenses (Note 11)	$1,500	$2,500	As arranged	As incurred	Accountant, Attorneys
Licenses and Permits (Note 12)	$500	$1,000	As arranged	As incurred	Third Parties

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
Grand Opening Program (Note 13)	$2,500	$2,500	As arranged	As incurred	Third Parties
Lease, Utility, and Security Deposits, Storage (Note 14)	$0	$3,500	As arranged	As incurred	Landlord, Third Parties
Additional Funds - 3 Months (Note 15)	$10,000	$25,000	As arranged	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (Note 16)	$83,100	$205,400			

*The initial fees listed above that are paid to us are nonrefundable as paid. Whether such fees paid to third parties are refundable would depend upon their policies.

Note 1 – Initial Franchise Fee. We base the table above on the purchase of a single franchise.

Note 2 – Brand Identity Package. You are required to purchase a "Brand Identity Package" of initial marketing supplies within 30 days of signing the Franchise Agreement.

Note 3 – Bus, Bus Upfitting & Dog Transportation Equipment. This estimate includes one Hike Doggie Bus and the cost of outfitting the Bus, which you will use in the operation of your Hike Doggie Business. The estimate includes the price of outfitting the Bus, including the installation of 12 "Zen Dens," registration, taxes, and fees. The estimate also includes the "Zen Dens" you will use to transport dogs in your vehicle and this equipment must be installed on your Bus prior to opening. The low estimate assumes that you will finance the purchase of the Bus (Rear Wheel Drive) and the Bus outfitting expenses and will not incur transport/delivery costs. The high estimate assumes that you will purchase the Bus (All Wheel Drive) and pay for the Bus and outfitting up front. The low estimate includes one monthly payment for a financed Bus, assuming you will open within one month of obtaining your Bus and will not be required to make a down payment.

Note 4 – Bus Vehicle Wrap. The bus must be branded and display our Marks in the manner specified in the guidelines we provide. This item estimates the cost of a wrap for one vehicle.

Note 5 – Bus Transport/Delivery. The low estimate assumes you will not incur freight costs and will pick up your Bus while attending the initial training program. The high estimate assumes that our designated supplier will ship your Bus from Golden, Colorado, to you via common carrier. This high-end estimates the freight charges to ship one Bus.

Note 6 – Hike Doggie Bus Inventory and Supplies. This item estimates the cost of the start-up initial inventory for your Bus, which will include harnesses, leashes, muzzles, cleaning supplies, mats, card holders, and phone accessories. Additional inventory may be needed to begin operating your Hike Doggie Business, depending on your location and the time of the year. We will determine a satisfactory start-up inventory amount on a case-by-case basis, and the preferred vendors to purchase from. You will pay the vendor directly for the start-up inventory.

Note 7 – Computer System. You must comply with our computer hardware, software, and POS specifications, which we have outlined in Item 11.

Note 8 – Hike Doggie Bus Stop Equipment and Supplies. This estimate includes the equipment and supplies that you must maintain at your Bus Stop, which may be at your home or rented facility. The low estimate assumes you already have access to a sink, washer, and dryer. The high estimate assumes you will purchase these items along with all other required cleaning supplies.

Note 9 – Training Expenses. These are the estimated expenses to attend initial training.

Note 10 – Insurance. You will need insurance, as we describe in detail in Item 8.

Note 11 – Professional Expenses. You will incur professional legal and accounting fees to assist with your entity setup, licensing, and other legal and accounting issues.

Note 12 – Licenses and Permits. These are the estimated costs of obtaining the required licenses and permits to operate your business. Some costs can vary depending on the location of the Franchised Business.

Note 13 – Grand Opening Advertising. We require you to engage in a Grand Opening Advertising campaign pursuant to our guidelines to draw attention to the opening of your business.

Note 14 – Lease, Utilities, Security Deposits, Storage. Most of our franchisees will operate their Hike Doggie Businesses out of their Bus(es) and their homes, but the Hike Doggie Business may be operated from office buildings, business parks, and other commercial real estate locations. If you decide to operate your Hike Doggie Business out of an office, you will be solely liable for its compliance with all applicable business ordinances and building codes, and for obtaining all necessary health, building, sign, and other permits, licenses, and bonds as may be required for the operation of the office. While we have no restrictions or requirements for square footage, building type, and/or location of office space, we have found that franchisees who decide to rent office and/or storage space for their office and/or Bus Stop typically rent a self-storage unit and/or move into a small industrial park office sized between 800 and 1,500 square feet. Your actual rent payments may vary depending upon your location and your market's retail lease rates. You will be required to store the Bus at your Bus Stop. If you have adequate storage space at your residence for a Bus Stop, you may store them there. If you do not have adequate storage space at your residence or office, you will be required to rent such space within your Territory. The low end of this estimate assumes you operate your Hike Doggie Business out of your Bus and home and do not incur these expenses.

Note 15 – Additional Funds-90 Days. Additional funds are to cover daily operational expenses for the first three months of operations, including wages for two dog hikers. The estimate of additional funds does not include owner's salary or draw. We base this estimate on the years of industry experience our management team has.

Note 16 – Total. Does not include recurring fees, interest expenses, or taxes. We do not offer financing directly or indirectly for any part of the initial investment.

B. MULTI-TERRITORY PURCHASE

Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	**High**			
Initial Franchise Fee (Note 1)	$72,000	$125,000	Lump Sum	Upon entering into the Multi-Territory Addendum ("MTDA")	Us
Initial Investment for Your Initial Franchised Business (Note 2)	$38,100	$160,400	See Chart 7(A) above.		
TOTAL	**$110,100**	**$285,400**			

Note 1- The low-end comprises the initial franchise fee for two territories. The high-end comprises the initial franchise fee of five territories. We show the initial franchise fees for the purchase of 2-5 territories in the table below:

Franchise Package	Initial Franchise Fee
Multi-2 Territory	$72,000
Multi-3 Territory	$96,000
Multi-4 Territory	$116,000
Multi-5 Territory	$125,000

Note 2-If you purchase a Multi-Territory Franchise under the Multi-Territory Addendum, you will incur all of the costs listed from the Item 7A table, less the initial franchise fee. The low-end comprises the low-end estimate from the Item 7A table, minus the initial franchise fee, as the initial franchise fee is already included in the Initial Franchise Fee in the table above ($83,100 - $45,000 = $38,100). The high-end comprises the high-end estimate from the Item 7A table, minus the initial franchise fee, as the initial franchise fee is already included in the Initial Franchise Fee in the table above ($205,400 - $45,000 = $160,400).

The estimates in this Chart 7(B) assume that you will be entering into an MTDA for the right to open and operate two to five total Franchised Businesses and the cost of opening the first Franchised Business.

This figure represents the total estimated initial investment required to open your initial Franchised Business under the Franchise Agreement you must enter into with us at the same time as the execution of your MTDA.

Other than the Initial Franchise Fee, this figure does not include the costs associated with operating multi-territories, such as purchasing additional Upfitted Buses under the Bus Development Schedule in the MTDA.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing Materials. You must use advertising material in accordance with our specifications, or we must approve the advertising in writing before it is used.

Branded Apparel and Items. You must purchase branded apparel and other branded items from us or from a designated supplier.

Bus, Bus Wrap, and Dog Transportation Equipment. You must purchase and outfit a Hike Doggie Bus (the "Bus") according to our specifications and from an approved vendor. The Bus must display the Marks in the manner specified in the guidelines we provide.

Computer Hardware, Software, and Subscriptions. You must purchase the computer hardware, software, and subscriptions we specify, which may include a vendor designation. We require you to use the point-of-sale equipment and credit card processing services that we specify, which may include vendor designations. You must purchase Customer Relations Management ("CRM") software from a designated supplier.

Equipment, Inventory, and Supplies. You must purchase the equipment, inventory, and supplies that we may designate, subject to any specifications we may issue, which may include vendor designations.

Insurance. You must purchase and maintain the insurance that we specify or as required by state law. All policies must name us and our designated affiliates as additional insured, and you must furnish us with proof of coverage. Certificates of insurance must be sent to us annually. You may obtain additional insurance coverage as you feel necessary. You may purchase your insurance from any carrier rated A- or better, subject to our approval, not to be unreasonably withheld. Here are our present insurance specifications:

General Liability Insurance	$1,000,000	Per Occurrence
	$2,000,000	In the Aggregate
Personal/Advertising Injury	$1,000,000	
Medical Expenses	$5,000	

Business Property/Rented Premises Insurance	$50,000 (or more, depending on the value of your business property)	Per Occurrence
Worker's Compensation	$1,000,000 or more if required by law. Cannot exclude owner-operators and must include insured contractors	Per Employee
Automobile Insurance	$1,000,000	Per Occurrence
	$2,000,000 Must cover uninsured/underinsured /hired/non-owned drivers	In the Aggregate
Employment Practices Liability Insurance (include 3rd party liability and wage & hour coverage of at least $25,000)	$100,000 (deductible should not exceed $10,000)	Per Occurrence/Aggregate
Cyber Liability Insurance	$100,000	Per Occurrence/Aggregate
Kennel Cough Liability Insurance	$10,000 The policy should include a Per Animal Limit of at least $500. Business Income should be included in the occurrence coverage.	Per Occurrence
Animal Bailee Coverage Insurance	$100,000	Per Occurrence/Aggregate

You may elect to have reasonable deductibles for the coverages described above. We may modify our insurance requirements during the term of your Franchise Agreement, and any modifications will be communicated to you in our Manual or otherwise in writing.

Whether We or Our Affiliates are Approved Suppliers

We are an approved supplier of advertising material, but we may not be the only approved supplier of such items.

Our affiliates are not currently an approved supplier of goods or services to franchisees.

Officer Interest in Suppliers

Our officers, Kathleen Allen, A. William Allen, Abbey Lee, and John Hewitt, own an interest in us.

Alternative Suppliers

We do not maintain written criteria for approving suppliers; thus, these criteria are unavailable to you or your proposed supplier. We permit you to contract with alternative suppliers if we approve them and they meet our criteria. We charge $100 an hour plus any costs incurred to test another supplier that you propose. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. Your request must include sufficient specifications, photographs, drawings and other information and samples to enable us to determine whether supplier meets our specifications. Your request must also provide confirmation that the supplier is financially sound and carries adequate liability insurance. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. If we have not responded to a written request for approval of an alternate supplier within 30 days, then the request is disapproved. We will notify you within 30 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications

We issue and modify specifications and standards to franchisees or approved suppliers through our Operations Manual or informational bulletins.

Revenue from Required Purchases or Leases

We may derive revenue or other material consideration from required purchases or leases by you. Our affiliates do not earn revenue or other material consideration from required franchisee purchases or leases.

For the fiscal year ending December 31, 2025, neither we nor our affiliates earned revenue or other material consideration from required purchases or leases by franchisees.

Required Purchases as a Proportion of Costs

We estimate that required purchases described above will be approximately 80-95% of all purchases and leases by you of goods and services to establish a franchise and approximately 5-15% of your operating costs.

Supplier Payments to Us

We currently do not receive rebates, payments or other material benefits from suppliers as a result of purchases or leases by Franchisees, but we can do so in the future.

We did not receive any supplier rebates for the fiscal year ending December 31, 2025.

Purchasing or Distribution Cooperatives

Currently, we do not have any purchasing or distribution cooperatives.

Purchase Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits

We do not provide material benefits to you based on your purchase of products or services or use of suppliers. However, we can terminate your Franchise Agreement if you do not comply with our supplier standards, if any, as defined in the Manual. In addition, you must be in compliance with your Franchise Agreement to be eligible to renew it.

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ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	3, 6.2	11, 12
b. Pre-opening purchases/leases	6.9, 6.10, 6.11, 6.12, 6.13	7, 8
c. Site development and other pre-opening requirements	6.2, 7	7, 8, 11
d. Initial and ongoing training	6.1, 6.8	11
e. Opening	6.3; Schedule 6	11
f. Fees	4, 6, 7, 14, 15, 19.11; Schedule 6	5, 6, 7, 8, 11
g. Compliance with standards and policies/operating manual	6.4, 7, 8, 9, 10	8, 11, 15, 16
h. Trademarks and proprietary information	7, 8, 9,	13, 14
i. Restrictions on products/services offered	6.6	8, 11, 16
j. Warranty and customer service requirements	6.7	6, 15
k. Territorial development and sales quotas	3; Schedule 6	12
l. Ongoing product/service purchases	4, 6.10, 6.11, 6.12	8, 11
m. Maintenance, appearance, and remodeling requirements	6.14	Not Applicable
n. Insurance	6.9	6, 7, 8
o. Advertising	7	6, 7, 11

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure Document
p. Indemnification	13	6
q. Owner's participation/management/staffing	6.5	15
r. Records and reports	9	11
s. Inspections and audits	9	6, 11
t. Transfer	14	6, 17
u. Renewal	2.2	17
v. Post-termination obligations	11, 12, 15	15, 16, 17
w. Non-competition covenants	12	15, 16, 17
x. Dispute resolution	19	17

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.

Pre-Opening Obligations:

Initial Training. We provide an initial training program ("Initial Training"). The topics covered in Initial Training are described in the chart below in this Item 11. (Franchise Agreement, Section 5.1).

Site Selection. You are permitted to work from home and we do not require that you have an office or work from a particular site. We do not provide site selection assistance. However, if you rent a location to operate your Franchised Business and Bus Stop, then you are required to obtain our written approval before you sign a lease for that location. We consider the following factors when reviewing a proposed site: (i) population, (ii) visibility, and (iii) proximity to our other locations. We will typically approve or disapprove a proposed site within 14 days of receiving the required information on the proposed site from you. If we cannot agree on the proposed site, you will not be able to operate from that site but can continue to operate from home. Any proposed site within your Territory will be deemed approved if we do not approve or disapprove within 60 days. We do not

own the premises or lease them to you. We do not assist in conforming the premises to local ordinances and building codes or obtaining any required permits or construction, remodeling, or decorating the premises. (Franchise Agreement, Section 5.2). It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits. (Franchise Agreement, Section 6.2(b)). If you purchase Multiple Territories, you will operate them from one location.

Assistance to obtain Bus, Bus Wrap, Equipment, and Supplies. We provide our criteria and guidance to obtain a bus, bus wrap, equipment, and supplies. Otherwise, we provide the names of approved vendors or specifications for these items. We do not deliver or install these items. (Franchise Agreement, Section 5.3).

Operations Manual. We provide access to our Operations Manual ("Manual") to offer guidance in operating your Franchised Business. (Franchise Agreement, Section 5.4).

Length of Time Before Opening. The typical length of time between the signing of the Franchise Agreement and the opening of your outlet is between 60-90 days. You must begin operations and be open for business no later than 90 days from the time both parties execute the franchise agreement. (Franchise Agreement, Section 6.3).

Factors that can affect the time to open for business include: (1) obtaining financing; (2) obtaining licenses and permits; (3) acquiring and wrapping vehicle; (4) acquiring computer hardware, software, equipment, and supplies; and (5) hiring and training staff.

The typical length of time for opening Multiple Territories is below:

Bus Development Schedule

Bus	Additional Bus Development Deadline
Second Bus	18 months after execution of the Multi-Territory Addendum
Third Bus	36 months after execution of the Multi-Territory Addendum
Fourth Bus	54 months after execution of the Multi-Territory Addendum
Fifth Bus	72 months after execution of the Multi-Territory Addendum

During the Operation of the Franchise:

Operational Support. We offer assistance with operating problems and issues that you may encounter. (Franchise Agreement, Sections 5.4, 5.5 & 9.3).

Establishing Prices. We may make pricing recommendations based on industry-wide standards and the rates in the particular market as part of the initial and ongoing training. We may also include such pricing recommendations in the Manual. (Franchise Agreement, 5.4)

Computer Hardware and Software. We specify computer hardware and software to assist in operating your Franchised Business. You must always use the CRM scheduling software we designated, which may change as new products are offered and technology develops. (Franchise Agreement, Section 5.6).

Additional Training or Seminars. We may offer additional training, seminars, and webinars, which may require your attendance. You must pay for any travel and living expenses to attend. If you request or are required to undergo additional training other than training scheduled by us, you must pay us and pay for all related expenses to attend. (Franchise Agreement, 5.7).

Marketing Support. We approve advertising you provide to us and offer marketing assistance and support. (Franchise Agreement, Section 7).

Advertising Program and Fund:

Grand Opening Advertising. You must spend $2,500 around the time of the opening of your Franchised Business to promote its opening, pursuant to our guidelines. You are also required to purchase a Brand Identity Package for $4,500 of initial marketing supplies within 30 days of signing the Franchise Agreement. (Franchise Agreement, Section 7.2).

Local Advertising. You must spend a minimum of $500 per month, per territory, on local advertising and promotion on digital marketing, directory listing, or other marketing to solicit clients in your Territory. (Franchise Agreement, Section 7.3).

Brand Fund. You will contribute 2% of your Gross Revenues to our Brand Fund. Franchisor or affiliate-owned outlets may not be required to contribute to the Fund. We administer the Fund. The Fund is not audited. Unaudited financial statements will be made available to you upon written request. (Franchise Agreement, Section 7.4).

If not all Fund fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

In our last fiscal year ending December 31, 2025, we raised $114.54 in Brand Fund fees but did not spend any amount of the Brand Fund.

We will not use Fund fees to solicit new franchise sales.

Our Obligation to Conduct Advertising. We use the Brand Fund to advise you on the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may conduct local, regional, or national advertising. We may produce advertising material in-house or through outside national or regional agencies. We are not required to spend any amount on advertising in your area or Territory. (Franchise Agreement, Section 7.4).

Corporate Website. We will develop and maintain a website that contains your Franchised Business's contact information. (Franchise Agreement, Section 7.5).

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, X, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, the Franchised Business, and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business. (Franchise Agreement, Section 7.6).

Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor. (Franchise Agreement, Section 7.7).

Use of Your Own Advertising. You may use your own advertising materials provided that you submit them to us, and we approve them in writing, and they adhere to federal, state, and local law. If our written approval is not received within 15 days from the date we received the material, the material is deemed disapproved. You must stop using any advertising immediately upon our request. You must participate in all promotional programs that we create, offer or advertise. (Franchise Agreement, Section 7.8).

Private Websites & Email. You are not allowed to have an independent website, social media accounts, or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval. You are also not allowed to utilize any other email other than the email provided by us to deliver services by your Franchised Business. (Franchise Agreement, Section 7.9).

Advertising Council. We do not have an advertising council.

Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative. (Franchise Agreement, Section 7.17).

Computer and POS System:

You must comply with our computer hardware, software, and POS specifications as provided in our Manual. (Franchise Agreement, Section 6.10). At present, we require you to have the following hardware and software:

Hardware.

Hardware	Approximate Cost
1 Apple laptop (for up to 5 Hike Doggie Buses)	$1,000-$1,599

Software.

You will also need to subscribe to such monthly or yearly software subscriptions as we may require in the manual. Presently, the following software is specified or recommended:

Software Name	Nature	Approximate Cost per month
Time to Pet	Client Management and Scheduling	$25-$50
RoadWarrior	Driving Route Mapping	$0-$15
Calendly	Appointment Scheduling	$10
Quickbooks	Accounting	$38
Homebase	Payroll	$0-$120
HireClick	Hiring Platform	$66
Lixup	Fleet Tracking	$28
Fi Collar	GPS Tracking	$25

Neither we nor our affiliates nor any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates. You must maintain your computer systems in good working order and must replace, update, or upgrade your hardware systems as we require. There are no contractual limitations regarding the frequency or costs of required upgrades or updates relating to the computer system. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts for your computer systems is approximately $500.

Independent Access to Information. We have, and you are required to provide independent access to, the information that will be generated or stored in your computer systems. You will store all customer, financial, transaction, and operational information in your computer systems. You must at all times give us unrestricted and independent electronic access to your computer systems and information. There are no contractual limitations on our right to access information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us the records at your expense within five business days of receiving our request. (Franchise Agreement, Sections 9.3 & 9.6).

Operations Manual:

Exhibit H contains the Table of Contents to the Operations Manual and the page count per chapter. The total page count of the Operations Manual is 125 pages.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Remote Pre-Training			
Company Overview and Values	1	0	Online
Technology	2	0	Online
Trailhead Hiker	2	0	Online
Passenger	1	0	Online
Driver	2	0	Online
Maps	2	0	Online
New Clients	2	0	Online
New Hikers	2	0	Online
Bus Stop Set Up	2	0	Online
Driver Training	4	0	Online
Total Remote Pre-Training:	**20 hours**	**0 hours**	Online
In-Person Training			
Review Online Materials	1	0	Note 1
Daily Operations: Maps The Hike Day Roles: Trailhead Hiker Passenger Driver	0	16	
Client Communications & Scheduling	2	0	
New Hiker: Recruitment Onboarding Training	5	0	
Team Management: Scheduling Culture	2	0	
Safety: First Aid	0	4	

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Loose & Lost Dog Emergency Situations			
New Client Acquisition & Relations: New Inquiry Phone Call & Get To Know Onboarding New Clients Client Retention	0	4	
Client/Dog Management: 1st Hike Feedback Resolving Dog Issues Dog & Client Updates Google Reviews	3	0	
Marketing & Business Development: Bus Marketing Guerilla Marketing Events Dog Count Focus	2	0	
Hike Doggie Bus: Orientation Preventive Maintenance	0	1	
Total In-Person Training: (40 Hours/5 Days)	**15 hours**	**25 hours**	

Remote Post-Training:			
Daily Operations	5	0	Online
Marketing	5	0	Online
Total Remote Post-Training:	**10 hours**	**0 hours**	Online
TOTAL TRAINING:	**42 hours**	**25 hours**	

Note 1 – We hold Initial Training when necessary in Golden, Colorado, another designated training center, or online, at our choosing. Initial training is 5 days long.

Initial Training is subject to change due to updates in materials, methods, manuals, and personnel. The subjects and time periods allocated to the subjects taught to a specific franchisee and its personnel may vary based on the individual needs or experience of those people being trained.

Cory Hughes, Kathleen Allen, Abbey Lee supervise the training program and serve as instructors. Mr. Hughes has over 21 years of experience in franchising, sales, management, and operations, and 1 year of experience with us. Ms. Allen has over 10 years of experience in the pet industry in all facets of dog hiking, client relationships and company culture and 10 years of experience

with us or an Affiliate. Ms. Lee has over 9 years of experience in the pet industry, as well as onboarding, coaching, hiring, training and mentoring new team members and 9 years of experience with us or an Affiliate. All instructors will have at least one year of experience in the field.

We use the Operations Manual to conduct initial training.

We do not charge you to attend initial training, but you are responsible for travel, lodging, transportation, meal costs, and your employees' wages to attend initial training.

We require that you or, in the case of an entity, your principals attend initial training and complete the program to our satisfaction before you are authorized to open for business. Successful completion of initial training is determined by us in our sole discretion and may include both objective criteria and subjective criteria. Objective criteria may include attendance, completion of required coursework or training modules, passing required assessments, and completion of required field training. Subjective criteria may include demonstrated competence, readiness to operate the franchised business independently, professionalism, judgment, and the ability to comply with our system standards. If we determine that you or, in the case of an entity, your principals have not successfully completed our initial training, we may require additional or remedial training, delay the opening of your business, or take other actions permitted under this Agreement.

The Initial Training must be completed before opening but no later than 90 days after executing the Franchise Agreement.

Additional Training or Seminars. We may offer additional training, seminars, and webinars, which may require your attendance. You must pay for any travel and living expenses to attend. If you request or are required to undergo additional training other than training scheduled by us, you must pay us an agreed-upon fee and pay for all related expenses to attend. (Franchise Agreement, Sections 4.5, 5.8).

ITEM 12. TERRITORY

The Territory will be for a specific geographic region that we define by zip codes, natural, or political boundaries as set forth on Schedule 1 to the Franchise Agreement ("Territory"). A territory will have a minimum population of approximately 125,000 residents, as determined by the U.S. Census Bureau or mapping software that we feel is reliable.

You are permitted to work from home or at a commercial location approved by us within your Territory. You can relocate your Franchised Business within the Territory without our approval but must notify us in writing.

We would not normally grant you approval to open an additional outlet within your Territory, but we may grant you additional franchise territories if we determine you have the time, energy, capital, and management structure to open and operate another territory successfully.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises, unless you execute a Multi-Territory Addendum.

You will receive an exclusive territory, meaning a geographic area within which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

All services must be conducted within your Territory. You and other franchisees may not solicit or accept orders outside of your Territory, and you may not use other channels of distribution, such as catalog sales, telemarketing, or other direct marketing to make sales outside of your Territory, without our prior written permission. We reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

If we grant permission for you to operate in an undeveloped neighboring territory, our permission will be freely revocable by us for any reason or no reason. Further, you will be required to immediately stop providing services to any client located outside of your Territory upon verbal or written notice from us that a new franchisee has purchased such territory, and you will provide a list of all customers previously served by you in such territory to the new franchisee. Should you fail to stop providing services or otherwise operate the Franchised Business immediately after being advised that our permission to provide services or otherwise operate the Franchised Business outside the Territory is revoked because a new franchisee purchased certain rights, then you may be required to forfeit any fees earned for services performed outside of the Territory.

Continuation of your territorial rights in the franchise agreement does not depend on achieving a certain sales volume, market penetration, or other contingency, and we may not alter your franchise territory, even if there is a population increase in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet. We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement. We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

We can own, develop, acquire, be acquired by, merge with, or otherwise engage in any transaction with another business (competitive or not), which may offer products and services like your Franchised Business and may have one or more competing outlets within your Territory, however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark in which such business sells or will sell goods or services similar to those you will offer, but we can do so.

Multi-Territory Franchisees:

If you enter into a Multi-Territory Addendum, you will be granted additional Territories at the time you sign your Franchise Agreement. You must purchase at least one additional Bus for each additional Territory in accordance with the Bus Development Schedule set forth in your Multi-Territory Addendum. We determine the additional Territories using the same criteria as we use in deciding the original Territory.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

If you desire to have additional Bus Stops, we apply our then current site selection criteria to approve or disapprove of such outlets.

Upon your first failure to adhere to the Bus Development Schedule, we may terminate your rights to any one of the Territories operated under your Multi-Territory Addendum. Any second or additional failures to adhere to the Bus Development Schedule will constitute a material event of default under the Multi-Territory Addendum and we may: (i) terminate the Multi-Territory Addendum; (ii) further reduce the area of any or all of the Territories, including, without limitation, terminating Franchisee's right to each of the additional territories in our sole and absolute discretion; (iii) permit you to extend the Bus Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including, but not limited to, a suit for non-performance.

ITEM 13. TRADEMARKS

The Franchise Agreement licenses to you the right to use the following principal trademarks ("Marks") registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Trademark	Registration Number	Registration Date	Register
HIKE DOGGIE	5,136,563	February 7, 2017	Principal
DOGS AS HAPPY AS THEY MAKE US	7,439,876 & 7,439,877	July 9, 2024	Principal

We have filed all required affidavits and renewals for registered Marks.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by us. There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

HDI owns the trademarks listed in the chart above and licenses them to us pursuant to a written License Agreement dated September 15, 2025. We have the exclusive right to use and sublicense the Marks in connection with the franchise system. The License Agreement is perpetual in duration and may be terminated upon a material breach not remedied after 60 days of notice. If the License Agreement is terminated, you could lose the right to use the trademarks licenses to us, however, HDI has agreed to cooperate in good faith to ensure that franchisees are not harmed by any transition of the Marks.

Other than as disclosed, there are no currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us in writing. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If, in our sole discretion, we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not currently hold any patents or have any pending patent applications that are material to this franchise. We claim copyrights to our Operations Manual, marketing material such as our website text, and other printed material, although we have not presently filed a registration of those copyrights.

There are no currently effective determinations of the U.S. Copyright Office or any court or any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow you to use the copyrighted materials.

We do not have an obligation in the Franchise Agreement to protect our copyrights. We will remain in control of any such litigation. We are not required to participate in the defense of, or indemnify you for expenses or damages in, a proceeding involving a copyright licensed to you. We may modify or change the copyrighted materials and compel you to accept and adopt such modifications or changes at your expense. We know of no superior rights or infringing uses that could materially affect your use of the copyrighted materials.

We claim proprietary rights in our Operations Manual and business methods. You must use these items per the terms of your Franchise Agreement. We consider all of these items confidential and proprietary.

You will not directly or indirectly disclose, publish, disseminate, or use our "Confidential Information" except as authorized in the Franchise Agreement.

"Confidential Information" means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, Customer Data, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

"Customer Data" is considered Confidential Information and includes all information about Customers that may be collected in connection with their use of your services, including, but not limited to, name, telephone number, address, and email address.

You may use our Confidential Information to perform your obligations under the Franchise Agreement, but in doing so you will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information. We may share performance data of your Franchised Business between us, our employees and affiliates, our franchisees and their employees. You will keep such performance data confidential.

Upon termination of your Franchise Agreement, you must return to us our Manuals and any Confidential Information, including Customer Data. You may never - during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated - reveal any of our Confidential Information to any other person or entity or use it for the benefit of any other person or business.

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

You are required to participate personally in the direct operation of the Franchised Business or have a General Manager who attends and successfully completes our initial training to our satisfaction. Any replacement General Manager must also attend and successfully complete our initial training to our satisfaction. Any General Manager must also sign a Confidentiality and Non-Compete Agreement as we may specify, subject to state law. A General Manager is not required to have any equity interest in the franchisee's business.

All owners of this franchise must guarantee the obligations under the Franchise Agreement and are subject to a covenant not to compete along with confidentiality requirements. Spouses are not required to sign a personal guaranty unless they are owners of the Franchised Business.

You will accurately and completely furnish us the names, contact information, and ownership percentage of anyone who owns an interest in the Franchised Business. No change to the owners or ownership percentages is permitted without our prior written consent.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale through your Franchised Business only the services and products specified and approved by us in writing. You may not sell any goods or services that we have not authorized or approved.

You are required to sell all goods or services that we authorize, unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of previously approved goods or services, in which case you must immediately stop selling the revoked services or products.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section In Franchise or other Agreement	Summary
a. Length of the franchise term	2.1	10 years.
b. Renewal or extension of the term	2.2	Can be renewed for successive terms if you are in compliance with your Franchise Agreement ("Agreement").
c. Requirement for franchisee to renew or extend	2.2	Renewing your Franchise Agreement means you can continue your operations as a franchisee for an additional term. You must sign a general release of claims, notify us in writing at least 180 days before the expiration of the Agreement, and sign our then current Agreement, which may contain materially different terms and conditions than your original contract.
d. Termination by franchisee	10.1	You may terminate the Agreement if you do not renew or if you sell the franchise pursuant to the terms of the Agreement, subject to state law. You may terminate the Franchise Agreement under any grounds permitted by state law.
e. Termination by franchisor without cause	None	Not applicable

Provision	Section In Franchise or other Agreement	Summary
f. Termination by franchisor with cause	10.2, 10.3; Schedule 6	We can terminate only if you default. If you fail to meet the Bus Development Schedule in your Multi-Territory Addendum, we may reduce your Territories. We can terminate your Multi-Territory Addendum if you are in breach of the Addendum
g. "Cause" defined–curable defaults	10.3; Schedule 6	Violate the Agreement or Multi-Territory Addendum, Manual, any other agreement with us, or owe monies to us more than 30 days past due, and do not cure such breach within 30 days after notice.
h. "Cause" defined–non-curable defaults	10.2	Do not complete initial training, relocate without our approval, become insolvent, commit a material violation of law, abandon the Franchised Business, submit a materially false Franchise Application, fraud, uncured default of other agreement, fail to pay suppliers an amount exceeding $3,000 for more than 60 days; fail to permit us to inspect or audit your franchise; or commit three or more breaches within 12 months.
i. Franchisee's obligations on termination/non-renewal	11, 12, 13	Cease operations and stop using our marks; deliver to us business records; pay debts due to us; cancel or assign telephone numbers and advertising listings to us; assist in purchase of your assets, at our option; return Manual and Confidential Information to us; cancel fictitious names; adhere to the post-term covenants not to compete or solicit; adhere to other post term duties; execute any necessary documents.
j. Assignment of contract by franchisor	14.1	We may assign to a successor in interest who remains bound by terms of Agreement.
k. "Transfer" by franchisee–defined	14.2	Includes transfer of Franchise Agreement, any interest of the Franchise Agreement, or substantially all assets of the Franchised Business.
l. Franchisor approval of transfer by franchisee	14.2	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	14.5	You must be: current in monetary obligations; in compliance with the Franchise Agreement; execute any transfer, amendment, or release forms we require; provide to us a copy of the

Provision	Section In Franchise or other Agreement	Summary
		proposed transfer documents; transferee must meet our criteria; transferee must execute our then-current Franchise Agreement; pay to us the Transfer Fee; transferee must satisfactorily complete our initial training program; comply with the post-termination provisions; transferee must obtain necessary licenses and permits; obtain any lessor approval for transfer; the transfer must be made in compliance with any laws that apply to the transfer; the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation; -you must request that we provide the prospective transferee with our current franchise disclosure document.
n. Franchisor's right of first refusal to acquire franchisee's business	14.6	We have a right of first refusal to match any purchase offer for your franchise, any interest in the franchise, or substantially all the assets of the Franchised Business.
o. Franchisor's option to purchase franchisee's business	14.6	We have a right to purchase your Bus, furniture, equipment, signage, fixtures, and supplies post-termination.
p. Death or disability of franchisee	15	Transfer must be commenced within 60 days, completed within 6 months; we must approve the transferee, transferee must attend and successfully complete training, and sign our current Agreement.
q. Non-competition covenants during the term of the franchise	12.1,	No competition allowed in the United States and its territories.
r. Non-competition covenants after the franchise is terminated or expires	12.2-12.4, 13	You may not compete or solicit any customer in the Territory or within 25 miles of the Territory (or any other outlet of ours) for 2 years.
s. Modification of the agreement	5, 16	No modifications except to Manual. Revisions to the Manual will not unreasonably affect the franchisee's obligations, including economic requirements, under the Agreement.
t. Integration/merger clause	18	Only the terms in the franchise agreement are binding (subject to federal or state law). Any representations or promises outside of the Franchise Disclosure Document and other

Provision	Section In Franchise or other Agreement	Summary
		agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	19.9	You must first attempt to resolve Claims against us through mediation. You must arbitrate claims against us. This provision is subject to state law.
v. Choice of forum	19.2	Where our corporate headquarters are located, presently Virginia Beach, Virginia (subject to applicable state law).
w. Choice of Law	19.1	Virginia law governs (subject to applicable state law).

ITEM 18. PUBLIC FIGURES

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

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ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

2025 Historic Financial Performance Representations-Gross Revenues

We present below the gross revenue data for both our affiliate-owned outlet and our franchised outlet, shown separately, for the period January 1, 2025, through December 31, 2025 (the "Period").

During the Period, one affiliate-owned outlet and one franchised outlet operated for the full calendar year. We excluded four additional franchised outlets that opened during 2025 and therefore had not been in operation for a full calendar year as of December 31, 2025. We also present the franchised outlet's first-quarter 2026 gross revenue data, shown separately below.

The data was extracted from our internal reports as Gross Revenue. Gross Revenue means all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes and gratuities or tips paid to employees by customers.

Affiliate-Owned Outlet- Denver Metro, CO

Below, we set forth the Gross Revenues for our affiliated outlet during the Period.

Denver Metro, CO 2025	
Gross Revenue	**$1,012,795**

Material financial and operational differences between the affiliate outlet and a franchised outlet: There are material operational differences between the affiliate-owned outlet, whose results are reported above, and a franchised outlet that you would operate. The affiliate-owned outlet opened in 2016, operates four buses, and holds rights to 10 territories containing approximately 1,502,004 people. 87% of the affiliate's gross revenue was generated in five territories, with a total population of 739,536 people.

A franchised outlet would also incur a royalty of 8% of Gross Revenue, a Brand Fund Contribution of 2% of Gross Revenue, and a Local Advertising requirement of $500 per month per territory.

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Franchised Outlet-Centennial, CO

Below, we set forth the Gross Revenues for our franchised outlet during the Period and the first quarter of 2026.

Centennial, CO Franchisee Quarterly Gross Revenues	
2025 – Q1	$16,760
2025 – Q2	$17,360
2025 – Q3	$21,730
2025 – Q4	$31,190
2026 – Q1	$39,225

The franchised outlet included above has been in operation for less than 24 months as of December 31, 2025, and operated one bus to achieve the above-stated results in an area comprising three territories, with a population of 383,645 people.

Written substantiation for this financial performance representation is available to you upon reasonable written request.

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

Other than as disclosed above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Cory Hughes at 780 Lynnhaven Parkway Suite 240, Virginia Beach, VA 23452, 855-825-7387; the Federal Trade Commission; and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of Year	Net Change
Franchised	**2023**	0	0	0
	2024	0	1	+1
	2025	1	5	+4
Company-Owned	**2023**	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	**2023**	1	1	0
	2024	1	2	+1
	2025	2	6	+4

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For years 2023 to 2025

State	Year	Number of Transfers
All States	**2023**	0
	2024	0
	2025	0
Total	**2023**	0
	2024	0
	2025	0

Table No. 3
Status of Franchise Outlets
For years 2023 to 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Termi na-tions	Non-Renewal s	Reacquire d by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Colorado	**2023**	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	2	0	0	0	0	3
Idaho	**2023**	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Tennessee	**2023**	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termi na-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	**2023**	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	4	0	0	0	0	5

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets
For years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Colorado	**2023**	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	**2023**	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Colorado	0	2	0
Georgia	1	1	0
Maine	0	1	0
New Mexico	1	1	0
North Carolina	0	1	0
Pennsylvania	0	1	0
Virginia	0	1	0
TOTALS	2	9	0

Exhibit E contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit F contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Restrictions on Ability to Speak. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing their experiences as a franchisee in our franchise system with you.

We do not know of any trademark-specific franchisee organization associated with the System.

ITEM 21. FINANCIAL STATEMENTS

Exhibit G contains our audited financial statements for the fiscal year ending December 31, 2025. We have not been in business for three years and so cannot include all financial statements required by the FTC Franchise Rule. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

C. Franchise Agreement
- Schedule 1 - Territory
- Schedule 2 - Automatic Bank Draft Authorization
- Schedule 3 - Telephone & Internet Assignment
- Schedule 4 – Personal Guaranty
- Schedule 5 - State Addenda to the Franchise Agreement
- Schedule 6 - Multi-Territory Addendum to Franchise Agreement

D. Release

ITEM 23. RECEIPTS

Exhibit J contains two copies of a Receipt of our Disclosure Document.

EXHIBIT A

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this 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 this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

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

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

The franchise agreement requires binding arbitration. The arbitration will occur in Virginia Beach, Virginia, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.hikedoggie.com

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

The highest interest rate allowed by law in California is ten percent (10%) annually.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

Initial Fee Deferral:

Item 5 of the Disclosure Document is amended by adding the following:

The California Department of Financial Protection and Innovation 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 Multi-Territory Addendum, the payment of the initial franchise fees attributable to a specific territory in your development schedule is deferred until that territory is open.

ILLINOIS ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law governs the Franchise Agreement.

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

3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act **or any other law of the State of Illinois** is void.

4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

MARYLAND ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "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.

2. Item 17.u. is modified to also provide, "This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

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

5. Litigation History. The litigation history of certain members of the management team may increase the risk of your investment. You should do your own research. Be sure to review the litigation disclosure (Item 3) in the FDD and do an Internet search of the franchisor and its officers.

6. Initial Fee Deferral

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

MINNESOTA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- Item 6 of the Disclosure Document is amended to limit any Non-Sufficient Funds fee to $30 per occurrence pursuant to Minnesota Statute 604.113.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Initial Fee Deferral:

Items 5 and 7 of the Disclosure Document are amended to also add the following: The franchisor defers the receipt of the initial franchise fee until the franchised business opens.

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

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

NEW YORK ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

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

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

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

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

d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise,

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

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Jurisdiction and Venue: The provisions concerning choice of law and jurisdiction and venue are hereby deleted and in their place is substituted the following language:

"You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 17(u) of the Disclosure Document is modified to provide that the site of mediation and arbitration shall be agreeable to all parties and may not be remote from the franchisee's place of business.

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

The State of North Dakota has determined that requiring franchisees to consent to termination penalties or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination penalties or liquidated damages is deleted.

The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

The State of North Dakota has determined that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to the jurisdiction of courts outside North Dakota is deleted.

The State of North Dakota has determined that requiring franchisees to consent to a waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that requiring franchisees to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

The State of North Dakota has determined that requiring franchisees to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

RHODE ISLAND ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

VIRGINIA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.h. of the Disclosure Document is amended to also provide that under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Item 17.r. of the Disclosure Document is amended to also provide: No post-term noncompete provision shall be of any force or effect, however, a post-term noncompete clause will apply for a 2 year period if the Franchisee sells the Franchised Business to a third party or the Franchisor at a mutually agreed upon price.

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

WASHINGTON ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee or any guarantor to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee and each guarantor have no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or

elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Franchisor will defer collection of all initial franchise fees until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. The Franchisor will prorate the development fee, such that the franchisee will pay the Franchisor the development fee proportionally upon the opening of each unit franchise.

Special Risks to Consider About *This* Franchise

Litigation History. The litigation history of certain members of the management team may increase the risk of your investment. You may wish to further review this litigation history, whether or not it has been required to be disclosed in this FDD.

Franchisor has been required to supplement Item 3 in Washington in furtherance of the objectives of the Washington Franchise Investment Protection Act. Accordingly, Franchisor makes the following additional disclosures related to its litigation history:

Asbestos Workers' Philadelphia Pension Fund, derivatively on behalf of Liberty Tax, Inc., v. John Hewitt. Defendant, and Liberty Tax, Inc., Nominal Defendant, (Case No. 2017-0883), Erie County Employees Retirement. System, on behalf of Liberty Tax, Inc. v. John T. Hewitt. Defendant, and Liberty Tax, Inc. Nominal Defendant, Case No. 2017-0914, and RSL Senior Partners, LLC,

derivatively and on behalf of Liberty Tax, Inc. v Brunot et al, (Case No. 2:18-cv-00127-HCM-DEM).

Description of the allegations of misconduct: It was alleged that John Hewitt ("Hewitt") maintained romantic relationships with company employees and franchisees and gave them preferential treatment.

John Hewitt's post termination involvement: Hewitt was Chairman of the Board and CEO at Liberty Tax. Although he was terminated as CEO, Hewitt remained Chairman of the Board because he was the sole holder of the Class B common stock of Liberty. During a period of in-fighting, Hewitt replaced two of the directors of the board and another member resigned. The Chief Financial Officer also resigned. Ultimately, Hewitt reached an agreement to sell his ownership interest in Liberty and relinquish control of the Board. It was alleged that Hewitt continued to interact with franchisees and area representatives for Liberty during the transition. The Audit Committee of the Board of Directors of Liberty oversaw the investigation of the allegations and the report prepared by the Audit Committee was not provided to Hewitt.

Description of KPMG's reasons for resigning as independent auditor: Liberty filed a Form 8-K on December 11, 2017 with the SEC to publicly disclose that KPMG's resignation was accepted and approved by the Audit Committee of the Board of Directors of Liberty. The 8-K contains a description of the reasons provided by KPMG for his resignation. A copy of the 8-K is attached and incorporated into this Addendum by reference.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): December 11, 2017 (December 8, 2017)

LIBERTY TAX, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-35588**	**27-3561876**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454
(Address of Principal Executive Offices) (Zip Code)

(757) 493-8855
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 4.01. Changes in Registrants Certifying Accountant.

On December 8, 2017, KPMG LLP ("KPMG") resigned as the independent registered public accounting firm of Liberty Tax, Inc. (the "Company"), effective immediately, and KPMG's resignation was accepted and approved by the Audit Committee of the Board of Directors of the Company (the "Board"). The Company is currently in the process of finding a successor independent registered public accounting firm in the hope that the Company's financial statements for the second quarter ended October 31, 2017 can be completed with as little delay as possible.

KPMG's reports on the Company's financial statements for the fiscal years ended April 30, 2017 and April 30, 2016 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. In addition, there were no disagreements between the Company and KPMG on accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to the satisfaction of KPMG, would have caused them to make reference to the disagreement in their reports for such periods, or any subsequent interim period preceding KPMG's resignation. The Company will authorize KPMG to respond fully to the inquiries of the successor independent registered public accounting firm, which has yet to be selected.

KPMG expressed to the Audit Committee and Company management its concern that the actions of former Chief Executive Officer John T. Hewitt, who remains the Chairman of the Board and controlling stockholder as the sole holder of the Company's outstanding Class B common stock, have created an inappropriate tone at the top which leads to ineffective entity level controls over the organization. Prior to the termination of Mr. Hewitt's employment as Chief Executive Officer of the Company on September 5, 2017, the Audit Committee oversaw an investigation of allegations of misconduct by Mr. Hewitt. In particular, KPMG noted that Mr. Hewitt took actions to replace two independent members of the Board around the time information relating to this investigation appeared in media reports. KPMG also noted that following the replacement by Mr. Hewitt of two Class B directors, the chair of the Audit Committee retired from the Board, the Company's Chief Financial Officer announced her intention to resign from the Company, and another independent member of the Board announced that he would not stand for reelection at the Company's next annual meeting. Further, KPMG was made aware that following his termination as Chief Executive Officer, Mr. Hewitt may have continued to interact with franchisees and area developers of the Company. Although Mr. Hewitt stated to KPMG during a meeting on November 9, 2017 that he would not reinsert himself into the management of the Company, in light of Mr. Hewitt's actions and his ability to control the Board as the sole holder of the Class B common stock, KPMG informed the Audit Committee and management that it has concerns regarding the Company's internal control over financial reporting as related to integrity and tone at the top and such matters should be evaluated as potential material weaknesses.

Specifically, KPMG informed the Audit Committee and management that Mr. Hewitt's past and continued involvement in the Company's business and operations, including his continued interactions with franchisees and area developers of the Company, has led it to no longer be able to rely on management's representations, and therefore has caused KPMG to be unwilling to be associated with the Company's consolidated financial statements. In notifying the Company of its resignation, KPMG advised the Audit Committee and management that it is not aware of any information that cause it to question the integrity of current management, but rather that the structural arrangement by which Mr. Hewitt controls the Company is the cause of KPMG's concerns. KPMG also noted that because certain information known to the Board regarding the reasons that the Board terminated Mr. Hewitt as Chief Executive Officer had not been disclosed to the current Chief Executive Officer and Chief Financial Officer, KPMG was uncertain as to whether it could continue to rely on management's representations.

The Company has provided KPMG with a copy of the disclosures required by Item 304(a) of Regulation S-K contained in this Current Report on Form 8-K, and has requested that KPMG furnish the Company with a letter addressed to the Securities and Exchange Commission (the "SEC") stating whether it agrees with the statements made by the Company in this Current Report on Form 8-K and, if not, stating the respects in which it does not agree. A copy of KPMG's letter, dated December 11, 2017, confirming KPMG's agreement with these statements is filed as Exhibit 16.1 to this Current Report on Form 8-K.

Item 8.01. Other Events.

On December 11, 2017, the Company issued a press release announcing the resignation of KPMG as the Company's independent registered public accounting firm and that the Company will delay the filing of its Quarterly Report on Form 10-Q for the quarter ended October 31, 2017. A copy of the press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Forward Looking Statements

This report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, which provides a "safe harbor" for such statements in certain circumstances. The forward-looking statements include statements or expectations regarding potential impacts of KPMG's resignation, ability and timing to complete the accounting review and audits,

comprehensiveness of the Company's accounting review and ability to engage an independent accounting firm and related matters. These statements are based upon current expectations, estimates, projections, beliefs and assumptions of Company management, and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties and speak only as of the date on which they are made, actual events or results could differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to loss of key personnel or inability to engage accounting personnel as needed; inability to address the previously disclosed accounting matters; identification of additional material weaknesses or significant deficiencies; disagreements or additional reportable events that KPMG may identify in a letter addressed to the SEC pursuant to Item 304 of Regulation S-K; failure to engage an independent accounting firm, complete the audits and re-audits and file any required restatements and periodic reports; adverse effects resulting from the Company's common stock being delisted from the Nasdaq Stock Market LLC; risks relating to the substantial costs and diversion of personnel's attention and resources due to these matters and related litigation and other factors discussed in greater detail in the Company's filings with the SEC. You are cautioned not to place undue reliance on such statements and to consult the Company's most recent Annual Report on Form 10-K and other SEC filings for additional risks and uncertainties that may apply to the Company's business and the ownership of the Company's securities. The Company's forward-looking statements are presented as of the date made, and the Company does not undertake any duty to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
16.1	Letter from KPMG LLP dated December 11, 2017.
99.1	Press Release dated December 11, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LIBERTY TAX, INC.

Date: December 11, 2017

By: /s/ Vanessa Szajnoga
Vanessa Szajnoga
Vice President and General Counsel

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide:

   If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT B

LIST OF STATE ADMINISTRATORS AND REGISTERED AGENTS

State	State Administrator	Agent for Service of Process
California	The Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 651 Bannon Street, Suite 300 Sacramento, CA 95811 1-866-275-2677 1455 Frazee Rd, Suite 315 San Diego, CA 92108 One Sansome St, Suite 600 San Francisco, CA 94104 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 280 Trumbull Street Hartford, CT 06103-1800 (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 280 Trumbull Street Hartford, CT 06103-1800 (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204

State	State Administrator	Agent for Service of Process
	(317) 232-6681	
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 335-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1526 K Street, Suite 300 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	Secretary of State of New York 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-2910	Insurance Commissioner 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-2910
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9500	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920

State	State Administrator	Agent for Service of Process
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 13193 Austin, TX 78711 (512) 475-0775	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9th Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608)-266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT C

Happie Doggie, LLC

FRANCHISE AGREEMENT

SUMMARY PAGE

1. Franchise Business Entity _____
2. Initial Franchise Fee _____
3. Territory Name _____
4. Principal Executive _____
5. Outlet # _____

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Exhibits:

Schedule 1 - Territory
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Schedule 3 - Telephone & Internet Assignment
Schedule 4 – Personal Guaranty
Schedule 5 - State Addenda to the Franchise Agreement
Schedule 6 - Multi-Territory Addendum to Franchise Agreement

WHEREAS, Happie Doggie, LLC d/b/a Hike Doggie ("we," "us," or "our") offers a dog hiking business franchise program that provides transportation and outdoor activities for dogs ("System"). Our system utilizes specified marketing techniques and operating procedures; and

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively "Franchisee," "you," or "your") desire to utilize our System and our trade names, service marks, and trademarks (collectively, the "Marks"); and

NOW, THEREFORE, for value received, we and Franchisee ("the Parties") agree as follows:

1. GRANT OF FRANCHISE

Subject to the terms of this franchise agreement ("Agreement" or "Franchise Agreement"), we grant to you a franchise ("Franchised Business") using our System and our Marks in the territory described in Schedule 1 ("Territory").

2. TERM AND RENEWAL

2.1 Term. This Agreement will be effective for a ten (10) year term beginning on the Effective Date specified in this Agreement.

2.2 Renewal. You may renew for another term by signing our then current franchise agreement if you are in compliance with this Agreement and meet the other conditions for renewal. You may also renew future franchise agreements if you are in compliance with such agreements and meet the other conditions for renewal by signing our then current franchise agreement. To renew, you must exercise a general release of all claims that you might have against us. Other terms, conditions, and fees may vary. If you wish to renew, you must notify us in writing at least 180 days before the expiration of this Agreement.

3. TERRITORY

The Territory will be as set forth on Schedule 1 to the Franchise Agreement ("Territory").

You are permitted to work from home or at a commercial location approved by us within your Territory. You can relocate your Franchised Business within the Territory without our approval but must notify us in writing.

We would not normally grant you approval to open an additional outlet within your Territory, but we may grant you additional franchise territories if we determine you have the time, energy, capital, and management structure to open and operate another territory successfully.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory, meaning a geographic area within which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

All services must be conducted within your Territory. You and other franchisees may not solicit or accept orders outside of your Territory, and you may not use other channels of distribution, such as catalog sales, telemarketing, or other direct marketing to make sales outside of your Territory, without our prior written permission. We reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

If we grant permission for you to operate in an undeveloped neighboring territory, our permission will be freely revocable by us for any reason or no reason. Further, you will be required to immediately stop providing services to any client located outside of your Territory upon verbal or written notice from us that a new franchisee has purchased such territory, and you will provide a list of all customers previously served by you in such territory to the new franchisee. Should you fail to stop providing services or otherwise operate the Franchised Business immediately after being advised that our permission to provide services or otherwise operate the Franchised Business outside the Territory is revoked because a new franchisee purchased certain rights, then you may be required to forfeit any fees earned for services performed outside of the Territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet. We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement. We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

We can own, develop, acquire, be acquired by, merge with, or otherwise engage in any transaction with another business (competitive or not), which may offer products and services like your Franchised Business and may have one or more competing outlets within your Territory, however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

4. FEES AND PAYMENTS

4.1 Initial Franchise Fee. You must pay us an Initial Franchise Fee of $45,000, in a lump sum. However, no franchise fee applies to the resale of an existing outlet.

If you are an existing franchisee of one of our affiliate brands, you must pay us an Initial Franchise Fee of $10,000.

We offer a 10% discount of the Initial Franchise Fee to all qualified veterans and first responders.

The initial fees are due to us in full when you return signed copies of your Franchise Agreement. The initial franchise fee is fully earned and non-refundable upon signing the franchise agreement and receipt of the funds by us.

4.2 Royalty Fee. You agree to pay 8% of Gross Revenues beginning on the Effective Date. Beginning on the twenty-fifth (25^{th}) week after you begin operations, you agree to pay the greater of 8% of Gross Revenues or $125 per week.

"Gross Revenues" means all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes and gratuities or tips paid to employees by customers.

4.3 Advertising Fees. You agree to the advertising fees and payments disclosed in Section 7 of this Franchise Agreement below.

4.4 Technology Fee. You agree to pay fees, up to $500 per month for technology we provide. If you operate a Multi-Territory Franchise you are only required to pay this fee for one territory.

4.5 Customer Service Call Fee. We may make customer service calls to customers of your Franchised Business to ensure satisfaction and protect brand standards. You must pay us $5 for each customer service call made by us or on our behalf. A "call" includes a live call with a customer and any attempted call, whether or not we reach the customer (including no answer or voicemail). We may charge this fee for up to four calls per customer per calendar year. Upon your written request, we may allow you to make customer service calls instead of us, subject to our approval. If we grant approval, you must make the calls in accordance with our instructions. We may revoke such approval at any time, with or without cause, and resume making the calls, in which case you will be required to pay this fee. You will not owe this fee for any calls that you make with our prior approval.

4.6 Additional Training Fee. If you request or are required to undergo additional training other than training scheduled by us, you must pay us an agreed-upon fee up to $15,000 and pay for all related travel expenses.

4.7 Late Fee. You agree to pay us a late fee of 1% per month, or if lower, the maximum rate allowed by law, on any payments you owe to us, that are five (5) days past due.

4.8 Non-sufficient Funds Fee. You agree to pay us $100 per transaction if an electronic transfer or other payment from you to us is declined for insufficient funds.

4.9 Credit Card Processing Fee. You must pay us the then-current charge imposed by third-party credit card processors if you elect to pay any sums to us by credit card.

4.10 Testing/Inspection Fees to Approve Supplier. You agree to pay us a $100/hr. fee, plus costs incurred, if you request us to test and inspect a new supplier.

4.11 Transfer Fee. You agree to pay us a Transfer Fee of $5,000 per territory for any transfer of a territory, this Agreement, or the majority interest of the franchisee or Franchised Business. We must approve of any transfer and the transfer fee must be paid before the transfer is complete.

4.12 Audit Fee. You agree to pay us our cost in performing an audit, inspection or review of your Franchise Business, including travel expenses and reasonable accounting and attorney fees, if the audit discloses an underpayment of more than 2%. If an audit or inspection shows that you have underpaid the amount owed to us, you must pay us the amount of the underpayment plus Late Fees.

4.13 Customer Refunds. If you do not resolve a customer service complaint and we believe a reasonable basis exists for a refund to the client, all or a portion of the customer's fees, we may pay the client directly and bill you. You agree to pay the charges.

4.14 Fees to Third Parties. You agree to reimburse us for the actual cost of any third-party charges or expenses that we pay or incur on your behalf as a result of your failure to timely pay or satisfy any obligation to such third party in connection with the operation of your Franchised Business. You remain solely responsible for all fees and expenses owed to third parties as required to operate your Franchised Business under the Manual or this Agreement.

4.15 Sales, Excise, or Gross Receipts Taxes. If required by federal, state, or local law, you must pay us any sales, excise, gross receipts, or similar taxes imposed on the initial franchise fee, royalties, or other goods or services we provide to you, at the same time and in the same manner as you pay those fees.

4.16 Payment Period and Method. Royalties, Advertising, and Technology Fees are collected weekly. You must pay to us other recurring fees by the 5th of the month incurred or accrued in the prior month. You must pay us all other fees when incurred. We may adjust all fixed dollar amounts under the Franchise Agreement for inflation.

Before you may open for business, you must sign and deliver to us all bank documents needed to permit us to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. See Schedule 2. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and the bank new documents to permit us to debit your bank account within three days. We reserve the right to modify the payment methods and schedule in our Manual.

5. OBLIGATIONS OF FRANCHISOR

5.1 Initial Training. We provide you with an initial training program to guide you in the operation of the Franchised Business.

5.2 Site Selection. You are permitted to work from home, and we do not require that you have an office or work from a particular site. However, if you establish an office, then you are required to obtain our written approval before you sign a lease for that location. We do not provide site selection assistance. We will typically approve or disapprove of a proposed site within 14 days of your submission to us of the information required by us on the proposed site. If we cannot agree on the proposed site, you will not be able to operate from that site but can continue to operate from home. Any proposed site within your Territory will be deemed approved if we do not approve or disapprove within 60 days.

5.3 Assistance obtaining Bus, Bus Wrap, Equipment, and Supplies. We provide our criteria and guidance to obtain a bus, bus wrap, equipment, and supplies. We must approve all signage placed on the outside of your Bus.

5.4 Operations Manual. We provide you access to our proprietary and confidential Operations Manual, as well as any other manuals and writings prepared by us for your use in operating a Franchised Business ("Manual"). We may disseminate the Manual electronically. We may revise the Manual from time to time to adjust for legal or technological changes, competition, or attempts to improve in the marketplace.

5.5 Operational Support. We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business.

5.6 Computer Hardware and Software. We specify computer hardware and software to assist in the operation of your Franchised Business. You must always use the CRM scheduling software we designate, which may change from time to time as new products are offered and technology develops.

5.7 Additional Training or Seminars. We may offer additional training, seminars, and webinars, which may require your attendance. You must pay for any travel and living expenses to attend. If you request or are required to undergo additional training other than training scheduled by us, you must pay us and pay for all related expenses to attend.

6. OBLIGATIONS OF FRANCHISEE

6.1 Training. You must complete the training within 90 days from the Effective Date of this Agreement and before you may operate the Franchised Business. If we determine that you cannot complete the training program satisfactorily, we have the right to terminate this Agreement, and the Initial Franchise Fee will not be refunded.

6.2 Site Selection. You may work from home or any commercial location.

6.3 Starting Date. You must begin operations and be open for business within 90 days from the Effective Date of this Agreement.

6.4 Operations Manual. You agree to operate the Franchised Business per the then-current Manual and brand standards, as well as information bulletins and guidance that we disseminate electronically.

6.5 Personal Participation. You are required to participate personally in the direct operation of the Franchised Business or have a General Manager who attends and successfully completes our initial training to our satisfaction. Any replacement General Manager must also attend and successfully complete our initial training to our satisfaction. Any General Manager must also sign a Confidentiality and Non-Compete Agreement as we may specify, subject to state law. A General Manager is not required to have any equity interest in the franchisee's business.

All owners of this franchise must guarantee the obligations under the Franchise Agreement and are subject to a covenant not to compete along with confidentiality requirements.

You agree to accurately and completely furnish us the names, contact information, and ownership percentage of anyone who owns an interest in the Franchised Business. No change to the owners or ownership percentages is permitted without our prior written consent.

6.6 Authorized Products and Services Only. You may offer for sale through your Franchised Business only the services and products specified by us and such products and services that we have approved in writing. You may not sell any goods or services that we have not authorized or approved.

You are required to sell all goods or services that we authorize, unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of previously approved goods or services, in which case you must immediately stop selling the revoked services or products.

6.7 Customer Service. You shall serve customers patronizing your Franchised Business in a professional and respectful businesslike manner and diligently fulfill your obligations to them when they desire to purchase your goods or services.

6.8 Employees. You should determine appropriate staffing levels for your Franchised Business to ensure full compliance with this Agreement. You shall train your employees to competently and professionally carry out their duties and offer excellent customer service. You shall ensure that your employees have any training, licenses, or certifications required by applicable law. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees.

6.9 Insurance. You are required to have insurance as may be required by your state laws and as we may specify in the Manual. You must name us and all our officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be provided to us upon the annual expiration date. If you suffer a loss to your franchise, such

as fire or theft, you are required to use the insurance proceeds to replace or repair the premises or property damaged or lost.

If you fail or refuse to obtain and maintain the insurance we require, we may obtain such insurance for you, and you shall reimburse us for all premiums, costs, and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee (not to exceed $1,000) for our time incurred in obtaining such insurance.

6.10 Software and Computer Systems. You are required to purchase or use such software and computer systems to operate your Franchised Business as we may specify.

6.11 Telephone Number. You agree to maintain a dedicated telephone number for your Franchised Business.

6.12 Bus, Bus Wrap, Equipment, and Supplies. You agree to purchase a Bus, Bus Wrap, signs, and supplies, as specified by us.

You must purchase your bus (the "Bus") from an approved vendor that meets our specifications. If you operate a Multi-Territory Franchise, you must purchase a bus for each territory per the terms of the Bus Development Schedule. You must use the Bus only for the operation of the Franchised Business. You must keep the Bus available and in normal operating condition as specified in the Manual. You must maintain the Bus in accordance with the Manual.

You agree to: (i) decorate and wrap all Bus(es) under our then-current System standards, and at our request, periodically update or improve the decoration and wraps of the Bus(es) (any such updates or improvements must be made within 30 days of our delivery of notice to you that such updates or improvements must be made); (ii) maintain the condition of the Bus(es) consistent with the image of a Franchised Business and in accordance with the System standards; (iii) not sell or otherwise transfer the Bus(es) without first removing all of the Marks from the Bus(es); and (iv) obtain and maintain all appropriate permits, business and contractor licenses and certifications including but not limited to valid driver's licenses for all drivers and current Bus registrations for the Bus(es) used in the Franchised Business. During the Term, you agree to take the following actions: (A) thoroughly clean, repaint, and redecorate the interior and exterior of the Bus(es) and any additional equipment at intervals we prescribe; (B) repair the interior and exterior of the Bus(es) and any additional equipment; and (C) at our request, to periodically improve and modify the Bus(es) and any additional equipment to conform to the then-current System standards. You will place or display on the Bus(es) and any additional equipment, only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials we approve from time to time. If at any time in our reasonable judgment, the general state of repair, appearance, or cleanliness of the Bus(es), and any additional equipment of the Franchised Business or its fixtures, furnishings, equipment, assets, or signs does not meet our standards, we may notify you and specify the action you must take to correct the deficiency. These corrective actions will be performed at your sole expense.

6.13 Licenses and Permits. You must obtain such state and local business and other licenses and permits as your state and local law may require.

6.14 Brand Image. You agree to present your Franchised Business in a clean and well-maintained manner to uphold our franchise system's image and goodwill.

6.15 Minimum Days and Hours. You agree to be open for business, at a minimum, for the days and hours we specify in the Manual.

6.16 Laws and Regulations. You agree to comply with all federal, state, and local laws, and regulations.

7. ADVERTISING AND TRADEMARKS

7.1 Use of our Marks. We allow and require you to use our Marks to hold out your Franchised Business to the public. You agree to use only our Marks as we develop them for this purpose. Use of our Marks must be in accordance with our Manual.

7.2 Grand Opening Advertising and Brand Identity Package. You agree to spend $2,500 around the time of the opening of your Franchised Business to promote its opening, pursuant to our guidelines.

7.3 Local Advertising and Promotions. Your advertising and promotions shall conform to the following requirements:

a) You shall advertise and promote only in a manner that will reflect favorably on us.

b) You agree to participate in all promotional programs that we create, offer or advertise.

c) Your advertising must comply with federal, state, and local laws.

d) You agree to spend a minimum of $500 per month per territory on local advertising.

7.4 Brand Fund. You agree to contribute 2% of Gross Revenues to our Brand Fund. We administer the Fund. The Fund is not audited. Unaudited financial statements will be made available to you upon written request. If all Fund fees are not spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

7.5 Our Obligation to Conduct Advertising. We use monies in the Brand Fund to advise you in the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may conduct local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or Territory where you will be located.

7.6 Corporate Website. We will develop and maintain a website containing your Franchised Business's contact information.

7.7 Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, X, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business.

7.8 Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor.

7.9 Use of Your Own Advertising Material. You agree to use our advertising templates or, if you wish to use your own advertising materials, you may do so provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. You must stop using any advertising immediately upon our request.

7.10 Private Websites & Email. You are not allowed to have an independent website, social media accounts, or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval. You are also not allowed to utilize any other email other than the email provided by us to deliver services by your Franchised Business.

7.11 Entity Name Requirements. You may not use the words "Hike Doggie" or any confusingly similar words, as any part of the name of a corporation, limited liability company, or other entity. However, "Hike Doggie" followed by your entity number, or such other designation as we shall specify, shall be your "doing business as" name for an entity that owns this franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."

7.12 No Confusingly Similar Marks. You agree not to use any marks that could be confused with our Marks.

7.13 Infringement Claims. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

7.14 Update to our Marks. We may replace, modify, or add to our Marks. If we replace, modify, discontinue, or add additional marks, you agree to adopt the new marks and update or replace your supplies, etc. to reflect the new marks, at your expense, in the time frame we provide at the time of such an update.

7.15 Publicity. Except as required by law, you may not make any press release or other public announcement respecting the subject matter of this Agreement without our written consent as to the form of such press release or public announcement.

7.16 Name and Likeness. You give us permission to use your name and likeness in all forms and media for advertising, trade, and any other lawful purposes.

7.17 Advertising Council. We intend to establish a Franchisee Advisory Council ("FAC") composed of franchisees that advise us on operational and advertising policy. We will select the members. The FAC will serve only in an advisory capacity. We can form, change, or dissolve the advertising council.

7.18 Cooperative Advertising. We do not require you to participate in a local or regional advertising cooperative, but we reserve the right to require you to do so in the future.

8. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

8.1 Definition. "Confidential Information" means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, Customer Data, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

8.2 Confidentiality. You will not directly or indirectly disclose, publish, disseminate or use our Confidential Information except as authorized herein. You may use our Confidential Information to perform your obligations under this Agreement, but in doing so will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information.

8.3 Return of Information. Upon termination or expiration of this Agreement, you will return to us all Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will always remain subject to the confidentiality restrictions of this Agreement.

8.4 Customer Data. We retain all right, title, and interest in and to the Customer Data during and after the term of this Agreement, provided that you use the Customer Data during the Term of this Agreement as permitted by this Agreement or our Manual, and in accordance with law. "Customer Data" means any and all information about Customers that may be collected in connection with their use of your franchise services, including, but not limited to, name, telephone number, address and email address.

8.5 Intellectual Property Ownership. We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

8.6 Suggestions. You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

8.7 Performance Data. You agree that we may share performance data from your Franchised Business between our employees, franchisees and their employees. You agree to keep such performance data confidential, but you may share the performance data of your outlet with prospective franchisees.

9. REPORTS AND REVIEW

9.1 Reports. You must send us such reports in the time and manner we may specify in the Manual.

9.2 Financial Statements. No later than February 28 of each year, you must send us an unaudited profit and loss statement of the Franchised Business, in the manner and form we specify, for the 12-month period ending the prior December 31. You must also submit an annual operating budget for the upcoming fiscal year, in a form and manner prescribed by Franchisor, no later than November 30 of each year. Unless otherwise stated in the Manual, you must also send us a Gross Revenue Report by the 5th of each month for the prior month's revenues.

9.3 Reviews and Audits. We have the right to review and audit your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. This includes the right to send in secret shoppers. And this also includes the right to inspect and copy all tax returns and bank statements that may show revenues from the Franchised Business. We also have the right to require that you implement a plan to resolve issues that we discern from any review we conduct.

9.4 Call Reviews. You will be required to submit to us or a designated corporate representative, on a quarterly basis, recordings of (i) one initial sales call and (ii) one follow-up sales call as part of our ongoing review and audit rights. This submission requirement is mandatory and intended to allow us to monitor compliance with the System's sales and brand standards and applicable policies and procedures.

9.5 Time Frame to Furnish Documents. If, as part of a review of your business operations, we request a copy of any business records related to the Franchised Business, you must send us these records at your expense within five (5) business days of receiving our request.

9.6 Independent Access to Information. You agree that we have and that you will provide independent access to the information that will be generated or stored in your computer systems, which includes, but is not limited to, customer, financial, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information.

10. TERMINATION

10.1 Termination by You. You may terminate this Agreement by not renewing or by selling the franchise pursuant to the terms of this Agreement. If you do not renew, you must notify us in writing of your desire not to renew at least 180 days prior to the expiration of this Agreement. If you terminate pursuant to this paragraph, you must still comply with all the provisions of this Agreement that require performance post-termination.

10.2 Termination by Us. We may terminate this Agreement upon notice without the opportunity to cure for any of the following reasons:

a) If you do not complete our initial training within 30 days of the execution of this Agreement;

b) If you relocate without our approval;

c) If you become insolvent, meaning unable to pay your bills in the ordinary course as they become due;

d) If you commit a material violation of any law, ordinance, rule, or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business or if you are convicted of, or plead guilty or no contest to a felony;

e) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three or more business days, except when active operation is not reasonably possible, such as because of a natural disaster;

f) If you include a materially false representation or omission of fact in your Confidential Franchise Application to us;

g) If you or your principals commit any fraud or misrepresentation in the operation of the Franchised Business;

h) If you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure;

i) You fail to pay suppliers an amount exceeding $3,000 for more than 60 days;

j) You fail to permit us to inspect or audit your franchise;

k) If you die or become incapacitated and you or your estate does not begin the process of transferring your rights under this Agreement within 60 days or complete the transfer within 6 months of your death or incapacity; or

l) If you commit three or more breaches of this Agreement, the Manual, or any other agreement with us or an affiliate, in any 12-month period regardless of whether such breaches were cured after notice.

10.3 Termination by Us with the Opportunity to Cure. We may terminate this Agreement, after sending you notice and an opportunity to cure within thirty (30) days, if:

a) You violate any other term or condition of this Agreement, the Manual, or any other agreement with us;

b) Any amount owing to us from you is more than 30 days past due.

10.4 No Refund of Initial Fee. We have no obligation to return or refund any fee to you upon termination or expiration of this Agreement.

11. POST TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed, or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

a) Cease operating the Franchised Business and discontinue use of any aspects of our System or Confidential Information;

b) Stop identifying yourself as a franchisee of ours and discontinue using any of our Marks or any marks which are likely to be confused with our Marks;

c) Deliver to us the original and all copies, both paper and electronic, of the business records of your Franchised Business (retaining only such copies as you need for legal or tax purposes);

d) Pay to us all amounts owing to us;

e) At our request, cancel or assign internet listings under your ownership used in the Franchise Business;

f) Reimburse customers for any fees paid for services not yet rendered;

g) At our option, offer to us the right to purchase your Bus, furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for

the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration;

h) Deliver to us any paper and electronic copies of the Manual and any Confidential Information;

i) Cancel all fictitious names or other listings which you have filed for use of any of the Marks;

j) Adhere to the provisions of the post-term covenants not to compete and not to solicit;

k) Abide by any other covenant in this Agreement that requires performance by you after you are no longer a franchisee; and

l) Execute, from time to time, any necessary papers, documents, and assurances to effectuate the intent of this Section 11.

12. NON-COMPETE AND NO SOLICITATION.

12.1 Non-Compete.

a) In-Term. You will not, during the Term of this Agreement, in the United States or its Territories, directly or indirectly offer a "Competitive Product or Service" except in providing such product or services through the Franchised Business. A "Competitive Product or Service" means any product or service that is the same or similar to the types of products or services sold by the Franchised Business and includes pet sitting, pet boarding, or pet hiking services.

b) Post-Term. You will not, directly or indirectly, for a 2-year period after the termination, expiration, or non-renewal of this Agreement, including a sale of the franchise or your interest in it, offer a Competitive Product or Service within 25 miles of the Territory, or within 25 miles of the boundaries of any other Hike Doggie outlet of ours or a franchisee of ours in operation at the time.

12.2 No Solicitation of Customers. You will not, for a period of two years after expiration or termination of this Agreement, in the Territory or within 25 miles of the boundaries of your Territory, directly or indirectly solicit the patronage of any customer served by your prior Franchised Business during the last 24 months that you were a franchisee, or such shorter time as you were a franchisee, for the purpose of offering such person or entity, for a fee or charge a Competitive Product or Service.

12.3 Waiver of Bond. You agree that if we bring suit to enforce Sections 11, 12.1 or 12.2 above, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

12.4 Severability. If any covenant or provision of Section 12.1 or 12.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

13. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

13.1 Maintenance of Goodwill. You agree not to disparage us or our current and former employees, agents, members, or directors. During the term of this Agreement, you agree not to do any act harmful, prejudicial, or injurious to us.

13.2 Independent Contractor. You and we are independent contractors to each other. Neither you nor we is an agent, fiduciary, partner, employee, or participant in a joint venture, and neither you nor we have the authority to hold out as such to third parties. You do not have any authority to bind or obligate us. We are not and will not be liable for any act, omission, debt, or other obligation of yours.

13.3 Indemnity. You are responsible for all loss or damage and for all contractual liability to third parties originating from or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related. You agree to defend, indemnify, and hold harmless us and our employees, officers, directors, and members with respect to any such claim, loss, or damage, including our costs and attorney fees.

14. TRANSFER

14.1 Assignment by Us. We may assign this Agreement to an assignee who agrees to remain bound by its terms. We do not permit a sub-license of the Agreement.

14.2 Transfer by You. You may transfer this Franchise Agreement, any interest under this Agreement, or substantially all the assets of the Franchised Business only if we approve, and you comply with the provisions in this Section 14. We shall not unreasonably withhold approval. If this Agreement is held by joint tenants or tenants in common, all joint tenants or tenants in common must join in any transfer of an ownership interest in this Agreement, except any person who is deceased or under a legal disability.

14.3 Transfer to a Controlled Entity. A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. A transfer to a Controlled Entity shall not trigger the Right of First Refusal, described in Section 14.6 below. At the time of the desired transfer of interest to a Controlled Entity, you must notify us in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. We do not charge a transfer fee for this change.

14.4 Transfer within an Entity. A transfer of interest within an entity shall not trigger the Right of First Refusal described in Section 14.6 below if only the percentage ownership, rather than the identity of the owners, is changing. Prior to the time of the desired transfer of interest within an entity, you must notify us in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest.

14.5 Conditions for Approval of Transfer. We may condition our approval of any proposed sale or transfer of the Franchised Business or of your interest in this Agreement upon satisfaction of the following occurrences:

a) You are current in all monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;

b) You are in full compliance with this Agreement;

c) You execute any transfer, amendment, or release forms that we may require;

d) You or the transferee will provide to us a copy of the proposed documents as we may request to evidence the transfer;

For a transfer under Section 14.2 above, the following conditions also apply:

a) The transferee must be approved by us and demonstrate to our satisfaction that s/he meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement;

b) The transferee must execute our then-current Franchise Agreement;

c) You or the transferee must pay to us the Transfer Fee specified in Section 4 above;

d) The transferee must satisfactorily complete our initial training program at the transferee's expense within the time frame we establish;

e) You must comply with the post-termination provisions of this Agreement;

f) The transferee must obtain within the time limits set by us and maintain thereafter, all permits and licenses required for operation of the Franchised Business;

g) To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

h) The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

i) The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation and performance under its franchise agreement;

j) You must request that we provide the prospective transferee with our current franchise disclosure document;

k) Our approval of the transfer will not constitute a waiver of any claims we may have against the transferring party;

l) We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Franchised Business as you have supplied us hereunder; and

m) In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

14.6 Right of First Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise Agreement, any interest in it, or substantially all the assets of the Franchised Business, you shall grant us the option (the "Right of First Refusal") to purchase the Franchised Business as provided here:

a) Within 14 days of receipt of the offer, you shall offer the Right of First Refusal to us by notice in writing, including a copy of the signed offer to purchase which you received ("Notice"). We shall have the right to purchase the Franchised Business or interest in the Franchised Business at and for the price and upon the terms set out in the Notice, except that we may substitute cash for any non-cash form of payment proposed and we shall have 60 days after the exercise of our Right of First Refusal to close the said purchase. Should we wish to exercise our Right of First Refusal, we will notify you in writing within 15 days from its receipt of the Notice. Upon the giving of such notice by us, there shall immediately arise between us and you, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.

b) If we do not exercise our Rights of First Refusal, you may transfer the Franchised Business or your ownership interest per the terms set forth in the Notice, if you satisfy the conditions in Section 14.5 above and complete the sale within 90 days from the day on which we received the Notice. If you do not conclude the proposed sale transaction within the 90-day period, the Right of First Refusal granted to us shall continue in full force and effect.

15. DEATH OR INCAPACITY

In the event of your death or incapacity, you, or your estate must actively begin the process to seek a transfer of your rights under this Agreement within 60 days and must complete the transfer within 6 months of your death or incapacity. If you or your estate fails in either respect, then we may terminate this Agreement. The new Franchisee must pay the transfer fee specified above, meet

our qualifications, complete initial training, and enter into a new Franchise Agreement. In the event of your death or incapacity, you agree we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing operation of your Franchised Business, plus a $250 per day Management Fee for the period in which we operate or assist in the operation of the Franchised Business. The term "incapacity" means a condition that prevents you from reasonably carrying out your duties under this Agreement.

16. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by our authorized officer. We may, however, modify the provisions of the Manual, without your consent, as provided by this Agreement.

17. NON-WAIVER OF BREACH

The failure of either party to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such term or condition or of either party's right to enforce each and every term and condition of this Agreement.

18. FULL UNDERSTANDING

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

19. GOVERNING LAW

19.1 Governing Law. Except as to claims governed by federal law, the laws of Virginia, without regard to its conflict of laws principles, govern all claims that in any way relate to or arise out of this Agreement or any dealings of the parties ("Claims"). However, no laws regulating the offer or sale of franchises or business opportunities, or governing the relationship between franchisor and franchisee, apply unless the jurisdictional requirements of those laws are independently satisfied apart from this paragraph.

19.2 Jurisdiction and Venue. You and we agree that venue and jurisdiction for any Claims, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Virginia Beach, Virginia.

19.3 Jury Waiver. In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

19.4 Class Action Waiver. You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

19.5 Punitive Damages Waiver. As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

19.6 Limitation of Actions. You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

19.7 Prior Notice of Claims. As a condition precedent to commencing an action for a Claim, you must notify us within 30 days after the occurrence of the violation or breach, details of the claim and failure to timely give such notice shall preclude any claim for damages.

19.8 Internal Dispute Resolution. You must first bring any Claim to our President, after providing notice as required in Section 19.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

19.9 Mediation and Arbitration. Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA") and split any AAA and mediator fees equally.

If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county where our headquarters is located, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

19.10 Arbitration Exclusions. If we choose, we may bring any claims in the state and federal courts located nearest to our headquarters or in such other location where jurisdiction and venue may be proper.

19.11 Waiver of Bond. You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

19.12 Attorney Fees. If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

19.13 Third Party Beneficiaries. Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the Governing Law provisions contained herein. You acknowledge and agree that you are not a third-party beneficiary to any agreement between us and any other franchisee.

19.14 Survival. All the covenants contained in this Agreement that may require performance after the termination or expiration of this Agreement will survive any termination or expiration of this Agreement.

19.15 Severability Clause. If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

19.16 Force Majeure. Neither party is liable for any delay or failure to perform (except payment obligations) to the extent caused by events beyond its reasonable control, including acts of God, fire, flood, pandemic, war, terrorism, government action, labor disputes (other than involving the affected party's employees), or supply chain disruptions. The affected party must promptly give written notice and use reasonable efforts to resume performance, and any applicable deadlines will be extended for the period of delay. If such event continues for more than ninety (90) days, Franchisor may terminate this Agreement by written notice. This Section does not extend the Term, and all accrued obligations remain due.

20. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

21. NOTICES

You shall give any required notice or request in writing by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to our CEO, Cory Hughes, at our corporate office, presently 780 Lynnhaven Parkway Suite 240, Virginia Beach, VA 23452; Telephone: 855-825-7387. We may also give any such notice to you in the same manner at the address indicated below your signature on this Agreement, such other more current address as we may have for you, or by e-mail.

22. ACKNOWLEDGMENTS

You acknowledge that you have read our Franchise Disclosure Document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. You acknowledge that we have recommended, and that you have had the opportunity to obtain, review this Agreement and our Franchise Disclosure Document ("FDD")

by your lawyer, accountant or other business advisor prior to execution. Except as may be stated in Item 19 of our Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of our franchise.

23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.
In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Sections 11-13 above,** the obligation to make specified payments, and pay any other debts due to us. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

[signature page follows]

Franchisee: _____ **Entity Number:** _____

Type: _____ **(Sole Proprietor, LLC, Corp., Joint Tenants with Right of Survivorship ("JTROS"), Tenants in Common, Partnership).***

SIGNATORS:

By: _____ By: _____
(Signature) (Signature)

_____ _____
(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

_____ _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

By: _____ By: _____
(Signature) (Signature)

_____ _____
(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

_____ _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

Happie Doggie, LLC

By: _____ Effective Date: _____
Cory Hughes, CEO

***Joint Tenants with Right of Survivorship is typically for married couples and must be owned equally by each tenant, 50-50 for two owners, and if one spouse passes away, the other automatically receives the decedent's share. Tenants in common is normally for non-spouses and if one passes away, his or her share passes by will or state law to his or her heirs.**

SCHEDULE 1 TO THE FRANCHISE AGREEMENT

TERRITORY

Your Territory shall be as follows:

SCHEDULE 2 TO THE FRANCHISE AGREEMENT

AUTOMATIC BANK DRAFT AUTHORIZATION

ACH Origination Authorization

Please complete the following with your banking information and attach a voided check:

Company Name: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

Routing Number: _____

Account Number: _____

I hereby authorize Happie Doggie, LLC ("Franchisor") and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my franchise agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either Franchisor or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: _____

Printed Name of Person Signing: _____

Title (if any): _____

Application Date: _____

Telephone Number: _____

Applicant's Address: _____

_____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT

TELEPHONE & INTERNET ASSIGNMENT

THIS TELEPHONE & INTERNET ASSIGNMENT is made between Happie Doggie, LLC ("Franchisor," "we," "us," or "our") and the franchisee named below ("Franchisee," "you" or "your").

BACKGROUND

A. The parties are entering into a Franchise Agreement ("Agreement").

B. As a condition to signing the Franchise Agreement, we have required that you appoint us Attorney in Fact, to take effect upon the expiration or termination of the Agreement, as to telephone numbers, listings, advertisements, social media accounts, domains, websites, directories, or similar (collectively "Listings") relating to your Franchise.

LISTINGS ASSIGNMENT

Upon expiration or termination of the Agreement for any reason, Franchisee's right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, and to immediately at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of the Listings

Franchisee agrees that Franchisor may require Franchisee to "port" or transfer to Franchisor or an approved call routing and tracking vendor all Listings.

DURABLE POWER OF ATTORNEY

Appointment as Attorney in Fact. For value received, Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings. This appointment gives to us full power to receive, transfer or assign to us or our designee or take any other actions required of Franchisee under the Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the foregoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such Listings and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee's rights under the Agreement for any reason. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

Governing Law and Survival. The validity, construction and performance of this Assignment is governed by the laws of the State in which we are located. All our rights survive the termination, expiration or non-renewal of the Agreement and inure to our benefit and to the benefit of our successors and assigns.

FRANCHISEE:
_____

FRANCHISOR:
Happie Doggie, LLC

By:_____

By:_____
Cory Hughes, CEO

By:_____

Date:_____

SCHEDULE 4 TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

This Personal Guaranty (this "Guaranty") is made as of _____ (the "Effective Date") by the undersigned individual(s) (each a "Guarantor" and collectively, "Guarantors") in favor of Happie Doggie, LLC ("Franchisor") in connection with the Franchise Agreement dated _____ (as amended or renewed) (the "Franchise Agreement") between _____ ("Franchisee") and Franchisor.

Each Guarantor, jointly and severally, unconditionally and irrevocably guarantees to Franchisor the full and prompt payment and performance of all obligations of Franchisee under the Franchise Agreement (and any other agreement between Franchisee and Franchisor related to the Franchised Business) (the "Guaranteed Obligations").

Upon Franchisor's demand, each Guarantor will immediately pay any amounts due and perform the Guaranteed Obligations, without setoff, counterclaim, or deduction, as a direct and primary obligation.

This is a guaranty of payment and performance and is independent of Franchisee's obligations. Each Guarantor personally agrees to comply with and perform all terms of the Franchise Agreement, including confidentiality, non-competition, and non-solicitation provisions, and agrees that Franchisor may enforce such obligation directly against such Guarantor, including through injunctive and other equitable relief. This Guaranty is continuing and irrevocable and will remain in effect until the Guaranteed Obligations are fully and finally satisfied, notwithstanding any termination of the Franchise Agreement or any bankruptcy, insolvency, dissolution, or reorganization of Franchisee. A Guarantor's death will not revoke this Guaranty, and such Guarantor's estate and legal representatives will remain liable to the extent permitted by law.

To the fullest extent permitted by law, each Guarantor irrevocably waives notice of acceptance, default, presentment, demand, dishonor, and protest; any right to require Franchisor to proceed first against Franchisee, any other guarantor, or any collateral or to exhaust any remedy; all suretyship and impairment-of-collateral defenses; any homestead, marshaling, or similar rights. Franchisor may modify, compromise, or release any Guaranteed Obligation or deal with collateral or other guarantors without notice to any Guarantor, and no such action will affect any Guarantor's liability under this Guaranty.

No delay or failure by Franchisor to exercise any right or remedy will operate as a waiver.

Guarantors jointly and severally agree to indemnify and hold Franchisor harmless from and against all losses, liabilities, and reasonable costs and expenses (including reasonable attorneys' fees and court or arbitration costs) arising out of or relating to (1) any failure by Franchisee or any Guarantor to pay or perform the Guaranteed Obligations, and (2) enforcement of this Guaranty.

Upon request, each Guarantor will provide financial statements and other financial information reasonably requested by Franchisor for credit evaluation. Each Guarantor authorizes Franchisor,

to the extent permitted by law, to obtain and use consumer credit reports from time to time for that purpose.

Franchisor may assign this Guaranty without notice to or consent from any Guarantor. This Guaranty binds each Guarantor and such Guarantor's heirs, executors, administrators, and legal representatives, and inures to the benefit of Franchisor and its successors and assigns.

Each Guarantor agrees to be bound by the dispute resolution provisions of the Franchise Agreement, which are incorporated by reference. This Guaranty will be governed by the governing law provisions of the Franchise Agreement.

This Guaranty is the entire agreement regarding its subject matter and may be amended only by a writing signed by Franchisor and the Guarantor to be bound; no waiver will be effective unless in a writing signed by Franchisor.

If any provision is unenforceable, it will be modified to the minimum extent necessary to make it enforceable, and the remaining provisions will remain effective. This Guaranty may be executed in counterparts and by electronic signatures, each of which will be deemed an original, and all of which together will constitute one instrument.

GUARANTORS:

Signature:	Signature:
Name:	Name:
Address:	Address:

Signature:	Signature:
Name:	Name:
Address:	Address:

SCHEDULE 5 TO THE FRANCHISE AGREEMENT

STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Cal. Bus. & Prof. Code § 20020 and Cal. Bus. & Prof. Code § 20021 supersede the Franchise Agreement in your relationship with us. As such, Sections 10.2 and 10.3 are deleted and replaced by the following:

CA Bus & Prof Code Section 20021

Except as otherwise provided by this chapter, no franchisor may terminate a franchise prior to the expiration of its term, except for good cause. Except as provided in Section 20021, good cause shall be limited to the failure of the franchisee to substantially comply with the lawful requirements imposed upon the franchisee by the franchise agreement after being given notice at least 60 days in advance of the termination and a reasonable opportunity, which in no event shall be less than 60 days from the date of the notice of noncompliance, to cure the failure. The period to exercise the right to cure shall not exceed 75 days unless there is a separate agreement between the franchisor and franchisee to extend the time.

CA Bus & Prof Code Section 20021

If during the period in which the franchise is in effect, there occurs any of the following events which is relevant to the franchise, immediate notice of termination without an opportunity to cure, shall be deemed reasonable:

(a) The franchisee or the business to which the franchise relates has been the subject of an order for relief in bankruptcy, judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 20020 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee repeatedly fails to comply with one or more requirements of the franchise, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

(l) If the franchise expressly permits termination under such circumstances, there is a lawful termination or nonrenewal of a separate motor fuel franchise governed by provisions of the Petroleum Marketing Practices Act (15 U.S.C. Secs. 2801 to 2807, inclusive) that is operated by the franchisee or affiliate of the franchisee located at the same business premises if both franchises are granted by the same franchisor or an affiliate of the franchisor. “Affiliate” shall have the same meaning as set forth in subdivision (k) of Section 31005.5 of the Corporations Code.

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

Item 5 of the Disclosure Document is amended by adding the following:

Initial Fee Deferral:

The California Department of Financial Protection and Innovation 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 Multi-Territory Addendum, the payment of the initial franchise fees attributable to a specific territory in your development schedule is deferred until that territory is open.

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

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

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

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

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

FRANCHISEE:

By:_____

By:_____

FRANCHISOR:
Happie Doggie, LLC

By:_____
Cory Hughes, CEO

Date:_____

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

2. A 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.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

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

6. Section 22 of the Franchise Agreement is deleted.

7. Initial Fee Deferral. The Franchise Agreement is modified to also provide: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The Franchise Agreement is amended to limit any Non-Sufficient Fund fee to $30 per occurrence pursuant to Minnesota Statute 604.113

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims

under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Initial Fee Deferral:

The franchise agreement is amended to also state that the franchisor defers the receipt of the initial franchise fee until the franchised business opens.

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

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

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

> "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

> "You are permitted to work from home or at a commercial location approved by us within your Territory. You can relocate your Franchised Business within the Territory without our approval but must notify us in writing."

4. The provision concerning limitation of actions is modified to provide that the statute of limitations under North Dakota Law will apply.

5. The provisions concerning mediation and arbitration are modified to also provide that the site of mediation and arbitration shall be agreeable to all parties and may not be remote from your place of business.

6. North Dakota law governs any cause of action arising out of the franchise agreement.

7. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

9. The State of North Dakota has determined that requiring franchisees to consent to termination penalties or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination penalties or liquidated damages is deleted.

10. The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

11. The State of North Dakota has determined that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to the jurisdiction of courts outside North Dakota is deleted.

12. The State of North Dakota has determined that requiring franchisees to consent to a waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

13. The State of North Dakota has determined that requiring franchisees to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

14. The State of North Dakota has determined that requiring franchisees to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

FRANCHISEE:

By:_____

By:_____

Date:_____

FRANCHISOR:
Happie Doggie, LLC

By:_____
Cory Hughes, CEO

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

No post-term noncompete provision shall be of any force or effect, however, a post-term noncompete clause will apply for a 2 year period if the Franchisee sells the Franchised Business to a third party or the Franchisor at a mutually agreed upon price.

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Franchisor will defer collection of all initial franchise fees until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. The Franchisor will prorate the development fee, such that the franchisee will pay the Franchisor the development fee proportionally upon the opening of each unit franchise.

20. Section 19.7 of the Franchise Agreement does not apply.

21. Section 20 of the Franchise Agreement does not apply to claims arising under the Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.

22. Section 22 of the Franchise Agreement does not apply.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflicts with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

SCHEDULE 6 TO THE FRANCHISE AGREEMENT

MULTI-TERRITORY ADDENDUM TO FRANCHISE AGREEMENT

THIS MULTI-TERRITORY ADDENDUM (the "Addendum") is entered, by and between Happie Doggie, LLC ("Franchisor") and the franchisee named on the signature page of this Addendum ("Franchisee"). This Addendum relates to the Hike Doggie franchise agreement dated _____ ("Franchise Agreement") and supplements the terms of the Franchise Agreement in relation to the opening of additional Hike Doggie franchises. All capitalized terms not otherwise defined in this Addendum shall have the meaning set forth in the Franchise Agreement. To the extent this Addendum conflicts with the terms of the Franchise Agreement, the terms of this Addendum shall control.

1. Initial Franchise Fee. Franchisee has purchased the number of territories selected in the table below and has paid the Initial Franchise Fee listed therein for the respective franchise package. The Initial Franchise Fee is fully earned immediately upon receipt by Franchisor and is non-refundable under any circumstances.

Multi-Territory Franchise Package	Initial Franchise Fee Paid	Check One
Multi-2 Territory Franchise	$72,000	_____
Multi-3 Territory Franchise	$96,000	_____
Multi-4 Territory Franchise	$116,000	_____
Multi-5 Territory Franchise	$125,000	_____

2. Right to Operate within Additional Territory(ies). Subject to Franchisee's compliance with the terms of this Multi-Territory Addendum, Franchisee will have the right to operate the Franchised Business within the Additional Territories attached to this Addendum as Schedule 6-1. Franchisee will have the right and obligation to commence operations of the Franchised Business within the Additional Territory(ies) immediately upon Franchisee's launch of the Franchised Business in accordance with the terms of the Franchise Agreement.

3. Bus Development Schedule. Franchisee must order a total of ____ Buses beyond the initial Bus, in accordance with the schedule set forth in this Section ("Bus Development Schedule"). Any Buses that Franchisee does not have to order in the table below shall not apply and such development deadlines shall not apply to Franchisee. Franchisee agrees that, on or before each applicable "Development Deadline" set forth in the Bus Development Schedule below, it shall order an additional Bus and furnish evidence to Franchisor of the same.

Bus Development Schedule

Bus	Additional Bus Development Deadline
Second Bus	18 months after execution of the Multi-Territory Addendum
Third Bus	36 months after execution of the Multi-Territory Addendum
Fourth Bus	54 months after execution of the Multi-Territory Addendum
Fifth Bus	72 months after execution of the Multi-Territory Addendum

4. Required Items Associated with Multi-Territory Operations; Reporting Obligations. Franchisee agrees and acknowledges that, in addition to the purchase of multiple Buses in accordance with the Bus Development Schedule, its operation of the Franchised Business within the Additional Territory(ies) granted hereunder will require Franchisee to acquire additional equipment, supplies, tools, labor, and personnel as the Franchised Business expands ("Required Items"). Franchisee agrees that it must acquire such additional Required Items as Franchisor designates or otherwise requires in Franchisor's operations manuals or other System-wide writing.

5. Default and Termination. Upon Franchisee's first failure to adhere to the Bus Development Schedule, Franchisor may, in its sole discretion, terminate Franchisee's rights to any one of the Territories operated under your Multi-Territory Addendum. If Franchisee does not cure any such failure to adhere to the Bus Development Schedule within thirty (30) days after Franchisee's receipt of written notice from Franchisor, or if Franchisee commits a second or additional failure to adhere the Bus Development Schedule, regardless of whether any prior failures were cured, then it will constitute a material event of default under the Multi-Territory Addendum and Franchisor may: (i) terminate the Multi-Territory Addendum; (ii) further reduce the area of any or all of the Territories, including, without limitation, terminating Franchisee's right to each of the Additional Territories in Franchisor's sole and absolute discretion; (iii) permit Franchisee to extend the Bus Development Schedule; or (iv) pursue any other remedy Franchisor may have at law or in equity, including, but not limited to, a suit for non-performance.

6. Entire Agreement. The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the subject matter set forth herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

Except to the extent modified above, the terms of the Franchise Agreement remain in full force and effect.

FRANCHISEE:	FRANCHISOR: Happie Doggie, LLC
By:_____	By:_____ Cory Hughes, CEO
By:_____	Date:_____

SCHEDULE 6-1 TO THE FRANCHISE AGREEMENT

Additional Territory(ies)

Your Territory(ies) shall be as follows:

_____

_____

EXHIBIT D

RELEASE

THIS RELEASE is made and given by _____, ("Releasor") with reference to the following facts:

1. Releasor and Happie Doggie, LLC (Releasee) are parties to one or more franchise agreements.

2. The following consideration is given:

   _____the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

   _____Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

   _____Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

   _____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.

4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

   A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

6. This Release does not apply to any claims arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, Illinois Franchise Disclosure Act, the Maryland Franchise Registration and Disclosure Law,

Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

Franchisee:	**Happie Doggie, LLC**
By:_____	By:_____ Cory Hughes, CEO
Printed Name:_____	Date:_____
Title:_____	

EXHIBIT E

CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Current Franchisees (as of December 31, 2025):

Franchisee Name	Entity Name	Address	Phone	Corporate Email
Barrett Marcum*	Mountain Mutts LLC	7397 S Tamarac St, Centennial, CO 80112	865-719-5811	barrett.marcum@hikedoggielove.com
Matt Gray*	MKIG Ventures LLC	8650 Garland Ct, Arvada, CO 80005	720-841-0360	matt.gray@hikedoggielove.com
Harry Maalouf & Megan Maalouf*	Paws and Peaks LLC	533 Pine Ave, Meridian, ID 83642	925-719-2342	harry.maalouf@hikedoggielove.com; megan.maalouf@hikedoggielove.com
Phoenix O'Hara & Gary Schwartz*	Rising Hikes LLC	322 Cook St., Denver, CO 80206	720-948-8391	phoenix.ohara@hikedoggielove.com; gary.schwartz@hikedoggielove.com
Mary* Vongsaga	Wag Pack Music City	2184 Welltown Ln., Murfreesboro, TN 37128	615-482-6279	mary.vongsaga@hikedoggielove.com

Franchise Agreement signed but outlet not yet open (as of December 31, 2025):

Franchisee Name	Entity Name	Address	Phone	Corporate Email
John Ramfield & Emily Gatchell*	Happy Tails LLC	13615 Covered Wagon SE, Albuquerque, NM 87123	817-999-6640	john.ramfield@hikedoggielove.com; egatchell88@yahoo.com
Gabe Wyatt*	Y-IT HD, LLC	4907 Briarleigh Chase SW, Mableton, GA, 30126	803-995-0184	gabe.wyatt@hikedoggielove.com

***We identify any franchisees that are Multi-Territory owners under a Multi-Territory Addendum with an asterisk.**

EXHIBIT F

FORMER FRANCHISEES

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None.

***We identify any franchisees that were Multi-Territory owners under a Multi-Territory Addendum with an asterisk.**

EXHIBIT G

FINANCIAL STATEMENTS

HAPPIE DOGGIE LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF DECEMBER 31, 2025, AND FOR THE PERIOD FROM INCEPTION (SEPTEMBER 16, 2025) TO DECEMBER 31, 2025

HAPPIE DOGGIE LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members
Happie Doggie LLC
Virginia Beach, VA 23452

Opinion

We have audited the accompanying financial statements of Happie Doggie LLC, which comprise the balance sheet as of December 31, 2025, and the related statement of operations, members' equity, and cash flows for the period from inception (September 16, 2025) to December 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Happie Doggie LLC as of December 31, 2025, and the results of its operations and its cash flows For the period from inception (September 16, 2025) to December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

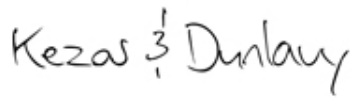
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



St. George, Utah
April 16, 2026

HAPPIE DOGGIE LLC
BALANCE SHEET
As of December 31, 2025

	2025
Assets	
Current assets	
Cash and cash equivalents	$ 315,212
Accounts receivable	12,973
Total current assets	328,185
Total assets	$ 328,185
Liabilities and Members' Equity	
Current liabilities	
Accrued expenses	12,848
Deferred revenue, current portion	16,490
Total current liabilities	29,338
Non-current liabilities	
Deferred revenue, non-current portion	146,662
Due to related party	83,373
Total non-current liabilities	230,035
Total liabilities	259,373
Members' equity	68,812
Total liabilities and members' equity	$ 328,185

The accompanying notes are an integral part of the financial statements.

HAPPIE DOGGIE LLC

STATEMENT OF OPERATIONS

For the period from inception (September 16, 2025) to December 31, 202

	2025
Operating revenues	
Initial franchise fees	$ 1,748
Royalties	5,008
Marketing and technology fees	2,115
Total operating revenues	8,871
Operating expenses	
Salaries, wages and related	59,516
General and administrative	104,285
Professional fees	37,607
Advertising and marketing	39,374
Total operating expenses	240,782
Loss from operations	(231,911)
Other income	
Interest income	723
Total other income	723
Net loss	$ (231,188)

The accompanying notes are an integral part of the financial statements.

HAPPIE DOGGIE LLC

STATEMENT OF MEMBERS' EQUITY

For the period from inception (September 16, 2025) to December 31, 2025

Balance January 1, 2025	$ -
Member contributions	300,000
Net loss	(231,188)
Balance December 31, 2025	$ 68,812

The accompanying notes are an integral part of the financial statements.

HAPPIE DOGGIE LLC

STATEMENT OF CASH FLOWS

For the period from inception (September 16, 2025) to December 31, 2025

	2025
Cash flow from operating activities:	
Net loss	$ (231,188)
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(12,973)
Accrued expenses	12,848
Deferred revenue	163,152
Due to related party	83,373
Net cash provided by operating activities	15,212
Cash flows from financing activities:	
Member contributions	300,000
Net cash provided by financing activities	300,000
Net change in cash and cash equivalents	315,212
Cash at the beginning of the year	-
Cash at the end of the year	$ 315,212

The accompanying notes are an integral part of the financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Happie Doggie LLC (the “Company") was formed on September 16, 2025, in the State of Delaware, for the principal purpose of conducting franchise sales, marketing, and management. The Company’s activities are subject to the typical risks and uncertainties of the markets in which they operate.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

(e) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, operating notes receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same. Related party transactions may not be stated at fair market value.

(f) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(g) Revenue Recognition

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each

franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalties and marketing fees based on a percentage of gross revenues, and product sales.

Royalties and marketing fees

Upon evaluation of the five-step process, the Company has determined that royalties and marketing fees are to be recognized in the same period as the underlying sales.

Initial franchise fees

The Company recognizes the initial franchise fee as revenue on a straight-line basis over the term of the franchise agreement, which represents the period over which the franchise license performance obligation is satisfied, and control of the license is transferred to the franchisee.

(h) Income Taxes

The Company is a limited liability company ("LLC") that has elected to be taxed as a corporation for federal and state income tax purposes. As a result, the Company is subject to corporate income taxes and accounts for income taxes in accordance with applicable accounting standards.

The Company has adopted the liability method of accounting for income taxes ASC 740, *Income Taxes*. Under ASC 740, deferred income taxes are recorded to reflect tax consequences on future years for the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company adopted the provisions ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. This provision prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under the provision, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Company's evaluation was performed for the tax year ended December 31, 2025. The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, no tax year was open to examination.

(i) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalties and other sales transactions. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—*

Credit Losses. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received For the year ended December 31, 2025 management determined no allowance for doubtful accounts receivable was necessary.

(j) Advertising Costs

The Company expenses advertising costs as incurred.

(2) Franchise Agreements

The Company's franchise agreements generally provide for payment of initial fees as well as continuing royalty, the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location for a period of ten years. Under the Company's revenue recognition policy, franchise fees are amortized over the life of the agreement. All amounts that will be recognized within the following year are categorized as current, while all others are classified as non-current.

For the year ended December 31, 2025, the change in the Company's deferred revenue is as follows:

	2025
Beginning deferred revenue	$ -
Additions (cash received from franchisees)	164,900
Revenue recognized from beginning deferred revenue	(1,748)
Ending deferred revenue	$ 163,152
Deferred revenue, current	$ 16,490
Deferred revenue, non-current	146,662
	$ 163,152

(3) Accrued Expenses

The Company's accrued expenses consist of accrued payroll and legal expense. The balance as of December 31, 2025, is $12,848 and is classified as a current liability on the Company's balance sheet.

(4) Due to related party

The Company has receivables and payables due to related parties for advances made and advances received. As of December 31, 2025 the balance was in a net payable amount of $83,373.

(5) Income Taxes

As of December 31, 2025, the components of the Company's deferred income tax asset are as follows:

	2025
Deferred tax asset (liability)	
Net operating loss	$ 17,513
Deferred revenue/commissions	41,995
Allowance on deferred tax asset	(59,508)
Net deferred tax asset (liability)	$ -

(6) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through April 16, 2026, which is the date the financial statements were issued.

EXHIBIT H

TABLE OF CONTENTS OF OPERATIONS MANUAL

Section	Number of Pages
1. INTRODUCTION TO THE MANUAL	3
2. INTRODUCTION TO THE FRANCHISE SYSTEM	5
	10
3. UNDERSTANDING FRANCHISING	32
4. PRE-OPENING PROCEDURES	39
5. HUMAN RESOURCES	12
6. GENERAL OPERATING PROCEDURES	5
7. THE HIKE DOGGIE EXPERIENCE	3
8. TECHNOLOGY	4
9. FINANCE AND ACCOUNTING	10
10. MARKETING	2
11. ADDITIONAL RESOURCES	

Total Number of Pages: 125 pages

EXHIBIT I

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	October 30, 2025
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

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 Happie Doggie, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Happie Doggie, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

The franchisor is Happie Doggie, LLC located at 780 Lynnhaven Parkway Suite 240, Virginia Beach, VA 23452. Its telephone number is 855-825-7387.

Issuance Date: April 17, 2026

The franchise sellers for this offering are:

	Seller	**Address**	**Phone**
	Cory Hughes	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(855) 825-7387
	Kathleen Allen	505 Washington Avenue Golden, Colorado 80403	(720) 234-4422
	John T. Hewitt	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(888) 268-0321
	Joe Dent (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(833) 920-0735
	Kelly Wyatt (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(757) 560-1040
	Jamie Marcil (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(833) 920-0735
	Tayler Romanelli (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(833) 920-0735
	Gwendolyn DiFerdinando (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(833) 920-0735
	Jennifer Wyatt-Wilson (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(833) 920-0735

	Seller	Address	Phone
	Colin Flynn (Loyalty Brands)	7226 Pomelo Dr. West Hills, CA 91307	(310) 801-4654
	Timothy Fitzgerald (Loyalty Brands)	8221 Edwin Dr. Norfolk, VA 23505	(757) 762-9545
	Falicia Shattuck (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(757) 869-2760
	Joel Burgos (Loyalty Brands)	780 Lynnhaven Parkway, Suite 240 Virginia Beach, VA 23452	(929) 659-7969

We authorize the respective state agencies identified in Exhibit B to receive service of process for us in the particular state.

I have received a disclosure document dated April 17, 2026 that included the following Exhibits:

A. State Addenda to the Disclosure Document
B. List of State Administrators and Registered Agents
C. Franchise Agreement
    Schedule 1-Territory
    Schedule 2-Automatic Bank Draft Authorization
    Schedule 3-Telephone & Internet Assignment Agreement
    Schedule 4-Personal Guaranty
    Schedule 5-State Addenda to the Franchise Agreement
    Schedule 6-Multi-Territory Addendum to Franchise Agreement
D. Release
E. List of Current Franchisees
F. List of Former Franchisees
G. Financial Statements
H. Table of Contents of Operations Manual
I. State Effective Dates
J. Receipts

PROSPECTIVE FRANCHISEE:

_____
Date you received this Disclosure Document

_____
Name of Business Entity

By: _____ **By:** _____
Signature **Signature**

_____ _____
Printed Name **Printed Name/Title**

_____ _____
Address **Address**

_____ _____
(Telephone number) **(Telephone number)**

Please sign, date, and retain this copy for your records.

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H. Table of Contents of Operations Manual
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J. Receipts

Date you received this Disclosure Document

PROSPECTIVE FRANCHISEE:

Name of Business Entity

By: _____
Signature

By: _____
Signature

_____
Printed Name

_____
Printed Name/Title

_____
Address

_____
Address

_____
(Telephone number)

_____
(Telephone number)

Please sign, date, and return this copy to us.