FRANCHISE DISCLOSURE DOCUMENT

PB FRANCHISE LLC
a Texas limited liability company
3406 Asbury Street
Dallas, Texas X 75205
(214) 680-5136
www.petbarinc.com

You will establish and operate an upscale personalized pet grooming and bathing Boutique that provides related products and services to the general public (the "***petbar Boutique***"). Our petbar Boutiques provide canine specific services, including washing, grooming, teeth brushing, nail services, gland care, paw care, and facial care.

The total investment necessary to begin operation of a petbar Boutique is between $256,700 to $585,950. This amount includes $45,000 paid to us.

The total investment necessary to begin operation of a petbar Boutique Multi Unit Development Agreement is between $291,700 to $620,950 for a minimum of two units. This includes $80,000 paid to us. This Disclosure Document summarizes certain provision 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 Dan O'Loughlin at dan@petbarfranchise.com and 214.680.5136.

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, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency listed on Exhibit G 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: June 16, 2025.

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit 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 E 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 petbar business in my area?	Item 12 and the "territory" provisions in the franchise agreement and multi-unit operator 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 petbar franchisee?	Item 20, Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 Addendum. See the Table of Contents for the location of the State Specific Addendum.

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 and multi-unit operator agreement require you to resolve disputes with the franchisor by mediation and/or litigation only in Texas. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, or litigate with the franchisor in Texas than in your own state.

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

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

FRANCHISE DISCLOSURE DOCUMENT
PB FRANCHISE LLC

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

To simplify the language in this Disclosure Document the term "***we***" means PB Franchise LLC, the franchisor. The term "***you***" means the person buying the franchise, the franchisee. If the franchisee is a general partnership, the term "***you***" refers to all partners. If the franchisee is a corporation, limited liability company or other business entity, the term "you" refers to the franchisee and the term "Principals" refers to any individual or entity with a beneficial ownership in the franchisee (including shareholders of a corporation, members of a limited liability company, general and limited partners of a limited partnership, and etc.), and Operating Principal refers to a Principal who has decision making authority on behalf of a franchisee and at least a 10% ownership in the franchisee.

The Franchisor

PB Franchise LLC is a Texas limited liability company with its principal place of business at 3406 Asbury Street, Dallas, TX 75205. It was organized in Texas on August 31, 2017.

We do business under the name Pet Bar and the trade name petbar™. We license franchisees to operate under the trade name petbar™.

The principal business addresses of our agents for service of process are 3406 Asbury Street, Dallas, TX 75205, and the state agency addresses shown on Exhibit G.

We have no parent company and no predecessors. We have operated, through our affiliate, an outlet similar to the franchise offered by this Disclosure Document since 2015.We may operate other petbar concepts, including additional petbar outlets, in the future."

Description of the Business

We franchise the right to operate a petbar Boutique that offers upscale, personalized pet grooming and bathing services and related products and services, including, but not limited to, full service and self-service bathing services, and monthly "Bath & Brush" subscriptions at a specified location to the general public.

As a result of the expenditure of time, skill, effort and money, we have developed and own a proprietary business format and system (the "***System***"), which includes our methods and procedures for the establishment, management and operation of petbar Boutiques. The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, layout, décor, furnishings and color schemes; special grooming services, uniform standards, specifications, policies and procedures for operations; service techniques; quality and uniformity of the grooming products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify.

We identify the System and petbar Boutiques by means of certain names and marks (including "***petbar***"), and other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively, the "***Marks***"), which we have designated, or may in the future designate, for use with the System.

The petbar Boutiques are identified by our unique System. We will provide you a digital copy of our written standards, procedures, rules, regulations and policies for the operation of a petbar Boutique under the System we issue from time to time ("***Operating Manual***"), which will be provided to you upon signing of the Franchise Agreement.

When you sign a Franchise Agreement (the "***Franchise Agreement***") in the form attached as Exhibit A to this Disclosure Document, you have the right to establish a franchised petbar Boutique that uses the System and the Marks within a particular market (the "***Designated Area***"), which is described in

the Franchise Agreement. You may operate only one petbar Boutique in the Designated Area at a specific location. See Item 12.

We may offer a Multi-Unit Development Agreement (the "***Development Agreement***") in the form attached as Exhibit B to this Disclosure Document granting rights to establish multiple petbar Boutiques within a particular area (the "***Development Area***") described in the Development Agreement. You must enter into a separate Franchise Agreement with us for each petbar Boutique you establish under the terms of the development schedule set forth in the Development Agreement. The number of petbar Boutiques to be developed under each Development Agreement varies depending on factors such as the size, affluence and population density in the Development Area. We grant Development Agreements in our sole discretion. The fact that you may meet the eligibility requirements does not mean that we will enter into a Development Agreement with you. We are under no obligation to offer you or anyone else that opportunity.

Market and Competition

The market for pet grooming services is well established and competitive. Franchisees will compete with established local, regional and national business that offer pet grooming, bathing and products. These competitors may have greater financial resources and longer operating histories than us. Your ability to compete in this market depends in large part on geographical area, specific site location, general economic conditions and your capabilities. Your affiliation with the System does not guarantee you a successful or profitable business operation.

Applicable Laws and Regulations

Many of the laws and regulations that apply to businesses generally such as the American With Disabilities Act, Internal Revenue Code and corporate laws will apply to the petbar Boutique. You must also comply with the Occupational Safety & Health Administration's regulations and applicable employment laws and regulation, including wage and hour laws, Fair Labor Standards Act and Family and Medical Leave Act. Additionally, the Patient Protection and Affordable Health Care Act requires employers of a certain size to provide health insurance to its employees. The Payment Card Industry Data Security Standard ("***PCI***") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data. You must also be sure to comply with applicable state and federal laws regulating the privacy and security of sensitive consumer and employee information. Additional details can be found at https://www.pcisecuritystandards.org/merchants for additional information. Compliance resources are available from the Federal Trade Commission. You can contact the FTC at (202) 326-2222 or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's business center on privacy and security at http://www.business.ftc.gov/privacy-and-security/ for additional information.

ITEM 2: BUSINESS EXPERIENCE

Founder and Chief Executive Officer – Dan O'Loughlin.

Dan O'Loughlin has been the Chief Executive Officer and President of PB Franchise LLC since its formation on August 31, 2017. Since 2015, he has served as Chief Executive Officer of Pet Bar Inc. located in Dallas, Texas.

Founder and Chief Operating Officer – Ashley O'Loughlin.

Ashley O'Loughlin has been the Chief Operating Officer of PB Franchise LLC since its formation on August 31, 2017. Since 2015, she has served as Chief Operating Officer of Pet Bar Inc. located in Dallas, Texas.

Director of Franchise Development – Gregg Koffler

Gregg Koffler has served as an independent consultant in Phoenix, Arizona from April 2022 to April 2025. Prior to that, Gregg served as Vice President for Roy Rogers in Frederick, Maryland from January 2021 to April 2022. Gregg also served as Vice President for Paris Baguette in Moonachie, New Jersey, from January 2019 to January 2021.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is $45,000. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement and is not refundable under any circumstance.

If you sign a Multi-Unit Development Agreement, you will pay us a development fee ("Development Fee"). The Development Fee is calculated as 100% of the initial franchise fee for the first unit and a reduced initial franchise fee for each additional unit to commit to develop under the Multi-Unit Development Agreement. The reduced initial franchise fee is $35,000 for the second outlet and $30,000 for each additional outlet.

Number of Outlets to be Developed	Development Fee due on signing the Multi-Unit Development Agreement
2	$80,000
3	$110,000
4	$140,000

The Development Fee is fully earned by us and due in lump sum when you sign the Multi-Unit Development Agreement. The Development Fee is not refundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We currently offer veterans a $2,000 discount on the Initial Franchise Fee for their first franchise agreement signed. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

ITEM 6: OTHER FEES[1]

Type of Fee	Amount	Due Date	Remarks
Royalty Fee[3]	6% of Net Sales[2]	Payable weekly, every Wednesday via ACH.	You must pay the Royalty Fee by electronic funds transfer.
Minimum Local Advertising Expenditure[4]	The greater of 2% of Net Sales or $1,500 per month	Periodically.	We may require that you pay all of or part of the local advertising expenditures that we require to us or our designated approved

Type of Fee	Amount	Due Date	Remarks
			marketing firm. See Note 4.
Advertising Cooperative[5]	As determined by the Advertising Cooperative. This amount will be credited to your Minimum Local Advertising.	Same as the Royalty Fee.	Payable to the Advertising Cooperative, if applicable. Though a cooperative has not yet been established, the Franchisor reserves the right to establish one at their sole discretion.
Brand and System Development Fund Contribution[6]	Currently 1% of weekly Net Sales, not to exceed 3% of Net Sales weekly with 30 days notice.	Payable weekly, every Wednesday.	You must pay this Fee by electronic funds transfer. Though a Brand and System Development Fund has not yet been established, the Franchisor reserves the right to establish one at their sole discretion.
Internal Systems Fee[7]	$250 per month within 30 days of signing your Franchise Agreement, Maximum amount not to exceed $500.	Payable by the second Wednesday of each month.	You must pay this fee to us by electronic funds transfer to us.
Late Fee	$150 for each delinquent report or payment	Automatically upon next electronic funds transfer.	You must pay this fee in addition to interest for any payment or report received by us after the prescribed due date.
Interest	25% per annum or maximum lawful rate.	Upon demand.	Interest is charged when any of the Royalty Fees, Advertising Fee, Transfer or Successor Fee, or any other sum due to us is not paid when due or when an audit reveals underpayments based on incorrect Net Sales.
Initial Training[8]	No fee for the first two attendees. $750 per day per additional trainee. You will need to pay for travel expenses, lodging, and meals for all trainees.	Upon invoice.	If you want additional people to attend the initial training program we will charge a training fee of $750 per day per person after the first two attendees. You will need to pay for travel expenses, lodging, and meals for each person attending the initial and any recurring or additional training program. Training fees can be increased or decreased by us at any time.
Remedial Training[9]	$1,500 per day with minimum of 3 days (3	50% at time of scheduling, expenses	We may require you to receive additional training

Type of Fee	Amount	Due Date	Remarks
	days =$4,500) plus travel expenses, lodging and meals if on-site assistance is required	billed separately and remaining due upon arrival.	if you are not meeting our performance requirements or if we determine that it is necessary for us to provide additional assistance to keep your location compliant with our System standards due to multiple violations or continued non-compliance with System standards. Beginning with your 8th month of operations, if you do not meet or exceed $40,000 in Net Sales, you must attend remedial training, at your expense. .
Interim Management and Support Fee[10]	The greater of $750 per day or 10% of Net Sales for the period in which we operated the Franchised Business plus expenses	As incurred.	If you request or we are required to send a team member to your Boutique to operate your petbar Boutique when you are unable to do so or unwilling to follow System procedures.
Inspection Fee	Cost of inspection to be a minimum of $500 to be reimbursed if approved or implemented.	Upon invoice.	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint, other customer feedback, or your default or non-compliance with any System specification. We may require you to reimburse us for costs and expenses in relation to each inspection, including the costs of travel, meals and lodging for us.
Secret Shopper	Currently, $250 per visit.	On demand.	We will send a secret shopper to your Boutique as least once per quarter. We will not require you to pay for more than one secret shopper per fiscal quarter, unless you are in default or failed the prior secret shopper evaluation.
Operations Standard Violation Fee. [11]	Up to $25,000 per occurrence	On demand.	Payable to us if you deviate from System standards. If you violate a "Zero Tolerance" Safety Policy, we reserve the right to impose a fee of up to $2,500 for the first

Type of Fee	Amount	Due Date	Remarks
			violation, $5,000 for the second violation and $25,000 for the third violation. The second and third violation is also grounds for us to terminate your franchise agreement.
Convention Fee	The then-current convention fee (currently estimated to be $500 per person). Up to $1,500 per person	Upon receipt of written notice that such convention is being held.	You or your Operating Principal or your General Manager, must attend any national or regional conferences we hold. This fee defrays the cost of your attendance. It is due regardless of whether or not you attend.
Customer Complaint Fee	Reimbursement of our expenses.	Upon invoice.	We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses incurred in resolving the complaint.
Insurance[12]	Reimbursement, plus a 10% administrative fee.	Upon invoice.	Payable to us only if you fail to obtain the required insurance and we do so on your behalf.
Successor Agreement Fee	25% of the then current initial franchise fee	30 days before the end of the expiring term.	Payable to us when you notify us of your intent to sign the Successor Franchise Agreement.
Transfer Fee[13]	50% of the then-current Initial Franchise Fee	Upon invoice.	Payable to us when you request our consent to transfer the franchise or your ownership.
Relocation Fee	Costs of our expenses are between $500 to $5,000	Upon invoice.	Payable to us when you request our consent to relocate the Boutique.
Tax Payment	Reimbursement.	Upon invoice.	You must reimburse us for any sales tax, gross receipts tax or similar tax imposed on us for any payments to us required by the Franchise Agreement.
Record Audits	Reimbursement of our audit expenses.	Upon invoice.	Payable only if (1) we audit you because you have failed to submit required reports timely or other non-compliance, or

Type of Fee	Amount	Due Date	Remarks
			(2) the audit concludes that you under-reported adjusted gross sales by more than 2% for any 4-week period.
Bookkeeping	Currently, $350 per month	Upon billing.	We require you to use our designated bookkeeping services to ensure all franchisees maintain proper and consistent books. This fee begins when you open your business, you have failed to submit required proper financial reports, or if you have failed to submit required proper financial reports timely.
Indemnification[14]	Varies depending upon the claim and its resolution.	Upon billing.	You must indemnify us and certain related parties from certain losses and expenses.
Costs and Legal Fees	Actual legal fees and expenses.	Upon billing.	Incurred only if a court determines that you have breached the Franchise Agreement. Legal fees and expenses will vary depending on factors such as the nature of the legal matter, venue and the complexity of the legal matter.
Liquidated Damages	An amount equal to the average Royalty Fees earned by us for the last 12 months (or shorter period, if boutique has been in operations less than 12 months), multiplied by 36 or the number of months remaining in the term, whichever is less.	Upon billing.	We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for cause.
Additional Printed Materials	Cost of any printed materials ordered on your behalf plus delivery fees	Upon billing and as incurred before shipment	We reserve the right to order and have shipped to your boutique, such as sales materials, advertising materials on your behalf and invoice you (or debit your account via ACH) for such items and delivery.

NOTES:

1. Except as otherwise described, all fees are payable to us, are not refundable and are uniformly imposed.

2. **"**Net Sales" means the total selling price of all products, goods, services and supplies sold in or from your petbar Boutique (regardless of whether such products or services are performed at your petbar Boutique), and all other revenue and income of every kind or nature received by you from any other business (including, but not limited to, all revenues from any permitted mechanical or other device, such as vending machines), whether for cash, cash equivalents or credit (and, if for credit, whether or not payment is received therefor) related to your petbar Boutique, less applicable sales or other excise or similar taxes and tips collected by you and valid credits deducted from revenues initially recorded as Net Sales. Proceeds from the sale of coupons, gift cards, gift certificates, or vouchers will not be included in Net Sales when the coupons, gift cards, gift certificates or vouchers are sold; rather, the retail prices of services and products purchased with coupons, gift cards, gift certificates or vouchers will be included in Net Sales when the coupon, gift card, gift certificates, or voucher is redeemed.

3. The Royalty Fee for any successor term will be that provided in the Franchise Agreement signed for the successor term.

4. You must spend monthly the greater of 2% of Net Sales or $1,500 per month for local advertising and promotion in your trade area. The utilization of our approved vendor for Search Engine Optimization fees (currently $350 per month) is required as part of the Minimum Local Advertising Expenditures. We may require that you pay all of or part of the local advertising expenditures that we require to us or our designated approved marketing firm. Your obligation to make expenditures on local advertising will be reduced by an amount equal to your contributions to any Advertising Cooperative, as discussed in Item 11.

5. We may require that you participate in an approved local or regional Advertising Cooperative with certain other franchisees and sign our then-current form of cooperative advertising agreement. The contribution amount will be designated by the Advertising Cooperative. If an Advertising Cooperative is established, any amounts you contribute to the Advertising Cooperative will be credited against your Minimum Local Advertising expenditure up to the maximum contribution then required for the Minimum Local Advertising expenditure.

6. 6. You must pay directly to our Brand and System Development Fund. Payments are due at the same and in the same manner as the Royalty Fee. You may be required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report your revenues for the week, then we will collect 120% of the last Brand Fund collected and settle the balance the next period in which you report revenue. We reserve the right to change the collection timing of the Brand Fund from weekly to monthly with reasonable notice of thirty (30) days to you.

7. The Internal Systems Fee paid to us will include web hosting, one subdomain for your microsite, Google My Business, Facebook and Instagram account set up, one Boutique email address, plus two individual email addresses, and access to a private and confidential online petbar Boutique document and project management repositories.

8. Payable only for additional opening assistance and supervision which we may require or you may request.

9. Other than the initial training for you or your Operating Principal and your petbar Boutique's original General Manager, we may charge a reasonable fee for training, seminars and materials, whether required or optional (Item 6, Remedial Training).

10. Payable during the period that our appointed manager manages the Franchised Business to avoid interruption of business operations, at our option, in the event that (a) you or your majority owner dies or becomes disabled, (b) we elect to purchase the business assets upon expiration or termination of the Franchise Agreement or (iii) you operate the Franchised Business in a manner that presents a danger to the health or safety of any person or dog.

11. To protect the safety of our Clients' pets, and to protect the brand image of petbar Boutiques for the benefit of all franchisees, we have designated certain System standards as "Zero Tolerance" safety requirements.

12. If you, for any reason, fail to obtain or maintain the insurance required by each Franchise Agreement entered into between us and you, as these requirements may be revised by us in the then-current Operating Manual or otherwise in writing, we have the right and authority (but not the obligation), to immediately obtain such insurance and to charge the same to you, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice. Insurance costs are non-refundable. Insurance coverage requirements are uniformly imposed on all new franchisees. However, the costs of this coverage may not be uniform for all franchisees because premiums may vary according to the insurer, marketplace conditions, the location of the insured's premises, the insurance requirements of applicable law and other factors. These costs will not be collected or imposed in whole or in part on behalf of any third-party by us, and are payable to the applicable insurer or agent.

13. The Transfer Fee is non-refundable even if the proposed transfer does not occur for any reason (including if we disapprove the transfer), in which case the Transfer Fee you paid us for the failed transfer will not be applied to any future requests for our consent to transfer.

14. You are required to pay us for all losses and expenses incurred by us in connection with any third-party claim for which you are required to indemnify us under the Franchise Agreement, including compensatory, exemplary or punitive damages, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including, without limitation, reasonable legal fees, and damages and injury that result from your negligent performance of or other breach of the Franchise Agreement, including lost profits and compensation for damages to reputation and goodwill.

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
petbar Boutique

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$45,000	$45,000	Lump sum.	When you sign the Franchise Agreement.	Us
Pre-Opening Travel, Lodging, and Meals for Initial Training[2]	$350	$3,500	As arranged.	As arranged.	Suppliers
Leasehold Improvements[3]	$120,000	$304,000	As arranged.	Pre-opening.	Suppliers
Project management[4]	$5,500	$10,000	As arranged	Pre-opening.	Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
Point of Sale Systems and Computer Hardware and Software[5]	$3,500	$4,200	As arranged.	Pre-opening.	Suppliers
Initial Inventory and Supplies (3 months)	$500	$3,000	As arranged.	As arranged.	Suppliers
Business Licenses, Permits, etc. (first year)	$2,000	$4,500	Lump sum.	Pre-opening.	Licensing Authorities
Equipment, Furniture and Fixtures[6]	$32,500	$72,500	As arranged.	Pre-opening.	Suppliers
Signage[7]	$4,000	$17,500	As arranged.	As arranged.	Suppliers
Insurance Premiums (for the first year)[8]	$850	$5,250	Lump sum.	Pre-opening.	Insurers
Architect, Engineer and Other Professional Fees[9]	$7,500	$16,500	As arranged.	As arranged.	Architect, Engineer Accountant, Attorney, etc.
Advertising and Promotion/Grand Opening (3 months)[10]	$15,000	$25,000	As arranged.	As arranged.	Suppliers, Media, etc.
Additional Funds[10] (3 months which include working capital)	$20,000	$75,000	As incurred.	As incurred.	Employees, Suppliers
Totals[11]	$256,700 - $585,950				

YOUR ESTIMATED INITIAL INVESTMENT
(Multi-Unit)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (for 2 Outlets) [1]	$80,000	Lump sum.	When you sign the Franchise Agreement.	Us
Other Expenditures for First Franchised Business	$211,700 - $540,950	See First Table	See First Table	See First Table
Totals[11]	$291,700-$620,950			

NOTES:

1. See Item 5 for a description of the initial franchise fees required for multiple petbar Boutiques developed under a Development Agreement. For the Multi Unit Agreement, this is based on a minimum of two units, $45,000 for the first and $35,000 for the second.

2. We will provide initial training, which will be mandatory for two people, you or your Operating Principal and your initial General Manager, at no cost. You will only be responsible for all expenses related to travel, lodging, meals and wages during this training. At your option and expense, we will also make available initial training to additional employees. We reserve the right to charge a reasonable fee for this initial training (Item 6, Initial Training).

3. You may lease a building for your petbar Boutique. The building may be either newly constructed or renovated and either free-standing or located in a shopping center. In certain instances, you may be able to get the landlord to contribute toward renovation or improvement of the real estate. Real estate expenses (including, but not limited to, construction and remodeling costs and broker commissions) will vary widely, depending on geographic region, the site location, the size of the building, design, configuration and condition of the premises for the petbar Boutique, the condition and configuration of existing services, any existing facilities such as air conditioning, electrical, plumbing and the terms of your lease, among other factors. These estimates are based on approximately 1,000 – 2,000 square feet. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial creditworthiness, as well as on local commercial leasing and labor rates and other local conditions. Construction costs in some areas of the country may exceed these estimates. A typical petbar Boutique optimal size will be approximately 1,000 - 2,000 square feet. The estimates in Item 7 do not take the landlord contributions into account.

4. All franchisees are required to utilize our then current designated third-party Development Coordinator for at a minimum of their first Boutique build out. The fee for the third party Development Coordinator is a flat fee of up to $10,000.

5. See Item 11 for more information about point of sale equipment and computer hardware and software requirements.

6. This includes the cost of pet grooming and bathing equipment.

7. The signage required for your petbar Boutique includes interior and exterior signs in most cases. It will depend upon the size and location of your petbar Boutique, the particular requirements of landlord, local and state ordinances and local zoning requirements.

8. The insurance requirements are described in Item 8. The costs of insurance may vary substantially depending on the insurer, the location of the petbar Boutique, the value of the equipment and improvements and your claims history.

9. All franchisees are required to hire an architect or other qualified professional approved by us to adapt our standard plans and specifications to your location and to local and state laws, regulations and ordinances. An engineer ordinarily will be required only for new construction, surveying, soil tests and electrical and mechanical engineering. An architect or engineer also may be required to supervise the construction and improvements of your petbar Boutique premises. You also may require accounting and legal services in connection with the signing of the agreements with us and related matters in establishing the new business (e.g., lease negotiation, financing and tax planning). The accounting and legal fees will vary, depending upon factors such as locality, the extent of the assistance you require and other local circumstances. We will assign to you and require you to use an accounting bookkeeping firm designated by us.

10. This amount includes pre-opening and grand opening advertising to promote the opening of the petbar Boutique. Franchisee must spend a minimum of $15,000 for pre-opening and grand opening advertising and promotion, but depending on the location of the Premises, the cost could range from $15,000 to $25,000. You will be required to use our then current third-party designated public relations and advertising firm to manage this process for your first Boutique opened.

11. The amount of working capital will be used by you to cover costs and expenses such as wages, rent (or mortgage), and other operating expenses during the initial three months of operations but do not account for any estimates for debt service. These amounts may vary depending upon your sales volume, your management skill, how closely you follow our methods and procedures, local

economic conditions and wage rates, competition, your financing costs and upon other circumstances. These amounts are estimates, and we cannot guarantee that you will not have additional expenses starting your petbar Boutique. Additional working capital may be required if sales are low or fixed costs are high. You should review these figures carefully with your business advisor.

12. These estimates do not take into account the cost of any real estate purchase, construction costs, development fees or finance charges, interest and related costs you may incur if any portion of the initial investment is financed.

    If we grant you the right to develop more than one petbar Boutique under a Development Agreement, the costs described in this Item 7 will be the same for each petbar Boutique you develop and operate under the Development Agreement. However, the estimated cost and expense for all items, other than the initial franchise fee, may increase for petbar Boutiques established at future times to satisfy any applicable development schedule.

    Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control. We do not offer any financing for your initial franchise fee, any development fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved Suppliers

You are required to purchase certain products and tools from approved suppliers. We do not permit franchisees to contract with any alternative suppliers for the products described in this paragraph, nor do we issue specifications for these items.

You must purchase from us or from suppliers we approve or designate: (1) fixtures, furniture, equipment and computer systems, interior and exterior signage, graphics and decor; (2) grooming equipment, products and tools; (3) uniforms, memorabilia, and all merchandise and items intended for retail sale (whether or not bearing our Marks); (4) advertising, point-of-purchase materials, and other printed promotional materials; (5) gift certificates and stored value cards; (6) stationery, contracts, and forms; (7) bags, packaging, and supplies bearing our Marks; and (8) all other goods and/or services as we require. Information concerning approved and designated suppliers will be communicated to you via the Operating Manual.

You may purchase items and services for which we have not identified approved suppliers from any supplier, if the items and services meet our specifications. These specifications may include brand requirements. If brand requirements have been identified, you may purchase and use only approved brands.

If you desire to purchase any items from an unapproved supplier, you must submit to us a written request for approval or must request the supplier itself do so. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service or supplier. If Franchisor or its Representatives fails to notify Franchisee of an objection within this time period, the item or supplier shall be deemed unapproved. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We will have the right to require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, at our option, either to us or to an independent,

certified laboratory designated by us for testing. You or the supplier must pay cost of the inspection and testing. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval upon the supplier's failure to continue to meet any of our criteria.

You must purchase the point of sale terminals, computer systems, software and equipment that we prescribe. Currently, we require you to install and run MyTime point-of-sale software with online booking capabilities. Item 11 of this Disclosure Document provides more detailed information about our computer hardware and software requirements.

In addition, we may require you to purchase and utilize any upgrades, additions, enhancements or replacements of the hardware software, some of which may be developed and licensed by or on behalf of us or an affiliate, or otherwise required by us at such cost as we or our approved vendors make such upgrades, additions, enhancements, and replacements available to franchisees (See Items 6 or 11).. You may use standard, off the shelf general business applications software such as Microsoft Office obtained from an authorized reseller.

We reserve the right to inspect and reinspect the products, supplies and facilities of your petbar Boutique. If your petbar Boutique fails an inspection you will be required to pay the then-current fees associated with such failed inspection.

Advertising

All of your advertising must be conducted in a dignified manner and must conform to the standards and requirements that we specify in writing and as required by federal, state and local regulations. Advertising programs and requirements are further described in Item 11.

Furniture, Fixtures, Equipment and Inventory

Before opening your petbar Boutique and throughout the term of the Franchise Agreement, you must purchase or lease and maintain at your petbar Boutique the equipment which we specify. You must obtain our written approval before installing any equipment or other furniture at your petbar Boutique which we have not previously approved in writing. If any of the equipment to be installed at your petbar Boutique is leased, the lease must permit you to substitute equipment subject to the lease.

You must purchase and install, at your expense, all fixtures, furnishings, signs and equipment as we may reasonably direct in our then-current Operating Manual or otherwise in writing, and refrain from installing or permitting to be installed on or about your petbar Boutique premises, without our prior written consent, any fixtures, furnishings, signs, equipment or other improvements not previously approved as meeting our standards and specifications.

Upon 30 days written notice, but no more often than once every 90 days, you, at your own expense, must upgrade and refurbish your petbar Boutique. The upgrades and refurbishment may include, without limitation, those necessary to conform your petbar Boutique decor, floor plan, trade dress, exterior signage and decor, color schemes, and equipment with the then current standards and public image of new or remodeled petbar Boutique operated by us or our other franchisees or as necessary to protect the System. The upgrade and renovation must be completed within 30 days of notice. A Mid-Term Upgrade may be required at 5 years due to changes in store décor, style, etc. Upgrades which may be required at the 10-year term end with option to sign a Successor Franchise agreement are not subject to this cap.

You must maintain in sufficient supply and use at all times only the products, materials, ingredients, supplies and paper goods which conform with our standards and specifications, and must refrain from deviating from them by using nonconforming items without our prior written consent.

You must permit us or our agents, at any reasonable time, to remove from the premises of your petbar Boutique, at our option, samples of any inventory items, without payment, in amounts reasonably necessary for testing by us or an independent, certified laboratory to determine whether the samples meet our then-current standards and specifications. We may require you to bear the cost of the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications.

Insurance

Within 30 days after the execution of the lease or purchase of the premises for your petbar Boutique you must obtain all required insurance policies solely from insurance agents/brokers or other providers approved by us or that meet our criteria as described below. We may or may not receive compensation or other economic benefits from approved insurance agents/brokers or other providers.

Such policy or policies will be written by an insurance carrier or insurance carriers that has received and maintains an A.M. Best Rating of "(A) V" or better and an A.M. Best Class Rating of VIII, and will include, at a minimum, the following for each petbar Boutique:

A. Commercial General Liability. The commercial general liability policy will be written on an occurrence basis and will include coverage for products/completed operations on your petbar Boutique premises through ISO form CG 24 07 or equivalent coverage and must not include an exclusion or sublimit for assault and battery. The commercial general liability policy will have a minimum per occurrence liability limit of $1,000,000 and a general aggregate liability limit of $2,000,000. The commercial general liability policy will also have the following endorsements: the additional insured coverage for us and our affiliates and their respective principals, directors, officers, employees, agents, successors and assignees (collectively, the "***Franchisor Indemnitees***") will include premises-operations, contractual liability, independent contractors, and products and completed operations. The additional insured coverage will not be limited to our vicarious liability, and will include coverage for liability arising out of, or occurring upon, or in connection with the condition, operation, use or occupancy of your petbar Boutique.

B. Crime (inside/outside) and Employee Dishonesty Insurance: Crime (moneys and securities) inside/outside coverage will have a minimum per occurrence liability limit of $100,000 for inside crime and a minimum per occurrence liability limit of $100,000 for outside crime. Employee dishonesty coverage will have a minimum per occurrence liability limit of $100,000.

C. Worker's Compensation Insurance. Worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to us, provided that you conduct and maintain a risk management and safety program for your employees as you deem appropriate.

D. Automobile Liability Insurance. Automobile liability insurance coverage for owned, non-owned, and hired vehicles with a liability limit of not less than $1,000,000 combined single limit.

E. Building and Personal Property Insurance: Property coverage for physical loss or damage to personal property and real property including leasehold improvements, at each petbar Boutique location. Fire, vandalism and extended coverage insurance for property damage with primary and excess limits of not less than $1,000,000 or the full replacement value of Franchisee's leasehold improvements, furniture, equipment and other personal property, whichever is higher. The policy will include all risk replacement cost property insurance for your petbar Boutique and its contents, including without limitation awnings, equipment, signs, glass, additions under construction, outdoor fixtures, personal property, as well as business interruption insurance and key man life insurance for income loss for at least 12 months and Royalty Fees due under your Franchise Agreement for the applicable petbar Boutique, equipment breakdown, business ordinance, debris removal, preservation of property, fire department service charges, pollutant clean up and removal, newly acquired or constructed property, property of others, property off

premises, and stock. This policy will include us as a loss payee for equipment and supplies financed by us either by a loan, line of credit, or an open account.

F. Umbrella Liability Insurance. Umbrella coverage over the above-described general commercial liability, automobile liability and employer's liability insurance policies listed above and provide coverage at least as broad as these underlying policies. Such coverage will be written on a per occurrence basis. The policy must provide coverage of at least a $1,000,000 per occurrence limit and $1,000,000 aggregate limit. The umbrella liability insurance will also have the following endorsements: the additional insured coverage for Franchisor Indemnitees will not be limited to our vicarious liability, and will include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business.

G. Employment Practices Liability. Coverage for employment-related covered claims including but not limited to, discrimination, sexual harassment or wrongful termination brought by your employees or applicants of $25,000 per occurrence and in aggregate.

H. Data Breach. Coverage to protect and defend you if the personally identifiable information you hold about clients, partners and employees is lost or stolen of $25,000 for data breach response and $50,000 for defense and liability.

I. Insurance Required Under Applicable Law. Any insurance which may be required by statute or rule of the state or locality in which your petbar Boutique will be operated.

The insurance coverages described above may not have any deductible, self-insured retention, self-funded retention or any similar provision unless prior written consent is given by us.

Should Franchisee's landlord require higher insurance policy minimum(s) than set forth above, such higher minimum(s) shall control.

Within 30 days after the execution of the lease for your petbar Boutique and, thereafter, at least 60 days prior to the expiration of any such policy, you will deliver to us certificates of insurance indicating the contracted for insurance coverages as well as the description of special provisions (e.g., additional named insured status). As noted above, certain policies must name Franchisor Indemnitees as additional insureds; include a waiver of subrogation provision or endorsement in favor of Franchisor Indemnitees; be primary and non-contributory to any other insurance that any of Franchisor Indemnitees has procured itself; provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy; and include such other provisions as we may require from time to time. You will also provide a binder, declarations page, or confirmation of insurance, describing and confirming the coverages afforded by the required policies described above upon request.

Should you, for any reason, fail to procure or maintain the insurance required by the Franchise Agreement, we will have the right and authority (without any obligation to do so) immediately to procure the insurance and to charge it to you. You must pay these charges, together with a reasonable fee for our expenses, immediately upon notice.

Bookkeeping and Payroll

You are required to use Integrity Books & Payroll, located in Johnstown, Colorado, as your bookkeeping, and accounting vendor. Integrity Books & Payroll is the only approved vendor for all cash management, bookkeeping, and accounting services. ADP Run is the only approved vendor for Time Keeping, Payroll and Human Resources services.

Revenue from Franchisee Purchases and Payments from Designated Suppliers

Neither we nor our affiliates are suppliers of any products or services that you are required to purchase in connection with the development and operation of your petbar Boutique and neither we, nor any of our officers owns an interest in any other privately-held suppliers or a material interest in any publicly-held suppliers of our franchise system. Accordingly, neither we nor our affiliates will derive revenue from any of your required purchases. In addition, certain approved suppliers may in the future pay to us or an affiliate compensation or otherwise provide a material benefit to us or our affiliates in an amounts based on the purchases you may make from such suppliers. During our 2024 fiscal year, we did receive a rebates in the amount of $20,160 from our shampoo supplier. To the extent we or our affiliates receive such payments or material benefits from suppliers, we and our affiliates will apply such sums to defray the costs in discharging our duties and obligations to our franchisees.

Percentage of Total Purchases Represented by Required Purchases

We anticipate that the required purchases and leases from approved suppliers will constitute the substantial majority of all purchases by you for the development and operation of your petbar Boutique. We estimate that up to 25% to 50% of your initial investment to establish and open your petbar Boutique will be applied to required purchases and leases from approved suppliers, and that approximately 25% to 35% of your expenditures to operate your petbar Boutique will be applied to required purchases and leases in the operation of your petbar Boutique.

Cooperatives

There are no purchasing or distribution cooperatives, although we retain the right to establish them.

Negotiated Purchases

We may negotiate volume discount arrangements with certain designated suppliers for our franchisees (including pricing and payment terms), based upon volume purchases by the System. These suppliers may require you to enter into separate contracts with them.

Material Benefit

We do not provide any material benefits to franchisees based upon their use of designated or approved suppliers. We reserve the right not to grant franchises or confer other benefits to any franchisee, for any reason or no reason, which may include the failure to follow and support our System, including its recommended purchase of particular products or services or use of particular supplies.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreements	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3 of the Franchise Agreement.	Items 11 and 12
b. Pre-opening purchases/leases	Sections 3 and 7 of the Franchise Agreement.	Items 7, 8, 11 and 12
c. Site development and other pre-opening requirements	Sections 8 of the Franchise Agreement. Section 4 and 5 of the Development Agreement.	Items 5, 6, 7, 8 and 11
d. Initial and ongoing training	Section 7 of the Franchise Agreement.	Items 6 and 11

Obligation	Section in Agreements	Disclosure Document Item
e. Opening	Sections 6 and 10.8 of the Franchise Agreement.	Item 11
f. Fees	Section 6 of the Franchise Agreement. Section 4 of the Development Agreement.	Items 5, 6, 7 and 17
g. Compliance with standards and policies/operating manual	Section 12 of the Franchise Agreement.	Items 8 and 11
h. Trademarks and proprietary information	Section 14 of the Franchise Agreement. Section 8 of the Development Agreement.	Items 13 and 14
i. Restrictions on products/services offered	Section 12 of the Franchise Agreement.	Items 11 and 16
j. Warranty and customer service requirements	Not applicable.	Not Applicable
k. Territorial development and sales quotas	Not applicable to Franchise Agreement. Section 2 of the Development Agreement.	Item 12
l. Ongoing product/service purchases	Section 12 of the Franchise Agreement.	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 9 of the Franchise Agreement.	Items 6 and 17
n. Insurance	Section 15 of the Franchise Agreement.	Items 6, 7 and 8
o. Advertising	Section 13 of the Franchise Agreement.	Items 6 and 11
p. Indemnification	Section 15 of the Franchise Agreement. Section 9 of the Development Agreement.	Items 6, 14 and 17
q. Owner's participation/management/ staffing	Section 11 of the Franchise Agreement.	Item 15
r. Records and reports	Section 12 of the Franchise Agreement.	Items 6 and 17
s. Inspections and audits	Sections 8, 9 and 12 of the Franchise Agreement.	Items 6, 8 and 11
t. Transfer	Section 16 of the Franchise Agreement. Section 6 of the Development Agreement.	Items 6 and 17
u. Renewal	Sections 5 of the Franchise Agreement.	Items 6 and 17
v. Post-termination obligations	Section 18 of the Franchise Agreement. Section 10 of the Development Agreement.	Item 17
w. Non-competition covenants	Section 19 of the Franchise Agreement. Section 8 of the Development Agreement.	Items 12, 15 and 17
x. Dispute resolution	Section 20 of the Franchise Agreement. Section 10 of the Development Agreement.	Item 17

ITEM 10: FINANCING

We do not offer, either directly or indirectly, any financing. We do not guarantee your note, lease or other 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

Before you open your petbar Boutique, we will provide the following services for you:

Training

We will provide initial training, which will be mandatory, for you or your Operating Principal and your General Manager. At your option and expense, we will also make available initial training to additional employees. As part of the initial training, we will provide you with an electronic copy of our then-current Operating Manual (Franchise Agreement § 10). We will also make available other required or optional training as we deem appropriate (Franchise Agreement § 7).

We will provide one representative to provide on-site assistance and supervision in conjunction with the soft opening of your petbar Boutique for up to 2 days, which will be mandatory, at no charge to you. (Franchise Agreement § 7).

If we deem necessary, we will provide to you one on-site evaluation at no charge to you for your petbar Boutique. For any additional on-site evaluations, we may charge you a reasonable fee and you must reimburse us for our reasonable expenses, including travel, lodging and food expenses. (Franchise Agreement § 8).

Location Approval

Within six (6) months after signing of the Franchise Agreement, you must locate and obtain our approval for a location within an area designated in the Franchise Agreement for the establishment and operation of your petbar Boutique.

You must submit to us: (i) a completed location review form that we designate, which will include, among other things, demographic information, a site plan and traffic-related information; (ii) satisfactory evidence that the lessor will agree to the minimum requirements set forth in the Franchise Agreement; and (iii) any other information or materials as we reasonably require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed location.

We will notify you of our approval or disapproval in writing within a period of 30 days after our receipt of the complete information requested. We will act in a commercially reasonable manner when approving or disapproving any proposed location. However, we will have absolute discretion in approving any proposed location and you must accept our decisions as final. Our approval of a location does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the location for your petbar Boutique or for any other purpose or of the financial success of operating your petbar Boutique at the location (Franchise Agreement § 8).

For all on-site evaluations requested by you or required by us, you must reimburse us for our reasonable expenses, including travel, lodging and food expenses (Franchise Agreement § 8).

Among the factors we consider when approving a location are demographics, the general location and neighborhood, traffic patterns, visibility to traffic, parking availability, size and layout of the building and lease characteristics.

You must provide us a lease for your petbar Boutique premises within 10 days after preliminary location approval from us and sign the lease within five days after receipt of lease approval from us.

Once your petbar Boutique is established at the approved location in accordance with the Franchise Agreement, you may not relocate your petbar Boutique without our prior written consent. We will not unreasonably withhold our consent of such relocation (Franchise Agreement **§** 8).

If we and you cannot agree on a location within the time limit contained in the Franchise Agreement, we may terminate the Franchise Agreement . Alternatively, you may extend the time frame by 30 days by paying $10,000. (Franchise Agreement § 8.1.2).

Before commencing any construction/refurbishment at the location, you, at your own cost, must submit to us for our prior written approval: (i) complete plans and specifications for your petbar Boutique in accordance with local or state laws, regulations or ordinances, and which conform to our general design and specifications, and when approved by us, may not be modified without our prior written consent; (ii) a statement in the form prescribed by us and signed by you certifying: that you have complied with all local or state laws, regulations or ordinances in preparing its plans and specifications; that you have employed a qualified architect or engineer approved by us to prepare construction/renovation documents and supervise the construction/ renovation of your petbar Boutique and completion of all improvements; and that all such permits and certifications required for lawful construction/ renovation and operation of your petbar Boutique, including zoning, access, sign and fire requirements and licenses have been obtained; and (iii) a construction/ renovation schedule acceptable to us. Upon receipt of the documents described above, we will notify you of our approval or disapproval in writing within 15 days.

Given that the construction/renovation and appearance of your petbar Boutique is critical to the continued success and viability of the System, we will have absolute discretion in making such decision and you must accept our decisions as final (Franchise Agreement § 8).

Construction/Renovation

Within 10 days of receipt of our approval of the pre-construction/renovation proposal, you must commence construction and provide us with written notice of such commencement within two days of such commencement of construction/renovation.

You must complete construction/renovation, including, as applicable, all exterior and interior carpentry, electrical, painting and finishing work and installation of all fixtures, equipment and signs, in accordance with the approved plans and specifications for the approved location within 90 days of beginning construction. (Franchise Agreement **§** 8.2.3).

We and our representatives will have the right to inspect the construction/refurbishment at all reasonable times. You must cooperate fully with us and provide us and our representatives with full access to the site (Franchise Agreement **§** 8).

Beginning with the calendar month after the pre-construction/refurbishment approval is issued by us and each following calendar month thereafter until one calendar month after the construction/refurbishment is completed, you must provide us, on or before the first Monday of each such month, with a statement in the form prescribed by us and signed by you, certifying your continued compliance with and maintenance of the construction/refurbishment requirements of the Franchise Agreement.

Once construction/refurbishment is completed and within five days after obtaining our written approval for opening, you must open your petbar Boutique to the public. However, you must not open your petbar Boutique to the public unless we have granted our written approval to do so.

We will provide the names of approved suppliers for equipment, signs, fixtures, opening inventory and supplies and/or written specifications for these items.

The Development Agreement does not require us to provide any pre-opening services to you.

* * *

Time to Open a petbar Boutique

We estimate that the typical time from the signing of the Franchise Agreement to the opening of your petbar Boutique will be from nine to twelve months. The actual time required may vary depending upon the time necessary to locate and then approve a location, financing, the permits and licenses necessary for the finish-out or renovation of your petbar Boutique and the operation of your petbar Boutique's finish-out or renovation as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, preparation of the interior and exterior of your petbar Boutique, including decorating, purchasing and installing fixtures, equipment and signs, and landscaping (if necessary), and complete preparation for the operation of your petbar Boutique, including purchasing inventory and supplies. If Franchisee does not locate a site for the Franchised Business that meets Franchisor's approval within one hundred eighty (180) days of signing this Agreement, Franchisor reserves the right to terminate this Agreement. If the franchisee doesn't secure a site within that time period franchisor reserves the right to offer a 6 month extension if franchisee is in good standing. Your petbar Boutique must be opened within one year of your execution of the Franchise Agreement (Franchise Agreement § 8.3).

Approval of Advertising

We will review and approve all opening promotional materials and advertising.

* * *

Continuing Obligations

During your operation of your petbar Boutique, we will provide the following services:

a) We will notify you of any additions, replacements or other changes regarding the types of products and services offered to clients or pricing of products and services approved for sale by us.

b) We will provide additional initial training programs for successor and replacement managers and petbar Boutique management personnel as we deem appropriate. We will not provide any assistance in hiring any of your employees, but all employees must be able to perform the job responsibilities for the position.

c) We will conduct, at our option, meetings, seminars, and other related activities regarding the operation of petbar Boutiques for franchisees generally, which you must attend. Except as approved by us, any costs incurred by you or your petbar Boutique personnel in attending such events will be your responsibility.

d) We will inspect your petbar Boutique and evaluate its products and services at such times as we may deem advisable to maintain the high standards of quality, appearance and service of the System, in person or remotely by telephone where possible.

e) We will provide, as we deem appropriate, advice and written materials concerning techniques of managing and operating your petbar Boutique, including new developments and improvements in equipment, products, packaging, preparation, and operational systems.

f) We will provide you with suggested retail prices for memberships and other products and services. You have the right to sell offer services and sell your retail products at any prices you may determine, so long as you are in compliance with our general guidelines on pricing policies as set forth in the then-current Operating Manual or otherwise in writing (and, with respect to retail products offered for resale, subject to any applicable manufacturers' minimum advertised pricing policies). Subject to applicable legal constraints, you must participate in and comply with all sales and promotional programs promulgated by us.

g) We may establish or modify a gift card acceptance program and/or referral and/or loyalty program for so long as we elect to do so.

h) We may offer from time to time to provide local advertising and promotional plans and materials. All such advertising must be placed in or distributed through such media or channel of communication as approved by us (Franchise Agreement § 13).

i) We will provide other continuing advisory assistance, as we deem advisable, to you in the operation of your petbar Boutique (Franchise Agreement § 7).

* * *

Advertising Programs

We have no obligation to conduct advertising.

All of your advertising must be conducted in a commercially acceptable manner and must conform to such standards and requirements as we may specify from time to time in writing.

Samples of all advertising, not previously approved by us, must be submitted to us for our prior approval. Upon receipt of such advertising, we will notify you no later than 15 days after receipt of the proposed advertising whether such advertising has been approved, with no response being understood as approval. You must not utilize any advertising which we have not approved or which we have subsequently disapproved. All such advertising must be placed in or distributed through such media or channel of communication as approved by us (Franchise Agreement **§** 13).

You must spend during each calendar quarter the greater of 2% of Net Sales or $1,500 per month for local advertising and promotion in your designated market area. You must attempt to spend such amount equally throughout each calendar month.

The minimum expenditure amount will be reduced by an amount equal to your contributions, if any, to any Advertising Cooperative.

We have established and intend to maintain a URL website, www.petbarinc.com, promoting the System and identifying the location of franchise and company-owned petbar Boutiques. You are required to authorize us to identify and promote your petbar Boutique on our website and further authorize us to modify our website and to conduct promotions on a system-wide basis, and you and your petbar Boutiques will participate in all such promotions. You are prohibited from establishing or utilizing your own URL website, mobile apps appearing on smartphones or other electronic devices (including, for example, Android Marketplace or the Apple Store), or social media webpage to promote your petbar Boutiques except as described in our Social Media policy set forth in the then-current Operating Manual (Franchise Agreement **§** 13).

Advertising Cooperative

We will have the right, in our discretion, to designate any geographic area as a region for purposes of establishing an advertising and promotion cooperative ("***Advertising Cooperative***") and to determine whether an Advertising Cooperative is applicable to your petbar Boutique. An Advertising Cooperative will be composed of any two or more petbar Boutiques, whether the petbar Boutiques are operated by us, you or other franchisees. If an Advertising Cooperative has been established for the geographic area in which your petbar Boutique is located at the time you start your business, you must immediately become a member of the Advertising Cooperative. If an Advertising Cooperative applicable to your petbar Boutique is established at any later time during the term of the Franchise Agreement, you must become a member of the Advertising Cooperative immediately upon our request. If your petbar Boutique is within the geographic area of more than one Advertising Cooperative, you must be a member of only one Advertising Cooperative, as we designate.

Except as otherwise indicated, each of the programs described above may place advertising in print, radio, television or in electronic media. The source of advertising may be our in-house advertising department, or a regional or national advertising agency.

We are not required to spend any amount on advertising in the area where you are located.

- No Advertising Cooperative will expend funds for advertising that principally is a solicitation for the sale of a franchise.

See Items 6, 8, and 9.

* * *

Point of Sales Systems and Computer Systems

Before the commencement of the operation of your petbar Boutique, you must purchase and install at your expense the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other related accessories, peripherals, consoles and equipment required to operate our then-current mandatory point of sale system.

We may require you to purchase, license and use point of sale systems (currently MyTime), operations, on-line booking, back office, accounting, customer service, and other hardware and software in the operation of your petbar Boutique, including additions, upgrades, enhancements and replacements of the current software and hardware (including point of sale systems). Your point-of-sale system is typically activated one to two months prior to soft opening of your petbar Boutique and will include a $299 onboard and training fee plus an on-going $259 monthly fee.

Some or all of these may be developed, supplied or licensed by or on behalf of us or an affiliate, at such cost as we or our approved vendors make such systems, hardware, software, upgrades, enhancements and replacements available to franchisees. We require that our franchisees use a specific point-of-sale system (including such add-on consoles as we may require). The point-of-sale system is available from our approved supplier set forth in the Operating Manual. The cost of maintaining, updating, upgrading or replacing your point-of-sale system, and other required technology cannot be estimated at this time because it will depend on your repair history, local costs of computer maintenance and service in your area and technological advances which we cannot predict.

Your point-of-sale system is critical to the day-to-day operations and management of your franchise. The system will help to track, manage and analyze the key areas of operations – employee management, inventory management, payment processing, client management, reporting, automated marketing. It allows you to book appointments anywhere, anytime online. It also includes a mobile app that allows your clients to book online. We require that your petbar Boutique maintain two point of sale computers and terminals.

You must acquire, install, and maintain such anti-virus and anti-spyware software as we require and must comply with such data security and consumer privacy policies as we may prescribe from time to time as set forth in the Operating Manual.

We estimate the cost of purchasing all required computer hardware and software systems to be approximately $3,500 to $4,200. You must maintain the point-of-sale systems and related consoles and keep them in good repair. We may at any time require that you upgrade your payment processing hardware and software including requiring you to use "chip" technology to ensure that credit card payment processing is consistent with PCI standards. We may, at our option, provide basic technology support during petbar Boutique operating hours for point-of-sale, back of house computer(s) and other basic office equipment in your petbar Boutique. If we make available such technology support services, you may, at your option, elect to receive such service from us, provided you must execute our then-current form of technology support agreement and pay the fees associated with such technology support services.

The point of sale system (currently MyTime) will store information concerning your sales, inventory and other operations. You may not further modify or manipulate the database for the computer software systems without our prior consent. We may retrieve from your point of sale system and other technology any and all information we consider necessary, desirable or appropriate. There is no contractual limitation on our right to access information from your point of sale system or other required technology. If necessary, we may utilize remote access to provide required upgrades and installation of hardware your point of sale system. You will have independent access to the information that will be generated or stored in the point of sale and reporting system, but you may not manipulate the data that is generated or block or restrict our access to the data (Franchise Agreement **§** 12).

We currently require that you use Intuit Quickbooks for digital bookkeeping. The monthly access fees for Intuit Quickbooks is $50 per month, subject to increase.

You must: (a) use any proprietary software programs, system documentation manuals, and other proprietary materials that we require in connection with the operation of your petbar Boutique; (b) input and maintain in your computer such data and information as we prescribe; and (c) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner prescribed by our approved vendors, and pay all fees imposed under the agreements (Franchise Agreement **§** 12).
Required Hardware and Software:

2 Dell or HP All in one Desktops (White, Touchscreen)

2 Ingenico 7000 Terminals

(Franchise Agreement – Sections 12).

Operating Manual

The table of contents of our current then-current Operating Manual is attached to this Disclosure Document as Exhibit C.

There are a total of 626 pages in the Operating Manual. We do not offer you the opportunity to view the then-current Operating Manual before signing the Franchise Agreement.

Training Program

No later than four (4) weeks before the opening of the petbar Boutique, you or your Operating Principal and your General Manager must attend and complete, to our satisfaction, initial training conducted by us. You may, at your option and expense, send additional employees to our initial training. All subsequent personnel employed by you in the position of manager, before assuming the position, must attend and successfully complete our initial training. We may periodically make other required or optional training available to your employees, as well as other programs, seminars and materials, and you must ensure that all employees, as we may direct, satisfactorily complete any required training within the time specified. All training will be provided at a location we designate, and you will be responsible for your employees' room, board and travel expenses and wages during the training. We may require that, as a condition of providing training, your General Manager and employees sign confidentiality and non-competition agreements approved by us. We may control the frequency of any optional training. If you renew your Franchise Agreement, we will not provide additional training to you.

The initial training program will be held in our Dallas, TX based Boutique or another location we specify. We periodically conduct our Initial Training Program throughout the year, as needed. We expect to conduct the initial training after you have completed pre-opening activities such as: locating and leasing your Boutique and completing initial fit out. A pre-opening checklist contained in the Operations Manual, provided after you sign the Franchise Agreement, will help you complete critical steps and prepare for initial training. Ideally, you will complete the final steps to set up your Boutique, interview, hire and train staff and conduct a soft opening within 4 weeks of training.

The Operations Manual will be the basis of our instruction, reinforced with hands-on training including observation and visual instruction. Virtual and online training may be offered for completion in conjunction with the in-person portion of the program. Refer to the following chart for topics covered. If you fail to designate replacement trainee(s) who have satisfied the admission requirements, if the initial training program is not satisfactorily completed by any replacement trainee (or the initial trainee, if no replacement is designated) by the deadline set forth above, or if we determine that the training program cannot be satisfactorily completed by such person(s), and you fail to satisfy the initial training program requirements within 30 days following notice from us, we may, at our sole option, delay the opening of your petbar Boutique or terminate the Franchise Agreement upon notice to you and retain the initial franchise fee and any other fees paid by you under the Franchise Agreement (Franchise Agreement **§** 7).

Your management personnel may attend such additional or remedial training programs and seminars as we may offer. We may require that certain of your management personnel complete such additional training (including on-site remedial training). For all such training, we will provide the instructors and training materials; however, we reserve the right to impose a reasonable fee for such training, including costs of travel, lodging, meals, and compensation for our representatives. You are responsible for any and all expenses incurred by you or your trainees in connection with such additional training including the costs of travel, lodging, meals, and wages (Franchise Agreement **§** 7).

The subjects in the initial training program are described below:

TRAINING PROGRAM

Post Lease Signing/Pre-Construction Training

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
petbar Orientation	0	1	Dallas, TX
Understanding the pet Journey	0	1	Dallas, TX

Understanding the Boutique Design	0	2	Dallas, TX
TOTAL HOURS	0	4	

Pre-Opening Training

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
petbar Orientation	1	0	Dallas, TX
Marketing your Boutique	2	1	Dallas, TX
Team Management and Development	1	0	Dallas, TX
Operations & Management	1	5	Dallas, TX
Daily Operating Procedures	0	15	Dallas, TX
Sales Technique	2	0	Online
Bathing Essentials	0	2	Dallas, TX
Financial Reporting	2	0	Dallas, TX
Review & Assessment	3	0	Dallas, TX
Supplier Training			
MyTime Software	4	0	Online
Ecolab	.5	0	Boutique Location
Payroll	.5	0	Online
Inventory	1	0	Online
	0	0	Online
TOTAL HOURS	**18**	**23**	
TOTAL	**41**		

At the conclusion, we will assess Grand Opening plans, capacity to conduct daily procedures, ongoing materials and supply management as well as adding new members and payment processing. If approved, you may open for business, if not approved, we may require additional training. We will provide 2 days of on-site support during the soft opening of your, trainees must have successfully completed the above training program and the pre-opening fit out of the Boutique prior to on-site support.

ITEM 12: TERRITORY

The Franchise Agreement grants you the right to operate your petbar Boutique only at the approved location. Your use of the Marks or any other element of the System in the operation of a business at any other location or in any other channel of distribution without our express written authorization will constitute willful infringement of our rights. If, at the time you sign the Franchise Agreement, you have not obtained and we have not approved a location for your petbar Boutique, you must lease or acquire a location, subject to our approval, as provided in the Franchise Agreement.

Except as otherwise provided in the Franchise Agreement, during the term of the Franchise Agreement and as so long as you are in full compliance with the Franchise Agreement, we will not, without your prior written consent, establish or operate, or license any other person to establish or operate, a petbar Boutique which is physically located within the Designated Area set forth in the Franchise Agreement. We expect in most cases the Designated Area will be a 3 mile radius with a minimum population of 50,000, whichever is smaller, around your petbar Boutique. However, the exact size of the Designated Area will be

determined based on several factors, including, but not limited to, population base, growth trends of population, demographics of the surrounding area, apparent degree of affluence of population, the density of residential and business entities, traffic generators, driving times, major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways and underdeveloped land areas, consumer trading patterns and distance between other petbar Boutiques in the market area. There is no minimum territory granted to a franchisee. Your rights to the Designated Area does not depend upon achieving a certain sales volume, market penetration or contingency other than compliance with the Franchise Agreement.

We retain all rights not expressly granted under the Franchise Agreement. Specifically, we may (or may authorize an affiliate or other third party to) conduct, among other things, the following activities:

a) Advertise and promote sales of our products at any location, including within the Designated Area;

b) Develop, own, establish, acquire, promote and/or operate and grant others the right to develop, own, establish, acquire, promote and/or operate a petbar Boutique anywhere outside of the Designated Area, regardless of proximity or financial impact to your petbar Boutique;

c) Except for the restriction against establishing another petbar Boutique in the Designated Area, offer and sell, and grant others the right to offer and sell, private label or other collateral products, including those offered and sold at petbar Boutiques under the Marks or other marks at any location or through any channel of distribution (including, but not limited to, hotels, motels, resorts, club stores, wholesale, business or industry locations, military installations, military commissaries, the Internet (or any other existing or future form of electronic commerce)) anywhere inside or outside of the Designated Area, regardless of proximity or financial impact to your petbar Boutique;

d) Operate one or more sites on the Internet that advertise a petbar Boutique or sells our products or services anywhere inside or outside the Designated Area;

e) Develop, own, acquire, establish and/or operate and grant others the right to develop, own and operate other methods and channels of distribution utilizing the Marks and the System, whether inside or outside of the Designated Area, including, without limitation, using toll-free telephone numbers, domain names, URLs, on-line computer networks and services, kiosks, carts, concessions, satellite units, other mobile, remote, limited services or non-permanent facilities or other retail operations a part of larger retail venues such as department stores, supermarkets, shopping malls or in public areas such as amusement parks, airports, train stations, public facilities, college and school campuses, arenas, stadiums, hospitals, office buildings, convention centers, airlines (in-flight service) and military bases or at special events, such as sporting events, conventions or concerts; and

f) Purchase, merge, or acquire any business, or be acquired by or sell our assets or equity interests to any business, which sells products and/or services whether or not such products or services are the same or similar to our products or services and whether or not it is competitive with any franchisee, petbar Boutique or the System, inside or outside the Designated Area.

You will not receive an exclusive territory. You may face competition from other franchisees, from petbar Boutiques that we own, or from other channels of distributions or competitive brands that we control. We are not required to compensate you in any way for offering or selling in your Designated Area any of the products or services described in (a)-(f) above.

You may not use other alternative channels of distribution to make sales outside the Designated Area.

Once your petbar Boutique is established at the proposed location in accordance with the Franchise Agreement, you may not relocate it without our prior written consent. We will not unreasonably withhold our consent of such relocation.

You are not granted any options, rights of first-refusal or similar rights to acquire additional franchises within the Designated Area or contiguous territories.

Development Agreement

The Development Agreement grants you the right to establish and operate multiple Stores under separate Franchise Agreements within a defined development area (the "***Development Area***").

On a multiple store development agreement, the second location must be open within 1 year of the opening of the first location and all additional locations must be open at a minimum of every year thereafter until the development agreement has been satisfied. Consideration will be granted if there is a natural disaster, imposed government restrictions, or other uncontrollable acts of nature which strongly inhibit the franchisee from satisfying this requirement. All time extension requests must be submitted in writing to the franchisor within 30 days prior to the year deadline for consideration. The franchisor will have 10 days to respond in writing as to whether the request for extension will be granted.

So long as you comply with the Development Agreement, any Franchise Agreement and any other agreement we have with you, we will not, without your prior written consent, establish or operate nor grant anyone other than you the right to establish or operate a petbar Boutique which is physically located in the Development Area during the term of the Development Agreement. Your rights within the Development Area do not depend upon achieving a certain sales volume, market penetration or contingency other than compliance with the Development Agreement. We retain all other rights not expressly granted under the Development Agreement. We, our affiliates, and their respective franchisees and licensees may, among other things, operate other types of facilities besides petbar Boutiques in the Development Area, including facilities that are identified by some or all of the Marks. We may also (or may authorize a third party to), among other things, conduct the following activities:

a) Advertise and promote sales of a petbar Boutique's products and services or a petbar Boutique, at any location, including within the Development Area;

b) Develop, own, establish, acquire, promote and/or operate and grant others the right to develop, own, establish, acquire, promote and/or operate a petbar Boutique anywhere outside of the Development Area, regardless of proximity or financial impact to any petbar Boutique;

c) Develop, own, establish, acquire, promote and/or operate and grant others the right to develop, own, establish, acquire, promote and/or operate a business (i) not using the System and/or (ii) which sells our products or products the same, similar to or different from our products through other channels of distribution anywhere inside or outside of the Development Area, regardless of proximity or financial impact to any petbar Boutique;

d) Operate one or more sites on the Internet that advertises a petbar Boutique or sells our products and services anywhere inside or outside the Development Area;

e) Develop, own, acquire, establish and/or operate and grant others the right to develop, own and operate other methods and channels of distribution utilizing the Marks and the System, whether inside or outside of the Development Area, including, without limitation, using toll-free telephone numbers, domain names, URLs, on-line computer networks and services, kiosks, carts, concessions, satellite units, other mobile, remote, limited services or non-permanent facilities or other retail operations as a part of larger retail venues such as department stores, supermarkets, shopping malls or in public areas such as amusement parks, airports, train stations, public

facilities, college and school campuses, arenas, stadiums, hospitals, office buildings, convention centers, airlines (in-flight service) and military bases or at special events, such as sporting events, conventions or concerts; and

f) Purchase, merge, or acquire any business, or be acquired by or sell our assets or equity interest to any business, which sells products and/or services whether or not such products are the same or similar to our products and whether or not it is competitive with any developer, petbar Boutique or the System, inside or outside the Development Area.

g) If you fail to comply with the Development Schedule, we may, among other things, terminate the Development Agreement or, alternatively, reduce the number of petbar Boutiques that you were given the right to develop, or terminate or reduce the territorial exclusivity granted to you. If we reduce the number of petbar Boutiques that you were given the right to develop, or terminate or reduce the territorial exclusivity granted to you, you must continue to sign Franchise Agreements under the Development Schedule. We will also be entitled to establish and license others to establish, petbar Boutiques under the System in the Development Area or in the portion no longer part of the Development Area, or according to any other modifications of your territorial exclusivity (except as provided under any Franchise Agreements which have been signed by you and us and which remain in full force and effect).

ITEM 13: TRADEMARKS

The Franchise Agreement grants you the right to establish and operate your petbar Boutique at an approved location under the Marks. The Development Agreement does not grant you any right to use the Marks, but you will be granted this right under Franchise Agreements signed under the Development Agreement.

Our affiliate, Pet Bar Inc., owns the Marks listed below. Our rights to the Marks are derived from a nonexclusive 10-year automatic renewable license ("***Intercompany License***") between us and Pet Bar Inc. The Intercompany License grants us the right to use the Marks and for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

Marks	Registration Number	Registration Date	Register
PETBAR	5495474	June 19,2018	Principal
	5495472	June 19,2018	Principal
	5495473	June 19,2018	Principal

We or our licensor claim common law rights to the Marks. We or our licensor have filed all required affidavits. Affidavits of use for certain trademarks and service marks have not been filed because they are not yet due.

The Marks have not been registered in any state.

There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending interference, opposition or cancellation proceedings or litigation of a material nature involving the Marks relevant to their use in any state.

We know of no prior superior rights or infringing uses that could materially affect your use of the Marks, however, we have not conducted an exhaustive search of users of names which may be the same or similar to the Marks. Although we are not aware of anyone other than us or our affiliate or our franchisees who are using "petbar", as a trademark or service mark, it is possible that the name "petbar" has been used by others in the pet business; and we cannot represent with certainty that we have exclusive or superior rights to the name "petbar" in all geographic areas. There may be similar uses to our Marks of which we are unaware, which could arise from prior users.

We do not have to protect any of your rights to use the Marks or to protect you against any claim of infringement or unfair competition with respect to them. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you. But if we determine that it is in our best interest to do so, and we take any protective action, you must provide any assistance in the litigation that our counsel requires.

From time to time, we may become aware of businesses or other establishments that are making unauthorized and infringing use of one or more of the Marks. We retain the right to take or not take any action against infringers as we deem appropriate to the circumstances. There are no infringers that we actually know of that could materially affect your use of the Marks in any state.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or U.S. Patent and Trademark Office (or other) proceeding, from any infringement, challenge, or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You must neither, directly nor indirectly, infringe, contest nor otherwise impair our exclusive ownership of, and/or license, with respect to the Marks either during or after the termination or expiration of the Franchise Agreement.

The Marks may only be used by you in connection with the operation of your petbar Boutique under the System and only in the manner authorized and prescribed by us under the Franchise Agreement, or by written notification.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "™", or "SM", as appropriate. You may use the Marks only in connection with the operation and promotion of your petbar Boutique(s), and only in the manner we prescribe. You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain Protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

You may not use the Marks or any part or derivative of the Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, including but not limited to any gaming website, social networking website, mobile application or marketing/discounting website; as part of any user name; or as part of any email address unless expressly approved by us in writing.

We have the right to substitute different trade names, service marks, trademarks, and indicia of origin for the Marks if the Marks can no longer be used, or if we determine that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

Except for the non-exclusive license to use granted in the Franchise Agreement, you and your Principals acquire no right, title or interest in (or any goodwill associated with) the System or the Marks.

Upon the expiration or termination of the Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks, and all goodwill associated with your use of the System and the Marks will inure to our or our affiliates benefit.

The license to use the Marks is nonexclusive, and we have the right (i) to grant other franchises for the Marks, in addition to those franchises already granted to existing franchisees, (ii) to use the Marks in connection with the sale products and services through the Internet or at wholesale and/or retail outlets in the Designated Area, and (iii) to develop and establish other systems for the same or similar products and services utilizing the same Marks, or any similar or other Marks, and to grant licenses thereto without providing you any right.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We own no rights in or to any patents nor do we have any pending patents to be registered on the Principal Register of the United States Patent and Trademark Office or that are material to the franchise.

Copyrights

The Franchise Agreement grants you the right to use our copyrights in certain components of the System. The Development Agreement does not grant any right to use the copyrights. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Operating Manual, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of the System. We have not registered any of our copyrights.

There are no currently effective determinations with the United States Patent and Trademark Office, the U.S. Copyright Office, the Library of Congress or any court pertaining to or affecting any of our copyrights. As of the date of this Disclosure Document, there are no infringing uses actually known to us that could materially affect your use of the copyrights. There are no agreements currently in effect that significantly limit our rights to your use and/or license of our copyrights.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for the Marks in Item 13.

Confidential Information

"***Confidential Information***" means all proprietary and confidential information relating to the development and operation of petbar Boutiques, including, without limitation, all information, knowledge,

know-how, trade secrets, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which we provide to you, or which you or your affiliates or your respective employees develop or have access to, in connection with the Franchise Agreement or the development and operation of your petbar Boutique thereunder, including, without limitation, any products and services; product sourcing, manufacturing, inventory management and control, supply, distribution; pricing; standards for site selection, general contractors, architects, architectural and construction plans, and trade dress (i.e. the unique, distinctive, and non-functional overall appearance and image of your petbar Boutique in the marketplace, including without limitation our standards related thereto); technology, point of sale, and related computer software; advertising, marketing and promotional programs including gift card, loyalty and customer reward programs; customer data (i.e. any information from, about, or relating to customers of your petbar Boutique that identifies, or can be used to identify, contact, locate or be traced back to the specific person or entity to whom such information pertains, or from which identification or contact information of a person or entity can be derived. "***Customer data***" includes any personally identifiable information, such as a person's or entity's name, address, phone number, fax number, email address, passport number, financial profile, credit card information or any other information by which one is reasonably able to personally identify one or more persons or entities); financial data and statements; training and management programs; and any other information or data regarding our or any of our affiliates' business that would reasonably be considered the proprietary or Confidential Information of us or our affiliates.

Except as expressly provided in the Franchise Agreement, you have no right, title or interest in our Confidential Information.

You and your Principals must maintain the confidentiality of all Confidential Information and only communicate, disclose or use the Confidential Information as expressly permitted in such agreements or as required by law. You and your Principals may disclose the Confidential Information only to such of your employees, agents or independent contractors who must have access to it in connection with their employment.

You must cause your employees having access to the Confidential Information to sign confidentiality agreements containing the covenants set forth in the Franchise Agreement stating that they will preserve in confidence all Confidential Information. Neither you, your Principal's or their respective employees may at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce the Confidential Information, in whole or in part, nor otherwise make it available to any unauthorized person.

If you make any improvements (as determined by us) to the Confidential Information or the System, you and your Principals must each sign such documents reflecting such improvements and our exclusive ownership thereof. All such improvements will be considered Confidential Information.

There are no infringing uses actually known to us that could materially affect your use of the Confidential Information. There are no agreements currently in effect which could limit our rights to use or license the Confidential Information in any manner.

The Then-current Operating Manual must at all times (i) be kept in a secure place on the premises of your petbar Boutique and (ii) remains our sole property. You and your Principals must at all times ensure that your copy of the Then-current Operating Manual is kept current and up-to-date, and in the event of any dispute as to the contents of the Operating Manual, the terms of the version of the Then-current Operating Manual maintained by us at our home office will be controlling. Every detail of your petbar Boutique is important to you, us and other franchisees in order to develop and maintain the high standards and public image of the System, to increase the demand for the products and services sold by all petbar Boutiques and to protect our reputation and goodwill. As such, you must operate your petbar Boutique in accordance with the Then-current Operating Manual to ensure that the highest degree of quality and service is uniformly

maintained. If amended or modified by us, you must fully implement our amended Then-current Operating Manual within the period of time prescribed by us.

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

Under the Franchise Agreement you or your Operating Principal or one fully trained manager must devote his or her full time and best efforts to the management of your petbar Boutique. Under the Franchise Agreement, you or your Operating Principal are not required to devote your full time to your petbar Boutique, unless you are the General Manager. We recommend that either you or your General Manager always supervise your petbar Boutique. The General Managers and all replacement General Managers must satisfactorily complete our mandatory Initial Training Program. The General Manager does not have to have an equity interest in you or in your petbar Boutique.

You or your Operating Principal or your General Manager must attend all meetings requested by us relating to new products or services, new operational procedures or programs, training, management, sales or sales promotion, or similar topics, at your own expense. If you are an Entity, the Operating Manager will be deemed to have decision making authority on behalf of you and will be primarily responsible for your operation of the franchise.

The General Manager and any other of your employees having access to Confidential Information or other materials or information furnished or disclosed to you by us (including all managers, assistant managers, and directors of operations) must sign a form of confidentiality and non-competition agreement approved by us. The confidentiality and non-compete provisions of the Franchise Agreement and in the form of agreement to be signed by your employees may prohibit, among other things (i) disclosure of any information that we designate as confidential and (ii) competition with other petbar Boutiques in the System for two years after expiration, termination or the approved transfer of the Franchise Agreement, and require return of any information that we designate as confidential.

Your Principals will jointly and severally bound by all your obligations and guarantee your performance under the Franchise Agreement and must sign a Guaranty and Undertaking of Obligations.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell or offer for sale only those services and products which meet our uniform standards of quality and quantity, which we have expressly approved in writing. These are described in the Operating Manual. You must sell or offer for sale all approved services and products, refrain from any deviation from our standards and specifications for selling them without our prior written consent, and must discontinue selling and offering for sale any product or service as we may, in our discretion, disapprove in writing at any time.

You must open and operate the petbar Boutique during the hours we specify in the Then-current Operating Manual or otherwise in writing.

You must participate in all market research programs that we require, which includes test-marketing new products and services, purchasing a reasonable quantity of new products for test-marketing, promoting the sale of the new products and services. You must provide us with timely reports and test results for all such programs.

You may not advertise, promote, post or list information relating to the petbar Boutique on the Internet or mobile application (through the creation of a website, social media site or otherwise), without our prior written consent.

You may not offer the products and services from any location other than your petbar Boutique.

See Item 8 of this Disclosure Document for a description of other restrictions on what you may sell.

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

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.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term.	Section 4 of the Franchise Agreement.	Initial term of the Franchise Agreement is 10 years.
b. Renewal or extension of the term.	Section 5 of the Franchise Agreement.	If you are in good standing as defined below, you can sign a successor agreement for an additional term of ten (10) years unless we have determined, in our sole discretion, to withdraw from your Territory.
c. Requirements for franchisee to renew or extend.	Section 5 of the Franchise Agreement.	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least ten months before the end of the term, execute a new franchise agreement, pay us a Successor Agreement Fee of 25% of the then-current initial franchise fee, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d. Termination by franchisee.	Not applicable.	Not applicable. You may seek termination upon any grounds available by state law.
e. Termination by franchisor without cause.	Not applicable.	Not applicable.
f. Termination by franchisor with cause.	Section 17 of the Franchise Agreement. Section 7 of the Development Agreement.	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations.
g. "***Cause***" defined – curable defaults.	Section 17.3 of the Franchise Agreement. Section 7 of the Development Agreement.	You have 5 days to cure a monetary default. You have 30 days to cure all other defaults which can be cured under the Franchise Agreement.
h. "***Cause***" defined – noncurable defaults.	Sections 17.2 of the Franchise Agreement. Section 7 of the Development Agreement.	Includes your bankruptcy; appointment of a receiver for the petbar Boutique; assignment for the benefit of creditors;

Provision	Section in Franchise or Other Agreement	Summary
		three or more defaults within a consecutive 12 month period; failure to acquire Premises within the required time period; if you are convicted of or plead no contest to a felony or other unlawful act; breaches of competition, confidentiality covenants; your misrepresentations or omissions; a loss of possession or control of the Premises; violation of transfer restrictions; libel or defamation of us; cessation of operations for more than 2 consecutive days; cross-termination; engaging in any act which is likely to materially and unfavorably affect the System; or any other breach of Franchise Agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal.	Section 18 of the Franchise Agreement. Section 7 of the Development Agreement.	You must pay us past due amounts, stop using our Marks, return our materials, and stop representing that you are still associated with us, and other requirements.
j. Assignment of contract by franchisor.	Section 16.1 of the Franchise Agreement. Section 6 of the Development Agreement.	We have the right to transfer and assign.
k. "***Transfer***" by franchisee – defined.	Section 16.3 of the Franchise Agreement. Section 6 of the Development Agreement.	Includes transfer of Franchise Agreement, a controlling ownership interest in you and your interest in substantially all of your assets.
l. Franchisor approval of transfer by franchisee.	Section 16.2 of the Franchise Agreement. Section 6 of the Development Agreement.	We have the right to approve all transfers. No transfers without our approval.
m. Conditions for franchisor approval of transfer.	Section 16.3 of the Franchise Agreement. Section 6 of the Development Agreement.	Except as permitted under state law, you must be in good standing. You must disclose the names of transferee's principals and sign a release. The proposed transferee must pay a transfer fee, sign the then-current franchise agreement, sign a personal guaranty and met other conditions.
n. Franchisor's right of first refusal to acquire franchisee's business.	Section 16.6 of the Franchise Agreement.	We have the right of first refusal to purchase some components of your petbar Boutique. We have 30 days after receipt of notice of proposed transfer to purchase your business on similar terms.
o. Franchisor's option to purchase franchisee's business.	Section 18.2 of the Franchise Agreement.	We have the right to purchase your business following termination.
p. Death or disability of franchisee.	Section 16.7 of the Franchise Agreement.	On the death or permanent disability of Franchisee or any of Franchisee's Principals, as the case may be, the Franchise granted by this Agreement will

Provision	Section in Franchise or Other Agreement	Summary
		terminate, unless the Franchisor approves the potential transferee provided by the Franchisee's executor or personal representative.
q. Non-competition covenants during the term of the franchise.	Section 19 of the Franchise Agreement. Section 8 of the Development Agreement.	You must not be associated with a competing business of your petbar Boutique; divert business to any competitor; or employ our employees or employees of other System franchisees and others.
r. Non-competition covenants after the franchise is terminated or expires.	Section 19 of the Franchise Agreement. Section 8 of the Development Agreement.	Applicable for two years after termination, expiration or transfer.
s. Modification of the agreement.	Section 21 of the Franchise Agreement. Section 11 of the Development Agreement.	No modification or amendment of the Franchise Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Then-current Operating Manual or System specifications.
t. Integration/merger clause.	Section 21 of the Franchise Agreement. Section 11 of the Development Agreement.	Only the terms of the Franchise Agreement, Exhibits and Then-current Operating Manual are binding and the representations made in the FDD.
u. Dispute resolution by arbitration or mediation.	Section 20 of the Franchise Agreement. Section 10 of the Development Agreement.	The parties must generally mediate and litigate any dispute, except disputes over the Marks and Confidential Information, in Dallas, Texas; we can seek injunctive relief in court.
v. Choice of forum.	Section 20.3 of the Franchise Agreement. (See FDD Addendum and State Addendum to these Agreements). Section 10 of the Development Agreement.	Litigation in Dallas, Texas and Dallas County courts. (See FDD Addendum and State Addendums to the Agreements)
w. Choice of law.	Section 20.3 of the Franchise Agreement. Section 20(a) of the Development Agreement. (See FDD Addendum and State Addendum to these Agreements). Section 10 of the Development Agreement.	State of Texas. (See FDD Addendum and State Addendums to the Agreements)

ITEM 18: PUBLIC FIGURES

We do not pay or use any public figure to promote our franchise. No public figure has invested in us or involved in the management or control of us.

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 the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (i) a franchisor provides the actual records of an existing outlet you are considering buying; or (ii) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

As of our fiscal year ending December 31, 2024, we had 4 affiliate operated outlets and 28 franchise operated petbar outlets. This financial performance representation is a historic representation based on the past performance of our 3 affiliated operated outlets and 28 franchised operated petbar outlets. We have excluded 1 affiliate outlet from these financial representations as these outlets opened in 2024 and would not present a full 12 months of sales.

If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet

All financial performance representations disclosed in this Item 19 reflect results from operating units using our current standard layout model. While all franchise outlets—regardless of size—are required to offer the same core services and products, the performance data in this Item is based solely on locations operating within the standard footprint.

We have recently approved an alternative, smaller-format layout designed to operate in reduced square footage while still providing the full range of services and products. However, **as of the date of this disclosure, no franchised outlets are operating under this new smaller-format layout**, and therefore, no performance data is available for that model.

Future franchisees may choose to operate either layout, but should understand that the financial results disclosed herein do not include any data from the newly approved smaller-format model. Actual results may vary depending on a variety of factors, including layout, geographic market, operational efficiency, and local demand.

Your franchise will offer the same grooming and full service wash services and products as these outlets. The outlets included provide self wash services and generally have a larger square footage, resulting in three more self wash bathing stations, and two more self wash drying areas., and the affiliate operated outlets do not have territorial sales restrictions and do not pay royalty fees or advertising fees, other than the above, there are no other operational differences between your outlet and these outlets.

SYSTEMWIDE SALES 2024

Affiliate Operated Outlets

1/1/24	Beginning of Period
12/31/24	End of Period
2024	

Open Units	4	Avg	$708,942	$206,443	$359,429		
Location #	Open Date	Age (Mos)	Net Sales	Mmbr Revenu	Grooming	Sales Ran	YoY Growt
101	Apr / 20	56	$1,301,252	$365,777	$685,393	1	124.4%
100	Oct / 15	110	$1,033,938	$317,208	$546,544	2	218.4%
119	Oct / 22	26	$420,212	$119,102	$170,255	3	268.2%

Franchised Outlets

1/1/24	Beginning of Period
12/31/24	End of Period
2024	

	4	Avg	$715,498	$202,400	$364,019		
Location #	Open Date	Age (Mos)	Net Sales	Mmbr Revenu	Grooming	YoY Growt	Sales Ran
103	Aug / 21	40	$822,704	$291,181	$401,936	1.3%	3
102	Aug / 21	40	$399,678	$94,721	$198,395	12.2%	19
104	Aug / 21	40	$620,055	$195,677	$304,054	18.1%	8
105	Oct / 21	38	$1,019,554	$228,021	$551,689	25.2%	2

	15	Avg	$547,815	$158,659	$256,524		
Location #	Open Date	Age (Mos)	Net Sales	Mmbr Revenue	Grooming	YoY Growth	Sales Rank
107	Dec / 21	36	$545,495	$168,411	$218,631	29.6%	14
108	Feb / 22	34	$545,950	$143,899	$298,754	31.5%	13
111	Mar / 22	33	$754,146	$231,410	$338,809	25.3%	6
109	Mar / 22	33	$635,528	$199,913	$280,149	9.6%	7
110	Mar / 22	33	$346,917	$93,540	$203,503	-26.0%	23
112	Apr / 22	32	$502,501	$189,632	$241,813	0.9%	16
113	Jun / 22	30	$819,291	$176,952	$392,426	48.6%	4
114	Jul / 22	29	$558,897	$157,381	$234,548	12.5%	12
115	Aug / 22	28	$445,630	$161,605	$174,434	43.4%	17
117	Sep / 22	27	$565,023	$138,999	$313,554	39.4%	11
116	Sep / 22	27	$514,711	$122,104	$265,416	9.3%	15
118	Sep / 22	27	$373,871	$95,890	$183,422	15.1%	20
120	Nov / 22	25	$1,021,190	$271,373	$484,336	46.7%	1
122	Nov / 22	25	$344,528	$122,682	$139,355	4.2%	24
121	Nov / 22	25	$243,543	$106,092	$78,713	56.2%	26

	9	Avg	$426,660	$90,798	$215,019		
Location #	Open Date	Age (Mos)	Net Sales	Mmbr Revenue	Grooming	YoY Growth	Sales Rank
123	Dec / 22	24	$602,123	$140,434	$277,904	63.1%	9
124	Dec / 22	24	$436,671	$81,102	$228,999	71.5%	18
125	Jan / 23	23	$777,729	$166,072	$413,410	n/a	5
126	Feb / 23	22	$218,086	$43,674	$95,794	n/a	27
127	Jun / 23	18	$306,253	$59,074	$138,232	n/a	25
129	Jul / 23	17	$213,853	$41,248	$114,410	n/a	28
133	Aug / 23	16	$358,937	$67,628	$201,431	n/a	21
128	Sep / 23	15	$575,375	$91,556	$317,282	n/a	10
131	Sep / 23	15	$350,913	$126,393	$147,714	n/a	22

Age Set	Net Sales	Mmbr Revenue	Mmbr % of Rev	Grooming	Client Visits
>36 Mos	$715,498	$202,400	28.3%	$364,019	12,363
>24 Mos	$547,815	$158,659	29.0%	$256,524	9,471
>12 Mos	$426,660	$90,798	21.3%	$215,019	7,071

Item 19 Notes:

1) **Net Sales.** As used in Item 19, "Net Sales" means that aggregate amount of all sales of petbar Boutique services and products made and rendered in connection with the operation of a petbar, excluding all federal, state or municipal sales or use taxes collected from customers and paid to the appropriate taxing authority.
2) **Membership Revenue. As used in Item 19, "Membership Revenue" means recurring revenue generating from customers enrolled in the Bath & Brush Membership program. Revenue is recognized monthly, regardless of how often the services are used.**
3) **Grooming. As used in Item 19, "Grooming" means revenue that is generated from only Groom & Cut services.**

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

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

Other than the preceding financial performance representation, PB Franchise LLC, does not make any representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, 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: Dan O'Loughlin at 3406 Asbury Street, Dallas, TX 75205, or (214) 680-5136, or the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
for fiscal years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	6	23	+17
	2023	23	30	+7
	2024	30	28	-2
Company-Owned*	2022	2	2	0
	2023	2	2	0
	2024	2	4	+2
Total Outlets	2022	8	25	+17
	2023	25	32	+7
	2024	32	32	

.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Texas	2022	0
	2023	0
	2024	7
Total	2022	0
	2023	0
	2024	7

Table 3
Status of Franchised Outlets For years 2022 to 2024

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Termina-tions	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Arizona	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	1[1]	1
	2024	1	0	0	0	0	0	1
Florida	2022	0	2	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Georgia	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	5	12	0	0	0	0	17
	2023	17	5	0	0	0	0	22
	2024	22	0	0	0	1	0	21
Total	2022	6	17	0	0	0	0	23
	2023	23	8	1	0	0	1	30
	2024	30	0	1	0	1	0	28

[1] **Deceased.**

Table 4
Status of Company-Owned Outlets**
For years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Texas	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	1	1	0	0	4
Total	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	1	1	0	0	4

* Company-owned stores are operated by affiliated entities.

Table 5
Projected Openings
as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In the Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Texas	1	4	1
Total:	**1**	**4**	**1**

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit F to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this Disclosure Document when applicable. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the petbar system.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E is our audited financial statements as of December 31, 2024 and December 31, 2023, and December 31, 2022.

Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

A copy of all proposed agreements regarding the franchise offering are included in this Disclosure Document, as follows:

Exhibit A.	Franchise Agreement
Exhibit B.	Multi-Unit Development Agreement
Exhibit D.	Form of Release
Exhibit I.	Franchisee Acknowledgment Statement, as permitted per applicable state law.

ITEM 23: RECEIPTS

A receipt in duplicate is attached to this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to PB Franchise LLC at 3406 Asbury Street, Dallas, TX 75205.

EXHIBIT A

FRANCHISE AGREEMENT

PB FRANCHISE LLC
FRANCHISE AGREEMENT

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LIST OF ATTACHMENTS:

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ATTACHMENT 9. PROVISIONS APPLICABLE TO SBA FINANCING

PB FRANCHISE LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of_____ _____, (the "Effective Date") by and between PB Franchise LLC, an Texas limited liability company with its principal place of business at 3406 Asbury Street, Dallas, TX 75205 (herein "Franchisor") and _____, a(n) _____, with its principal place of business located at_____ and _____'s principals _____ _____, an individual residing at _____ and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established unique and distinctive upscale, personalized pet grooming and bathing Boutique using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive décor, fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks**,** trademarks, logos, emblems and indicia of origin, including but not limited to the mark "petbar Boutique" service mark, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1 RECITATIONS. The Recitations set out above form part of this Agreement.

2 GRANT OF FRANCHISE. Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a petbar Boutique franchise (the "Franchised Business"), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only to a single location within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the "Territory").

3 TERRITORY.

3.1 Territory. This Agreement grants Franchisee the right to operate the Franchised Business at a single location within the Territory. Franchisor agrees that the Franchisor will not, and will not permit any other of Franchisor's franchisees, to operate a petbar Boutique in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement or this Agreement has not expired or been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise petbar Boutique franchises around, bordering and adjacent to the Territory. Franchisee will be selling its products and services from a single location that will be determined by Franchisee with Franchisor's prior written approval, which may be withheld or denied in Franchisor's sole discretion. Franchisee is prohibited from selling and soliciting customers through alternative distribution channels as more fully specified herein.

3.2 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other products or services not offered under the Marks, (ii) other pet service concepts under the Marks or other trademarks, and (iii) products or services through any channel in the Territory other than a dedicated petbar Boutique, such as distribution through retail outlets, including but not limited to, pet store outlets; veterinary clinics, grocery stores, and the Internet ("Alternate Distribution Channels"). Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.2 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

4 TERM. Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above, and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 hereof (the "Term").

5 SUCCESSOR OPTIONS. Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Protected Area is located (the "Successor Franchise Agreement") for one (1) additional term of ten 10 years. The term of the Successor Franchise Agreement shall commence upon the date of expiration of the preceding term. Franchisee shall be charged a Successor Agreement Fee equal to Twenty Five Percent (25%) of the then current initial franchise fee ("Successor Agreement Fee.") In the event Franchisee is not in full compliance with Section 5.2 below at the time Franchisee notifies Franchisor of Franchisee's desire to enter into a successor agreement, it shall be in Franchisor's sole and absolute discretion whether to permit a successor term.

Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

Not less than twelve (12) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

5.1.1 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.2 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.3 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.

5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

5.2.4 Franchisee shall have obtained the right to continue to occupy the premises of the Franchised Business following the expiration of the Term hereof for the full term of the Franchise Agreement and/or have received Franchisor's approval regarding locating the Franchised Business at a new location.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against PB Franchise LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached to the Franchise Disclosure Document as Exhibit D. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6 Franchisee performs such remodeling, repairs, replacements and redecoration as Franchisor may require in order to cause the Franchised Business premises, equipment, fixtures, furnishings and furniture to conform to the plans and specifications being used for new or remodeled franchised businesses on the renewal date.

5.2.7 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering

new petbar Boutique franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate renewal term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a Successor Franchise Agreement as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

6. FEES.

6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Forty-Five Thousand Dollars ($45,000.00) (the "Initial Franchise Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is non-refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee equal to six percent (6%) of the Net Sales, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's methods, operations and/or trade secrets (the "Royalty Fee"). The term "Net Sales" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Net Sales shall include the full amount payable by your customers, without deduction for your delivery costs or for other write-offs; however, Net Sales shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, (iii) properly documented promotional discounts (i.e. coupons), or (iv) undistributed tips collected at time of service. Net Sales does not include gift card purchases, at the time of purchase, but Net Sales does include the redemption amount of purchases made by gift card.

6.1.3 Gross Sales Reports. Franchisee shall, on Monday at the close of each calendar week (Monday through Sunday), furnish Franchisor with a report showing Franchisee's Net Sales at or from the Franchised Business and/or made pursuant to the rights granted hereunder during such period (the "Gross Sales Report"). The Gross Sales Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. Franchisor reserves the right to establish a point of sale system ("POS System") that Franchisor may require Franchisee to use

in the operation of the Franchised Business. At Franchisor's option, Franchisee shall submit the Gross Sales Report by an electronic transfer of data via the POS System at the times and interims then specified by Franchisor.

6.1.4 Method of Payment. Franchisee shall, no later than Wednesday following the close of the immediately preceding calendar week, pay Franchisor the Royalty Fee as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including the Authorization attached as Attachment 3, that allow Franchisor to automatically take the Royalty Fee due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers. Franchisee's failure to allow electronic funds transfers on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Net Sales, then, in addition to a late fee and interest pursuant to Sections 6.4 and 6.5 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Net Sales are reported. Franchisor reserves the right to modify the method and frequency of collection of the Royalty Fee upon forty-five (45) days' prior notice to Franchisee.

6.2 Internal Systems Fee. Two Hundred Fifty Dollars ($250.00) per month within thirty (30) days of signing your Franchise Agreement. This fee is for the development, adoption and/or use of new or improved technology for the benefit of the System and Franchised Business, including but not limited to, email addresses required for use in the Franchised Business, a franchise portal, or communications systems ("Internal Systems Fee"). This fee includes one registered domain name for your microsite, Google My Business, Facebook account set up and two Boutique email address. Franchisor will own your microsite, domain name, and e-mail addresses/accounts at all times. In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Internal Systems Fees or (ii) replace the software with different software, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement software and for continuous access thereto. Payment of the Internal Systems Fee will be made in the manner and frequency as reasonably determined by Franchisor.

6.3 Brand and System Development Fund. In addition to the Royalty Fee, Franchisee agree to pay to us a brand development fee ("Brand and System Development Fund") payable to our Brand and System Development Fund (described in Section 11.7) in an amount equal to one percent (1%) of Net Sales. Franchisor reserve the right to increase this amount up to three percent (3%.) of Net Sales. The Brand and System of Net Sales Development Fee shall be payable at the same time and in the same manner as the Continuing Royalty Fee.

Franchisor may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by our franchisees, and Franchisor may elect to contribute such allowances, rebates or other payments to the Brand and System Development Fund. Franchisee understand and acknowledge, however, that any such contribution of these amounts by us to the Brand and System Development Fund does not in any manner diminish or eliminate your obligation to pay the Brand and System Development Fee.

6.4 Late Fee. If the Royalty Fee, Internal Systems Fee, or any Gross Sales Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of One Hundred Fifty Dollars ($150.00). The franchisee will be abated from a late fee on one late payment occurrence. Thereafter a late payment fee will be assessed for ever other late payment. This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay

the Royalty Fee, and/or submit Gross Sales Reports in accordance with the terms of this Agreement.

6.5. Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 25% per annum or at the highest rate permitted by law, whichever is lower.

6.6 Taxes. If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fee and Brand Fund Contribution (for the purpose of this Section 6.6, such fee shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

7. TRAINING.

7.1 Initial Training Program Franchisee (specifically including the Operating Principal(s) and Franchisee's general manager, not Franchisee, not shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") prior to the opening of the Franchised Business. The Initial Training Program is conducted at one of Franchisor's headquarters and/or affiliated owned or franchised outlet. Franchisor reserves the right to designate an alternate location for any component of the Initial Training Program. Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) individuals to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals, and wages. Franchisee must at all times during the term of this Agreement have principals and General Manager, if appointed, who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. Upon Franchisee's request, and Franchisor's approval, Franchisee may bring additional trainees to the Initial Training Program, and Franchisor reserves the right to charge a reasonable fee for such attendance.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Management Training Program is not satisfactorily completed or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Training Program cannot be satisfactorily completed by Franchisee and Franchisee's Principal(s), Franchisor may terminate this Agreement.

7.3 Opening Assistance. During the opening of the Franchised Business, Franchisor shall provide Franchisee with mandatory opening assistance by a trained representative of Franchisor. The trainer will provide on-site opening training, supervision, and assistance to Franchisee for a minimum of two (2) days at no charge to Franchisee during the soft opening. If Franchisor determines, in its sole discretion, that Franchisee requires any additional opening assistance or if Franchisee requests such assistance, Franchisor reserves the right to charge an additional per diem fee for such assistance including but not limited to any costs for transportation, meals and lodging.

7.4 Remedial Training. Franchisor may offer mandatory and/or optional remedial training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training.

7.4.1 Additional Training. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee are responsible for any and all incidental expenses incurred by Franchisee and your personnel in connection with additional training and without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training is a default of this Agreement. Franchisee or Operating Principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

7.4.2 On-Site Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel at the Franchised Business location. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.5 Convention Fee. Franchisor reserves the right to impose a reasonable fee for attendance at Franchisor's national business meeting or annual convention. Franchisee are responsible for any and all incidental expenses incurred by Franchisee and your personnel in connection with attendance at Franchisor's national business meeting or annual convention including a fee currently $500 per person and without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement.

7.6 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided at the Franchised Business pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either in person or by telephone, fax, electronic communications, mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, purchasing and inventory control, bookkeeping and System improvements.

8. FRANCHISED BUSINESS SITE REQUIREMENTS

8.1 Site Selection.

8.1.1 Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing a site for the Franchised Business within the Territory and for constructing and equipping the Franchised Business at such site. Franchisee shall not make any binding

commitment to a prospective general contractor, vendor or lessor of real estate with respect to a site for the Franchised Business unless the site location is approved by Franchisor. While Franchisor may render assistance to Franchisee in the selection of a site, as set forth in Section 8.1.2 below, Franchisee has sole responsibility for procuring and developing a site for the Franchised Business and Franchisee may and is encouraged to consult with professionals of Franchisee's choosing in discharging such responsibility. Franchisee acknowledges that Franchisor's approval of a prospective site location is permission only, does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Franchised Business operated at that site will be profitable or otherwise successful, and cannot, and does not, create a liability for Franchisor. Franchisee releases Franchisor from any claims over the site location selection and evaluation by Franchisor, and Franchisee shall hold Franchisor harmless with respect to Franchisee's election of the site for the Franchisee's Franchised Business.

8.1.2 Franchisee shall submit to Franchisor, in writing, a description of the site, together with written certification the site complies with Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require. Recognizing that time is of the essence, Franchisee shall submit such information and materials for a proposed site to Franchisor for its consent no later than six (6) months after the execution of this Agreement. Franchisor shall have thirty (30) days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site as the location for the Franchised Business. No site may be used for the location of the Franchised Business unless it is consented to in writing by Franchisor. If Franchisee does not locate a site for the Franchised Business that meets Franchisor's approval within one hundred eighty (180) days of signing this Agreement, Franchisor reserves the right to terminate this Agreement. If the franchisee doesn't secure a site within that time period, Franchisor reserves the right to offer 6 month extension if Franchisee is in good standing. For all on-site evaluations requested by Franchisee or required by Franchisor, Franchisee agrees to reimburse Franchisor for its reasonable expenses, including, without limitation, travel, lodging, meals and other related expenses. If Franchisor and Franchisee cannot agree on a location within the time limit contained in the Franchise Agreement, Franchisor may terminate the Franchise Agreement. Alternatively, Franchisee may extend the time frame by thirty (30) days by paying Ten Thousand Dollars ($10,000).

8.1.3 Prior to its execution, Franchisee shall submit a copy of the lease to Franchisor for written consent, which Franchisor shall not unreasonably withhold provided that the lease contains adequate protections of the petbar Boutique brand, as determined by Franchisor. Although Franchisor may review the terms of your lease and provide Franchisee with the feedback, our advice or recommendations is not a representation of the reasonableness of the terms. Any lease must include Franchisor's Conditional Assignment of Lease Agreement, a copy of which is attached hereto as Attachment 4. Franchisor shall have ten (10) days after receipt of the lease to consent to such documentation prior to its execution. Franchisee shall furnish to Franchisor a copy of the executed lease within five (5) days after execution. Except as otherwise agreed by Franchisor in writing, Franchisee shall obtain physical possession of the premises within thirty (30) days after Franchisor has consented to the lease. Failure by Franchisee to acquire the site for the Franchised Business within the time and in the manner required herein shall constitute a material event of default under this Agreement.

8.1.4 Upon consent by Franchisor to the location for the Franchised Business, Franchisor shall set forth the location and Territory on Attachment 2 of this Agreement and shall provide a copy thereof to Franchisee. Attachment 2, as completed by Franchisor, shall be

incorporated herein and made a part hereof. Franchisee shall notify Franchisor within fifteen (15) days of any error or rejection of Attachment 2; otherwise, the Attachment shall be deemed final.

8.2 Construction.

8.2.1 Franchisee shall be responsible for obtaining clearances that may be required by state or local laws, ordinances or regulations or that may be necessary as a result of any restrictive covenants or regulations relating to the Franchised Business premises, including but not necessarily limited to animal sanitation, pet grooming, noise and signage. Prior to beginning the construction of the Franchised Business, Franchisee shall (a) obtain all permits, licenses, insurance and certifications required for the lawful construction or remodeling and operation of the Franchised Business, including, but not limited to, permits for the installation of signage, and (b) certify in writing to Franchisor that all required approvals, clearances, permits, insurance and certifications have been obtained.

8.2.2 Franchisee is required to utilize the Real Estate Company, Architect Company, Sign and Window Graphics Vendor and Development Coordinator that Franchisor designate. Franchisee must also separately contract with other professionals that Franchisor designate or approve, such as your general contractor. Franchisee must obtain all architectural, engineering, and design services necessary for the construction and/or remodeling of the Franchised Business, including the installation of signage, at its own expense from vendor(s) designated or otherwise approved in writing by the Franchisor. Franchisee shall utilize our current approved architectural firm to complete all of the required construction documents. These are to be submitted to Franchisor upon completion for final approval. Franchisee is required to utilize our designated Development Coordinator for at a minimum of their first Boutique build out. The fee for our Development Coordinator is a flat fee of Ten Thousand Dollars ($10,000.00)

Franchisee shall submit architectural, design and signage plans and specifications compliant with the Boutique Design Control Document to Franchisor or its designated representative for review. If Franchisor or its representative determines, in its sole discretion, that any such plans are not consistent with the Boutique Design Control Document and the best interests of the System, Franchisor may prohibit the implementation of such plans. Franchisor will notify Franchisee of any objection(s) to such plans within fifteen (15) days of receiving such plans. If Franchisor or its representative fails to notify Franchisee of an objection to the plans within this time period, the plans shall be deemed unapproved. Franchisee acknowledges that Franchisor's or its representative's review of such plans relates only to compliance with the System and that acceptance by Franchisor of such plans does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor or its representative, including, but not limited to, any representation, warranty or guarantee that such plans are accurate or free of error, concerning their design or structural application.

8.2.3 Franchisee shall complete construction/renovation, including, as applicable, all exterior and interior carpentry, electrical, painting and finishing work and installation of all fixtures, equipment and signs, in accordance with the approved plans and specifications for the approved location within ninety (90) days of beginning construction. During the time of construction or remodeling, Franchisee shall provide Franchisor, or its designated representative, with such periodic reports regarding the progress in obtaining all licenses and permits; and of the construction or remodeling as may be reasonably requested by

Franchisor or its representative. In addition, Franchisor or its representative may make such on-site inspections as it may deem reasonably necessary to evaluate such progress. At least thirty (30) days prior to completion of the construction or remodeling, Franchisee shall notify Franchisor of the scheduled date for completion of construction or remodeling. Within a reasonable time after the date of completion of construction or remodeling, Franchisor or its representative may, at its option, conduct an electronic or in-person inspection of the completed Franchised Business.

8.2.4 Franchisee acknowledges and agrees that it will not open the Franchised Business for business without the written authorization of Franchisor and that authorization to open shall be conditioned upon Franchisee's strict compliance with this Agreement.

8.3 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business and commence business within one (1) year after Franchisee has signed the Franchise Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. The date the Franchised Business opens for business to the public shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) complete all exterior and interior preparations for the Franchised Business, including installation and cleaning of equipment, fixtures, furnishings and signs, in accordance with System requirements and the plans and specifications consented to by Franchisor, (ii) satisfactorily complete Franchisor's Initial Training Programs, as further set forth in Section 7.1, (iii) hire and train staff, and (iv) obtain all required licenses to operate the Franchised Business If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business in accordance with the foregoing shall be deemed a material event of default under this Agreement.

8.4 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the location set forth in Attachment 2, and no other. Franchisee shall not relocate the Franchised Business at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense, and subject to the following:

8.4.1 Franchisee shall construct and develop the new premises to conform to Franchisor's then-current specifications for design, appearance and leasehold improvements for new Franchised Businesses;

8.4.2 Franchisee shall remove any signs or other property from the original Franchised Business location which identified the original Franchise Business location as part of the System;

8.4.3 Franchisee agrees that, during the build-out, decorating and furnishing of the new location, and at Franchisor's sole and absolute discretion: (i) the term of this Agreement shall not be abated, and (ii) Franchisee shall remain liable to pay a minimum Royalty Fee that is equal to the average amount paid by Franchisee during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee had been in business at the original Franchised Business location;

8.4.4 Franchisee shall pay Franchisor, upon Franchisor's consent to Franchisee's request to relocate, a relocation fee equal to our costs and expenses to assist in the relocation; and

8.4.5 The parties shall amend Attachment 2 to reflect the address of the new Franchised Business location.

9 SYSTEM MAINTENANCE AND IMPROVEMENT

9.1 Maintenance of Franchised Business Site and Equipment. Franchisee shall equip and maintain the Franchised Business site to the standards of décor, sound proofing, sanitation, repair and condition required by Franchisor, which standards are specified in the Manual, Boutique Design Control Document, and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such additions, alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repainting and repairs or replacement of worn or impaired décor, materials, furniture, fixtures, equipment, and signage as Franchisor may direct.

9.2 Inspections. Franchisee shall operate and maintain the Franchised Business and Franchised Business location in conformance with all regulations and best practices for (i) animal safety, (ii) handling and disposal of products used at the Franchised Business, including but not limited to, shampoos, conditioners and other pet cleaning products, and (iii) health, safety and sanitation practices; and in a manner that will insure the highest rating possible for businesses of like kind from the governmental authorities that may inspect such businesses in the Territory. Franchisee shall submit to Franchisor a copy of any inspection reports. It shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs and sanitation required by the System.

9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, client stations, display and storage equipment, POS Systems, and computer hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.4 Trade Dress Modifications.

9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new exterior building designs, new interior decors, new color schemes, new or modified marks, and new furnishings (collectively, "Trade Dress Modifications"). Upon 30 days written notice, but no more often than once every 90 days, you, at your own expense, must upgrade and refurbish your petbar Boutique. The upgrades and refurbishment may include, without limitation, those necessary to conform your petbar Boutique decor, floor plan, trade dress, exterior signage and decor, color schemes and equipment with the then current standards specified in the Boutique Design Control Document and public image of new or remodeled petbar Boutique operated by us or our other franchisees or as necessary to protect the System. The upgrade and renovation must be completed within 30 days of notice. A Mid-Term Upgrade may be required at 5 years due to changes in store décor, style, etc. Upgrades which may be required at the 10-year term end with option to sign a Successor Franchise agreement are not subject to a cap.

9.4.2 Upon Franchisor's request, no more often than once in a five (5)-year period, or as a condition to renew this Agreement, Franchisee shall refurbish the Franchised Business location at Franchisee's sole expense, as required by Franchisor, to conform to Trade Dress Modifications. This includes, without limitation, structural changes, remodeling, redecoration,

and modifications to existing improvements. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

10 FRANCHISOR'S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

10.1 Site Selection Guidelines. Site selection criteria, as Franchisor may deem advisable. Franchisor shall also approve the site in accordance with Section 8.1.2.

10.2 Construction. Provide to Franchisee criteria and specifications for a petbar Boutique premises. Such criteria and specifications include, but are not necessarily limited to, criteria with respect to required layout and designate one or more approved vendors for architectural, design and installation services for the Franchised Business. Franchisee shall independently, and at Franchisee's expense, have such criteria and specifications incorporated into the construction of the Franchised Business in accordance with Article 8.

10.3 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.

10.4 Inspection. Inspection of the Franchised Business and evaluations of the products sold, and services rendered therein whenever reasonably determined by Franchisor.

10.5 Operating Requirements. Provide a list of equipment, fixtures, furnishings, signage, supplies and products that will be required and/or recommended to open and operate the Franchised Business.

10.6 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.7 List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of required and/or recommended products and services for System franchisees and a list of approved and/or recommended suppliers of such items. Franchisee acknowledges that Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Franchised Business.

10.8 Training. The training programs specified in Section 7.1 herein.

10.9 On-Site Assistance. On-site post-opening assistance at the Franchised Business location in accordance with the provisions of Section 7.3

11 FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Best Efforts. Franchisee, including each Principal, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1 The Franchisee entity is duly organized and validly existing under the state law of its formation;

11.2.2 Attachment 5 of this Agreement accurately reflects all individuals with an ownership interest, whether direct or beneficial, in the Franchisee entity;

11.2.3 The Franchisee entity is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business premises and the Territory;

11.2.4 The Franchisee entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.5 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee; and

11.2.6 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities.

11.3 Spouse Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.

11.3 Appointment of Manager.

11.3.1 Franchisee shall designate and retain at all times a general manager ("General Manager") to direct the operation and management of the Franchised Business location. Franchisee shall designate its General Manager prior to attending the Initial Training Program. The General Manager shall be responsible for the daily operation of the Franchised Business location. Unless otherwise permitted by Franchisor, the General Manager shall be, Franchisee, if Franchisee is an individual, or a Principal.

11.3.2 The General Manager shall, during the entire period he or she serves in such position, meet the following qualifications:

11.3.2.1 The General Manager shall meet Franchisor's standards and criteria for such individuals, as set forth in the Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor, in its sole discretion.

11.3.2.2 The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business and may not engage in any other business activity without the Franchisor's consent, which may be withheld in Franchisor's sole discretion.

11.3.2.3 The General Manager shall satisfy the training requirements set forth in Article 7.

11.4 If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee's replacement General Manager shall attend and satisfactorily complete the Initial Training Program, at Franchisee's sole cost and expense, including the payment of the then-current tuition therefor. Until such replacement is designated and trained, Franchisee shall provide for interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee the then-current interim management support fee until such General Manager is properly trained or certified in accordance with Franchisor's requirements., plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, and shall be withdrawn from Franchisee's designated bank account in accordance with Section 6.1.4. interim management support fee is payable during the period that our appointed manager manages the Franchised Business to avoid interruption of business operations, at our option, in the event that (a) Franchisee or your majority owner dies or becomes disabled, (b) Franchisor elect to purchase the business assets upon expiration or termination of the Franchise Agreement or (iii) Franchisee operate the Franchised Business in a manner that presents a danger to the health or safety of any person or dog.

11.5 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the

full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business; health and sanitation inspections, if and when required; employment law compliance, fictitious name registrations; sales and other tax permits; reporting and payment of all taxes; fire and police department clearances; Americans With Disability Act compliance; compliance with all federal, state or local data privacy laws, rules, and regulations; certificates of occupancy; any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation, and compliance otherwise with all environmental laws, rules, and regulations; and any other requirement, rule, law or regulation applicable to Franchisee or in the jurisdiction of the Territory. Franchisee shall further comply with all industry best practices with respect to animal safety, sanitation and the handling, storage and disposal of shampoos, conditioners, and other pet grooming products.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of the loss of any required permit or license, any series of events, incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any citation, claim, order, writ, injunction, award or decree of any entity, court, agency or other governmental instrumentality, which in any way relates to or affects the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business premises, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. Franchisee shall execute such forms and documents, including the Internet Advertising, Social Media, Software, and Telephone Listing Agreement contained in Attachment 8 hereof, to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9 Security Agreement. To secure payment of all sums owing to Franchisor from Franchisee, whether they be Royalty Fees, Brand Fund Contributions, and/or other fees, costs, damages, or reimbursements pursuant to this Agreement or any other agreement between Franchisor and Franchisee and/or Principal(s), Franchisee grants Franchisor a security interest in the Collateral (as hereafter defined) and further agrees:

11.9.1 The Collateral means all furniture, fixtures, equipment, signage, inventory, and supplies of the Franchised Business, wherever located, that are now owned or hereafter acquired, and any additions, substitutions, replacements, or products thereof or proceeds therefor.

11.9.2 This Agreement shall be deemed a security agreement, and Franchisor, in Franchisor's discretion, may file with applicable state agencies or offices this Agreement and/or one or more financing statements indicating Franchisor's secured interest in the Collateral. Franchisee shall cooperate with Franchisor and shall execute such documents as may be necessary for Franchisor to perfect its security interests.

11.9.3 Upon a default of this Agreement by Franchisee, all sums owing to Franchisor from Franchisee shall be immediately due and payable, and Franchisor shall have the immediate right to possession and use of the Collateral, which includes Franchisor right to enter upon any premises, without legal process, where the Collateral may be found. Franchisor further shall have all rights, options, duties, and remedies of a secured party pursuant to the Uniform Commercial Code, as adopted by the State where the Collateral is located, including the right to dispose of the Collateral in accordance therewith.

11.9.4 Franchisor's exercise of its rights with regard to the Collateral are in addition to and not exclusive of any other rights or remedies that Franchisor may have pursuant to this Agreement, at law, or in equity for Franchisee's breach of this Agreement.

11.10 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties, and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties, and covenants.

12 FRANCHISEE'S OPERATIONS

12.1 Operation of Franchised Business Location. To maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Use only those furnishings, fixtures, décor, equipment, supplies, music playlists, marketing material, signage and all branded items and merchandise that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;

12.1.2 Maintain and operate the Franchised Business location in attractive condition and good repair, using Franchisee's best efforts to maintain a clean, enjoyable and inviting atmosphere therein in accordance with System standards, the Manual and all other directives and requirements of Franchisor, and do such redecoration, repairing, refurbishing and restoration as from time to time may be reasonably required to meet

System standards and Franchisor's requirements as they may be modified from time to time;

12.1.3 Procure and hold all necessary licenses or permits required by any applicable governmental laws, ordinances, rules and regulations including those related to pet health, pet grooming, and sanitation and the use and disposal of pet grooming products;

12.1.4 Maintain sufficient inventories of merchandise and supplies, as prescribed by Franchisor;

12.1.5 Conduct sales in accordance with Franchisor's standards and specifications, Franchisee acknowledges and accepts that Franchisee may only engage in providing System products and services to end-users. Franchisee is expressly prohibited from selling products or services outside of the Franchised Business location, on the Internet, or to dealers and/or distributors for subsequent re-sale, and engaging in such sales shall be a material default of this Agreement;

12.1.6 Employ only engaging, outgoing and qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. At all times during the Term of this Agreement, employees rendering services that require a license shall have current such licenses issued in accordance with the requirements of the jurisdiction where the Franchised Business is located. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to patrons of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.7 Permit Franchisor or its agents, to inspect the Franchised Business location and any services, products or equipment, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

12.1.8 Prominently display signs in and upon the Franchised Business location using the Marks and/or other advertising and/or signs of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to not display in or upon the Franchised Business location or elsewhere any sign or advertising media of any kind to which Franchisor reasonably objects, including signs and advertising media which have been improperly made or which are outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business location or elsewhere and remove any objectionable or non-approved signs or advertising media and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specification, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

12.2. Bookkeeping and Reports.

12.2.1. Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures, charts of accounts, and software, applications or programs specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's proprietary information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System

12.2.2 Franchisee shall generate a monthly income statement and submit such monthly statement to Franchisor within twenty (20) days after the close of each calendar month during the Term. Franchisee shall further submit to Franchisor, within ninety (90) days after the close of each fiscal year of Franchisee, a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business for the applicable fiscal year, together with a balance sheet for the Franchised Business and Franchisee's tax return, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be compiled by an independent certified public accountant.

12.2.3. The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4. Franchisor reserves the right to require Franchisee to engage the services of a third-party bookkeeper or accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party bookkeeper accounting services firm by all System franchisees is beneficial to the System.

12.2.5. Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds that any Gross Sales Report was understated by two percent (2%) or more, for any four (4) week period. Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3. Computer Systems.

12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the POS System and computer hardware and software Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored

in Franchisee's POS System, other computer systems and web-based payment processing and bookkeeping accounts, including, without limitation, information concerning Net Sales. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's POS System, other computer systems and web-based payment processing accounts.

12.3.3 Franchisee may capture customer data only in strict accordance with Franchisor's specifications and only using those technologies and processes that are approved by Franchisor. Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's POS System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System, or for security purposes to protect the operation and integrity of Franchisor's systems.

12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.

12.3.6 Franchisor has established a website that provides information about the System and the products and services offered by the petbar Boutique System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website linking Franchisee's Franchised Business location, contact information and appointment calendar. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to such link to Franchisee's location upon expiration or termination of this Agreement for any reason.

12.3.7 In addition to Franchisee's obligations pursuant to Section 6.2 hereof, Franchisee shall pay all other fees and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, licensing or user-based fees.

12.3.8 Franchisee shall abide by Franchisor's data privacy policies. Nonetheless, Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and

payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4. Safety and Security of Premises. Franchisee is solely responsible for the safety and security of the Franchised Business premises for Franchisee, Franchisee's personnel, customers, agents and the general public. Franchisee shall (i) train all employees on, and comply with all best practices for animal safety, (ii) the handling, storage and disposals of shampoos, conditioners, and any other pet grooming products, (iii) train all employees on, and comply with all best practices and manufacturers' instructions for the use and sterilization of tools and equipment. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.

12.5 Prices. Subject to applicable law, Franchisor will set minimum and maximum prices for products and services offer by Franchisee. Franchisee shall have the right to sell its products and services at any price Franchisee determines within the minimum and maximum range. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

12.6 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor shall charge Franchisee the costs incurred in the inspection of the product and/or supplier. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service or supplier. If Franchisor or its Representatives fails to notify Franchisee of an objection within this time period, the item or supplier shall be deemed unapproved. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.7 Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by Franchisor or third-party providers, including, but not limited to, comment cards, customer surveys, mystery shop programs and periodic quality assurance audits ("Quality Assurance Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall implement any and all Quality Assurance Services, including subscription to any third-party provider to monitor the operations of the Franchised Business as directed by Franchisor.

12.8 Client Dispute Resolution. Franchisee acknowledges that customer satisfaction is essential to Franchisee's success as well as the reputation and success of the System and other petbar Boutique franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's clients; (ii) use good faith in all dealings with clients, potential clients, suppliers and creditors; (iii) respond to client complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve client disputes; and (v) within seven (7) days of receiving a request from Franchisor, provide Franchisor a written summary of the dispute.

Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

12.9 Operational Standards Violation. Franchisor has established certain operational standards, as set forth in the Manual. Franchisee acknowledges that any deviation from an operational standard constitutes a violation of this Agreement and will require Franchisor to incur incalculable administrative and management costs to address such violation. Accordingly, Franchisee agrees that, to compensate Franchisor for its incalculable administrative and management costs due to Franchisee's operational standard violation, Franchisee shall pay Franchisor an Operational Standards Violation Fee, as set forth in the Manual, for each violation of an operational standard. **Franchisee hereby authorizes Franchisor to take payment of the Operational Standards Violation Fee, at Franchisor's option, through electronic funds transfer or ACH payment.** Franchisor need not give Franchisee a cure opportunity before charging the Operational Standards Violation Fee, and Franchisor's imposition of an Operational Standards Violation Fee does not preclude Franchisor from seeking injunctive relief to restrain any subsequent or continuing violation, formally defaulting and terminating this Agreement or exercising any of Franchisor's rights under this Agreement.

12.9 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

13 ADVERTISING, PROMOTIONS AND RELATED FEES

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Local Advertising.

13.2.1 In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall spend monthly, throughout the term of this Agreement the greater of two percent (2%) of Net Sales or One Thousand Five Hundred Dollars ($1,500) per month earned in the prior calendar month on advertising for the Franchised Business in the Territory ("Local Advertising"). The utilization of our approved vendor for Search Engine Optimization fees is required as part of the Minimum Local Advertising Expenditures. Franchisor may require Franchisee to allocate to a

regional advertising cooperative, as described in Section 13.4, up to one-half of Franchisee's required Local Advertising expenditures.

13.2.2 Within twenty (20) business days after the close of the calendar month, Franchisee shall provide a monthly expenditure report accurately reflecting Franchisee's Local Advertising expenditures for the preceding monthly period. The following costs and expenditures incurred by Franchisee shall ***not*** be included in Franchisee's expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee's personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations; (v) any promotional discounts on products sold or services rendered.

13.2.3 Immediately preceding and following the opening of your petbar Boutique, Franchisee shall conduct a grand opening advertising campaign. Franchisee shall spend a minimum of Fifteen Thousand Dollars ($15,000.00) on initial Local Advertising and promotional activities in the Territory.

13.3 Brand and System Development Fund.

13.3.1 Franchisor has established a national Brand and System Development Fund (the "Brand and System Development Fund") on behalf of the System for national advertising, marketing, and brand development. Franchisee is required to contribute one percent (1%) of Net Sales to the Brand and System Development Fund ("Brand and System Development Fund Contribution"). Franchisor reserves the right to increase this amount up to three percent (3%) with thirty (30) days prior written notice. The Brand and System Development Fund Contribution will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Net Sales weekly, then, in addition to a late fee and interest pursuant to Sections 6.4 and 6.5 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand and System Development Fund Contribution payable. Franchisor shall reconcile amounts when Net Sales are reported. Franchisor reserve the right to change the collection timing of the Brand Fund from weekly to monthly with reasonable notice of thirty (30) days to you.

13.3.2. Franchisor shall direct the Brand and System Development Fund all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand and System Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3. Franchisor may, but has no obligation to, contribute to the Brand and System Development Fund on the same basis as Franchisee with respect to petbar Boutique outlets operated by Franchisor or Franchisor's affiliates.

13.3.4. Franchisor may use the Brand and System Development Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without

limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares).

13.3.5. The Brand and System Development Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand and System Development Fund and such costs and expenses pursuant Section 13.3.4. Franchisor further reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand and System Development Fund contributions. The Brand and System Development Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6. Franchisor will prepare an unaudited annual statement of the Brand and System Development Fund's operations and will make it available to Franchisee upon request. In administering the Brand and System Development Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7. Although the Brand and System Development Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand and System Development Fund, however, until all monies in the Brand and System Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts Franchisor requires.

13.5 Directory Listings and Social Media. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, X (Twitter), Bluesky, LinkedIn, YouTube, Threads, Tik Tok, blogs, or any other social media and/or networking site without Franchisor's prior written approval, and use of any social media accounts shall be in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards.

13.6 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval, at least fifteen (15) days before intended use, samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within fifteen (15) days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within fifteen (15) days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the petbar brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14 INTELLECTUAL PROPERTY

14.1 Ownership.

14.1.1 Franchisee expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) are the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) claim copyrights on certain material used in the System, including but not limited to, instructional material, the Website, documents, photographs, social media content, advertisements, promotional materials and the Manual, whether or not Franchisor and/or Franchisor's affiliate(s) have filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2 As between Franchisor and Franchisee, Franchisor and/or Franchisor's affiliate(s) are the owner of all right, title, and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's and/or Franchisor's affiliate(s)'s rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's and/or Franchisor's affiliate(s)'s service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business premises or in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and/or Franchisor's affiliate(s), and upon expiration or termination of this Agreement

and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's and/or Franchisor's affiliate(s)'s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor's affiliate(s) with all assignments, affidavits, documents, information and assistance Franchisor and/or Franchisor's affiliate(s) reasonably request to fully vest in Franchisor and/or Franchisor's affiliate(s) all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor's affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "petbar" and design. Franchisee shall not use the Marks as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of PB Franchise LLC".

14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent petbar franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.

14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the

foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

15 INSURANCE AND INDEMNIFICATION

15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1 Liability. Commercial general liability insurance, including contractual liability, public liability, personal and advertising injury, products liability, products/completed operations coverage, liability, and environmental damage in the amounts of at least One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate;

15.1.2 Property. Fire, vandalism and extended coverage insurance for property damage with primary and excess limits of not less than One Million Dollars ($1,000,000) or the full replacement value of Franchisee's leasehold improvements, furniture, equipment and other personal property, whichever is higher:

15.1.3 Employment. Worker's compensation coverage in the limits required by state law, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

15.1.4 Automobile. Coverage for all owned, leased, non-owned and hired vehicles used in the

Franchised Business in an amount of not less than One Million Dollars ($1,000,000) per occurrence. Such insurance shall include under-insured and uninsured motorist coverage as required by state law;

15.1.5 Crime and Employee Dishonesty. Coverage for Crime coverage in the amounts of One Hundred Thousand ($100,000.00) per occurrence for inside and outside crime. Employee dishonesty coverage will have minimum of One Hundred Thousand Dollars ($100,000.00) per occurrence.

15.1.6 Employment Practices Liability. Coverage for employment-related covered claims including but not limited to, discrimination, sexual harassment or wrongful termination brought by your employees or applicants of $25,000 per occurrence and in aggregate.

15.1.7 Umbrella Coverage. Additional coverage of financial protection if a covered claim against your business is more than your standard policy limits of $1,000,000 per occurrence and in aggregate.

15.1.8 Data Breach. Coverage to protect and defend you if the personally identifiable information you hold about clients, partners and employees is lost or stolen of $25,000 for data breach response and $50,000 for defense and liability.

Should Franchisee's landlord require higher insurance policy minimum(s) than set forth above, such higher minimum(s) shall control.

15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof, plus an administrative fee equal to ten percent (10%) of such cost for Franchisor's expenses in so acting. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the charge therefor.

15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.5 Additional Insured. All required insurance policies shall name Franchisor, and their Franchisor's affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees, and all required insurance policies shall contain a waiver of subrogation in favor of the additional insureds.

15.6 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS PB FRANCHISE LLC, PET BAR INC., AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES (COLLECTIVELY REFERRED TO AS THE "FRANCHISOR PARTY INDEMNITIES") AS WELL AS THE PETBAR' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES, FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S PETBAR FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE SERVICES, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE FRANCHISOR PARTY INDEMNITIES. FRANCHISEE AGREES TO PAY FOR ALL THE FRANCHISOR PARTY INDEMNITIES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE FRANCHISOR PARTY INDEMNITIES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE FRANCHISOR PARTY INDEMNITIES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE FRANCHISOR PARTY INDEMNITIES HARMLESS, FRANCHSIEE WILL REIMBURSE THE FRANCHISOR PARTY INDEMNITIES AS THE COSTS AND EXPENSES ARE INCURRED BY THE FRANCHISOR PARTY INDEMNITIES.

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16 TRANSFERS

16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge,

acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired facilities that are operating within the Territory to a petbar franchise during the Term of this Agreement.

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in any part of the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee or Principal(s). Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor, be individuals of good character and otherwise meet, in Franchisor's sole discretion, Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Training Programs to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor; and

16.3.9 If consent is required, the lessor of the Franchised Business's premises consents to the assignment or further sublet of the premises to the transferee.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to 50% of the then-current Initial Franchise Fee whenever the transfer of ownership of a petbar Boutique franchise occurs.

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. On the death or permanent disability of Franchisee or any of Franchisee's Principals, as the case may be, the Franchise granted by this Agreement will terminate, unless the Franchisor approves the potential transferee provided by the Franchisee's executor or personal representative. Accordingly, the executor, administrator, conservator or other personal representative of Franchisee or Franchisee's Principal, as the case may be, shall be required to transfer Franchisee's or Franchisee's Principal's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at Franchisor's then-current interim management support fee, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors, who are approved by Franchisor.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee seeks and/or obtains financing whereby funding is provided

with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any Collateral Franchisee uses to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment 9 are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) Franchisor shall subordinate its security interest or other lien on Franchisee's Collateral to that of the lender of the SBA Financing and (iii) Franchisor.

17 DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. The franchisee has up to 120 days to cure any non-curable default. The franchisor will offer consideration for an extension if the franchisee submits in writing why they are requesting additional time or what unavoidable circumstances occurred which prohibited the franchisee for curing the default within the allotted timeframe. The franchisor will provide a written response to the request within 10 days noting whether the request will be granted. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 has misrepresented or omitted material facts in applying for the Franchise;

17.2.2 fails to acquire a site for the Franchised Business and timely complete construction of the Franchised Business, fails to obtain, or suffers a lapse of, any licenses and permits in the Franchised Business location before opening and/or during operations, or open the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more; subject to loss or casualty which is governed by Section 17.2.4 and Section 17.2.5;

17.2.4 loses for any cause whatsoever the right of possession of the Franchised Business premises; provided, however, that this provision shall not apply if through no fault of Franchisee, Franchisee loses right of possession and Franchisee applies within thirty (30) days after such

event, for Franchisor's approval to relocate the Franchised Business (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such relocation in accordance with Section 8.5;

17.2.6 fails to restore the Franchised Business premises to full operation within a reasonable period of time but not more than one hundred twenty (120) days from the date the Franchised Business premises is rendered inoperable by any casualty, as may be extended by Franchisor in Franchisor's reasonable discretion;

17.2.7 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business or the failure to pay taxes;

17.2.8 defaults under any lease or sublease of the real property on which the Franchised Business is located;

17.2.9 understates Net Sales on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.10 fails to comply with the covenants in Article 15;

17.2.11 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.12 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.13 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or engages in any conduct that could reasonably cause harm the reputation of the System or the goodwill associated with the Marks;

17.2.14 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.15 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.16 creates a threat or danger to public health or safety from the construction, maintenance or operation of the Franchised Business;

17.2.17 refuses to permit Franchisor to inspect the Franchised Business or audit Franchisee's books or records;

17.2.18 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.19 fails to comply with the non-competition covenants in Section 19.5;

17.2.20 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the Term of this Agreement or has been given at least two (2) notices of

default in any consecutive twelve (12)–month period, whether or not the defaults have been corrected;

17.2.21 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.22 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, a supplier or Franchisee's landlord and does not cure such default within the time period provided in such other agreement; or

17.2.23 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Sections 17.2.20 and/or 17.2.21;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.20.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 enter upon the Franchised Business location and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor the then-current interim management support fee as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all

fringe benefits plus all travel expenses, lodging, meals and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Suspend Operations. In the event of a default by Franchisee pursuant to Section 17.2.6 hereof, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may instruct Franchisee to immediately suspend operation of the Franchised Business, until Franchisee has cured such non-compliance to Franchisor's satisfaction. Non-operation of the Franchised Business due to regulatory or other legal non-compliance shall specifically be subject to Section 17.3.2 hereof. In addition, Franchisee shall remain liable to pay a minimum Royalty Fee that is equal to the average amount paid by Franchisee during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee had been in business.

17.7 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

18 POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current petbar Boutique owner, franchisee or licensee;

18.1.2 immediately and permanently (i) cease to use the Marks, any imitation of any Mark, logos, copyrighted material, or other intellectual property, Confidential Information (as defined in Section 19.2 hereof), confidential or proprietary material or indicia of a petbar Boutique outlet, (ii) cease to use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Franchisor's affiliates, or the System and (iii) de-identify the Franchised Business premises. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms, and any other articles, which display the Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor

as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by Franchisee and located at the Franchised Business location at the time of default;

18.1.5 pay to Franchisor all damages for any breach or early termination of this Agreement, plus, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law; and

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19.

18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average monthly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2 Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within sixty (60) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings, equipment (including any point of sale system), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from

Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the options described in Sections 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media accounts and internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.6, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, social media accounts, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19 NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1 Operations Manual.

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in an electronic form, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and Principal(s) shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Principal(s) shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.

19.2 Confidential Information. Franchisee and Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and Principal(s) will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Franchisee and Principal(s) covenant and agree that Franchisee and Principal(s) shall not, during the term during the term of this Agreement and thereafter,

communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenants in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or Principal(s) develops any new concept, process, product, design, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, design or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee acknowledges and agrees that nothing in this Section 19.4 permits Franchisee to test, introduce, provide, or otherwise offer any Improvement to customers, or use any Improvement in the operation of the Franchised Business, unless and until Franchisor consents to the use of the Improvement for such purpose.

19.5 Noncompetition Covenants. Franchisee and Principal(s) specifically acknowledge that, pursuant to this Agreement, Franchisee and Principal(s) will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee and Principal(s). Franchisee and Principal(s) acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and Principal(s) are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and Principal(s) covenant that, except as otherwise approved in writing by Franchisor:

19.5.1. During the term of this Agreement, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any pet care or supply business similar to the System; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere

with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any petbar franchisees or Franchisor-affiliated outlets.

19.5.2. Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any pet care or supply business within ten (10) miles of the Territory or any petbar location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any petbar franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal, if any, acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principal(s), if any, since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunctive Relief. Franchisee and Principal(s) acknowledge that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and Principal(s) hereby consent to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9 No Defense. Franchisee and each Principal, if any, expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the form set forth in Attachment 7 as revised and updated from time to time and contained in the Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's

failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

19.11 Liquidated Damages – Violation of Confidentiality or Non-Competition Covenants. In the event Franchisee and/or Principal(s) violate the covenants of confidentiality and/or non-competition set forth herein, Franchisee and/or Principal(s) shall pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) an amount equal to One Hundred Thousand Dollars ($100,000.00), plus Franchisor's attorney's fees, for each such violation. Franchisee and Principal(s) acknowledge that a precise calculation of the full extent of the damages that Franchisor will incur in the event of Franchisee's and/or Principal(s)' violation of the covenants of confidentiality and/or non-competition is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 19.9 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision hereof.

20 DISPUTE RESOLUTION

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees and travel costs incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Texas. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Texas. Franchisee and its Principal(s), except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Dallas County, Texas. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.4 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.3 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute

arising hereunder. Each of Franchisee, Principal(s), if any, and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.5 Waiver of Certain Damages. Franchisee and Principal(s) hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

20.6 Limitations of Claims. Any and all claims asserted by Franchisee and Principal(s) arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee or Principal(s) knew or should have known of the facts giving rise to such claims.

20.7 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21 GENERAL

21.1 Relationship of the Parties.

21.1.1 Independent Contractor. Franchisee is and shall be an independent contractor under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee or Principal(s) which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer

or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisor has no authority to control, either directly or indirectly, the essential terms and conditions of employment of Franchisee's employees. Franchisee acknowledges and agrees that Franchisee, in Franchisee's sole and absolute discretion, shall determine all such essential terms and conditions of employment, which are defined in the Manual or otherwise defined by law. Franchisee specifically agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a petbar boutique outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf, participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principal(s) in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing in this Agreement or in any related agreement is intended to disclaim the representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed, and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and Principal(s) shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than at the Franchised Business location shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Franchised Business location.

21.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 17 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.10 Consent to Do Business Electronically. This agreement is made in the State of Texas. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Texas, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their electronic signature, including any DocuSign signature(s), to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature, including DocuSign signature(s) as the respective party's signature.

22.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile or .pdf signature page shall be binding.

21.12 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

THE PARTIES HERETO have duly signed and executed this PB Franchise LLC, Franchise Agreement as of the day and year first above written.

FRANCHISOR:
PB FRANCHISE LLC

By:_____
Name: _____
Title:_____

FRANCHISEE (Entity):

_____

By:_____
Name:_____
Title:_____

FRANCHISEE (Principal):

_____
Name:_____

FRANCHISEE (Principal):

_____
Name:_____

ATTACHMENT 1

TRADEMARKS

Service Marks –

PETBAR

ATTACHMENT 2

TERRITORY DESCRIPTION AND FRANCHISED BUSINESS LOCATION

(If there is no Approved Site on the Effective Date, include: **TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER A PETBAR BOUTIQUE SITE IS APPROVED BY FRANCHISOR IN THE NON-EXCLUSIVE SITE SEARCH AREA OF _____.)

Territory (insert map and/or define by zip codes):

_____

_____

_____

_____

Franchised Business Address:

_____

_____

Operating Principal:_____

ATTACHMENT 3

AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **PB FRANCHISE LLC**

I (We) hereby authorize PB Franchise LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name:_____ Branch: _____

City:_____ State:_____ Zip:_____ Phone: _____

ACH/Routing Number:_____ Account Number: _____
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

Print Franchisee / Account Holder Name	Print Franchisee/Co-Account Holder Name
Franchisee/ Account Holder Signature-Date	Franchisee/Co-Account Holder Signature-Date
Daytime Phone Number	Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to: PB Franchise LLC
3406 Asbury Street, Dallas TX 75205
Phone #: 214-680-5136

ATTACHMENT 4

CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _____("Assignor") hereby assigns and transfers to PB Franchise LLC, a Texas limited liability company with a notice address of 3406 Asbury Street, Dallas TX 75205 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as _____. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and Assignor's interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of Assignor's interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a petbar Boutique outlet between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

DATED: _____ By:_____

_____,_____
(Print Name, Title)

DATED: _____ _____

DATED: _____ _____

CONSENT AND AGREEMENT OF LANDLORD

to that Conditional Assignment of Lease from _____ (Assignor) to PB Franchise LLC (Assignee) dated _____ for the property known as _____ _____.

The undersigned Landlord under the aforedescribed Lease further hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;

(c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;

(d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

(e) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to de-identify the Premises as a petbar outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: _____ LANDLORD:

_____

_____

ATTACHMENT 5

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE ENITY

Name	**Percentage of Ownership**

ATTACHMENT 6

SPOUSAL GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on _____ to PB Franchise LLC a Texas limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the "Franchisee Agreement") with _____, a(n) _____, _____ and _____ (collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

_____
Signature
Name:_____
Address:_____
_____
_____

ATTACHMENT 7

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this _ day of _____, 20____, by _____, a(n) _____ ("Franchisee"), a franchisee of PB Franchise LLC, a Texas limited liability company ("Franchisor"), and _____, an individual ("Covenantor") in connection with a Franchise Agreement dated _____.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____, 20____ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks and copyrights, including but not limited to, the petbar trademarks and logo, website, documents, advertisements, photographs, social media content, promotional materials and operations (collectively referred to as the "Intellectual Property") for the establishment and operation of a petbar Boutique Franchised Business outlets;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Intellectual Property and other confidential information, knowledge, know-how, techniques, training, and other materials used in or related to the petbar Boutique brand and/or concerning the methods of operation of the petbar Boutique franchised business (collectively referred to as "Confidential Information");

WHEREAS, the Intellectual Property and Confidential Information provide economic advantages to Franchisor and licensed users of Franchisor, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Intellectual Property and Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Intellectual Property and Confidential Information and further protecting the petbar Boutique brand against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Intellectual Property and Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use the Intellectual Property and such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a petbar Boutique franchised business under the Franchise Agreement and in accordance with the requirements thereof.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Intellectual Property or Confidential Information, and shall not reproduce, in whole or in part, any of the Intellectual Property or Confidential Information, without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of Franchisee's petbar Boutique franchised business.

d. Covenantor shall surrender any material containing some or all of the Intellectual Property or Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the petbar Boutique brand.

f. Upon termination of employment or association with Franchisee, Covenantor shall immediately lose all rights to access and/or use the Intellectual Property and Confidential Information for any purpose whatsoever.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of Franchisee's petbar Boutique franchised business or of other franchisees in the petbar Boutique franchise system to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any pet care or supply business substantially similar to the Franchisee's petbar Boutique franchised business ("Competitive Business").

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the petbar Boutique system, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of Franchisee's petbar Boutique franchised business or of other franchisees in the petbar Boutique system to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational, or supervisory capacity in any Competitive Business within ten (10) miles of Franchisee's Territory or the territory of any other petbar Boutique affiliate-owned or franchised business.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or

attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE FRANCHISEE'S PETBAR BOUTIQUE FRANCHISED BUSINESS IS LOCATED, WITHOUT REFERENCE TO SUCH STATE'S CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF SUCH STATE. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN SUCH STATE; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

_____

_____

_____

If directed to Covenantor:

_____

_____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

COVENANTOR:

_____
Name: _____

ATTACHMENT 8

INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date") by and between PB Franchise LLC, a Texas limited liability company (the "Franchisor"), and _____ a(n)_____, with its principal place of business located at _____ and _____'s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a petbar Boutique business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the petbar brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Websites, Social Media, and Software Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising and Telephone Listings: (i) to transfer all of Franchisee's interest in such Electronic Advertising and Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Telephone Listings, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising and Telephone Listings or will take such other actions with respect to the Electronic Advertising and Telephone Listings as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising and Telephone Listings to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising and Telephone Listings;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the

particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Texas, without regard to the application of Texas conflict of law rules.

(Signatures appear on the following page)

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:
PB FRANCHISE LLC

By:_____
Name: _____
Title:_____

FRANCHISEE (Entity):

_____

By:_____
Name:_____
Title:_____

FRANCHISEE (Principal):

_____
Name:_____

FRANCHISEE (Principal):

_____
Name:_____

ATTACHMENT 9

PROVISIONS APPLICABLE TO SBA FINANCING

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

i. Approve the annual budget of the Franchised Business;
ii. Have control over the bank accounts of the Franchised Business; AND
iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.

EXHIBIT B

MULTI-UNIT DEVELOPMENT AGREEMENT

PB FRANCHISE LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

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LIST OF ATTACHMENTS

Attachment 1: Development Area
Attachment 2: Development Fee and Mandatory Development Schedule

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of _____, (the "Effective Date") by and between PB Franchise LLC, a Texas limited liability company with its principal place of business at 3406 Asbury Street, Dallas, Texas 75205 (herein "Franchisor") and _____, an individual residing at _____ _____ and _____, an individual residing at _____ _____ (herein "Developer").

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established an upscale personalized pet grooming and bathing boutique under the petbar trademarks, and using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive, décor, fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks**,** trademarks, logos, emblems and indicia of origin, including but not limited to the petbar service mark, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Pursuant to franchise agreements, Franchisor licenses to others the right to operate petbar outlets, using the Marks and System, in strict conformity therewith, which may be changed, improved and further developed by Franchisor from time to time (each a "Franchise Agreement").

Developer understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating franchised businesses of the System in conformity with Franchisor's standards and specifications.

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 1 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1 RECITATIONS.

The Recitations set out above form part of this Agreement.

2 GRANT OF DEVELOPMENT RIGHTS.

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not

limited to, the execution of a Franchise Agreement pursuant to Section 4.1 hereof, the right to develop, construct, open and operate one (1) petbar Boutique outlet within the Development Area set forth in Attachment 1. Developer shall be granted rights to establish additional petbar Boutique outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Attachment 2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Sections 5.1 and 5.4 hereof.

2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of petbar products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's right to the rights to offer (i) other products or services not offered under the Marks, (ii) other pet care and grooming concepts under the Marks or other trademarks, and (iii) products or services through any channel in the Development Area other than a dedicated petbar Boutique such as distribution through retail outlets, including but not limited to, captive market locations, such as airports, arenas, hotels, or similar public venues, and the Internet.

2.3 No License to System and Marks. Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate a petbar Boutique outlet, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more petbar Boutique outlets in the Development Area only. Developer's rights to open and operate a petbar Boutique outlet and use the System and Marks shall be derived only through the execution of a Franchise Agreement for each petbar Boutique outlet to be established in the Development Area.

3 TERM. Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Franchisor under this Agreement shall expire on the date on which Developer successfully and in a timely manner has complied with all of Developer's obligations hereunder and has completed the development obligations in accordance with the Development Schedule.

4 DEVELOPMENT AND FRANCHISE FEES.

4.1 Multi-Unit Development Fee. In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee (the "Development Fee") as outlined in Attachment 2 hereto. The Development Fee is fully earned at the time this Multi-Unit Development Agreement is signed and is not refundable under any circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement.

The Development Fee is fully earned at the time this Multi-Unit Development Agreement is signed and is not refundable under any circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement. The Development Fee is calculated as one hundred percent (100%) of the initial franchise fee for the first outlet and a reduced initial franchise fee will be second and each additional outlet you commit to develop. The reduced initial franchise fee is Thirty-Five Thousand Dollars ($35,000) for the second outlet and Thirty Thousand Dollars ($30,000) for each additional outlet you commit to development.

4.2 Application of Development Fee. Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first petbar Boutique outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of each of additional Franchise Agreement for outlets to be developed hereunder, Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the full amount of the Initial Franchise Fee payable pursuant to each such additional Franchise Agreement. Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the petbar Boutique outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

5. EXERCISE OF DEVELOPMENT RIGHTS.

5.1 Valid Exercise. Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each petbar Boutique outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor's current form of Franchise Agreement for the first petbar Boutique outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent petbar Boutique outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in in Section 4.1 hereof. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to each additional petbar Boutique outlet. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open and operate each of Developer's petbar Boutique outlets in the Development Area.

5.2 Mandatory Development Schedule. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for Developer's first petbar Boutique outlet, Developer shall execute an additional Franchise Agreement for the development of the second petbar Boutique outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for each subsequent petbar Boutique Philadelphia outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next petbar Boutique outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the petbar Boutique outlets in accordance with the Mandatory Development Schedule in Attachment 2 hereto. Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall

constitute a material event of default under this Agreement.

5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. All time extension requests must be submitted in writing to the franchisor within 30 days prior to the development deadline for consideration. The franchisor will have 10 days to respond in writing as to whether the request for extension will be granted. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

5.4 Conditions to Exercise Developer's Rights. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional petbar Boutique outlet in accordance with Section 4.1 hereof and pursuant to a Franchise Agreement:

5.4.1 Developer shall (i) request Franchisor's then-current Franchise Disclosure Document, (ii) submit to Franchisor all information and other documents requested by Franchisor prior to and as a basis for the issuance of Franchise Agreements in the System, (iii) submit to Franchisor all financial statements reasonably requested by Franchisor, and (iv) satisfy Franchisor's then-current financial criteria for multi-unit franchisees.

5.4.2 Developer shall be in full compliance with this Agreement, the Mandatory Development Schedule, and all Franchise Agreements with Franchisor and any other agreement with Franchisor or Franchisor's affiliates;

5.4.3 Developer has demonstrated the management skills necessary for competent operation, organization, customer service and record keeping of an additional petbar Boutique outlet as determined by Franchisor, in Franchisor's sole discretion.

5.5 Termination for Failure of Condition. Notwithstanding anything to the contrary contained herein, in the event that Franchisor determines, in Franchisor's sole and absolute discretion, that any condition set forth in Section 5.4 hereof cannot be satisfied, Franchisor may terminate this Agreement upon written notice to Developer. Termination of this Agreement in accordance with this Section 5.5 shall have no effect on the validity of any other agreement between Franchisor and Developer, provided that Developer is in full compliance therewith.

6 TRANSFER

6.1. Transfers by Franchisor.

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all

of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

6.1.2. Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of Developer's locations).

6.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the pet grooming and supply business or to offer or sell any products or services to Developer.

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:

6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees.

6.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate multiple petbar Boutique outlets and to comply with this Agreement;

6.3.3 The transferee has agreed to complete Franchisor's Initial Franchise Training Program to Franchisor's satisfaction;

6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;

6.3.5 The transferee has executed Franchisor's then-standard form of Multi-Unit Development Agreement, which may have terms and conditions different from this Agreement, for a term

no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;

6.3.6 Developer and the transferee shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;

6.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the transferee's development obligations. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Developer's development rights on such terms and conditions. Developer shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

6.3.8 If Developer, through Developer or any entity, finances any part of the sale price of the Transfer, Developer agrees that all obligations of the transferee under any notes, agreements or security interests to Developer or Developer's entity will be subordinate to the transferee's obligations to Franchisor.

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to $15,000 for each outlet remaining to be developed in accordance with the Mandatory Development Schedule.

6.5 Franchisor 's Right of First Refusal.

6.5.1 If Developer wishes to transfer all or part of his or her interest in this Agreement pursuant to any bona fide offer received from a third party to purchase such interest, then Developer shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

6.5.2 Franchisor has the right, exercisable by written notice to Developer within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement for the price and on the terms and conditions contained in the offer.

6.5.3 Developer further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the third-party offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from Developer all customary representations and warranties given by a seller of franchise development rights.

6.5.4 If Franchisor does not exercise its right to buy within thirty (30) days, Developer may thereafter transfer the interest to the transferee on terms no more favorable than those

disclosed to Franchisor, provided that such transfer is subject to Franchisor 's prior written approval pursuant to Section 6.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the development rights granted by this Agreement will terminate, unless prohibited by applicable law. If prohibited by applicable law, the executor, administrator, conservator or other personal representative of Developer will transfer Developer's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 6 and unless transferred by gift, devise or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Developer from supervising the development and operation of Developer's petbar outlets continuously for six (6) months from its onset.

7 DEFAULT AND TERMINATION.

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's petbar outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

7.2 Defaults with No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:

7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;

7.2.2 falsifies any report required to be furnished Franchisor hereunder;

7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's petbar Boutique outlets, including, but not limited to, the failure to pay taxes;

7.2.4 fails to develop the petbar Boutique outlets in accordance with the Mandatory Development Schedule.

7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;

7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that may harm the reputation of the System or the goodwill associated with the Marks;

7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor, or any of Franchisor's affiliates or suppliers, or a landlord and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

7.3 Curable Defaults. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:

7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Section 7.2;

7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.

7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i)

immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of a petbar Boutique outlet; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of petbar Boutique outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

8.2 Protection of Information. Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.

8.3 Noncompetition Covenants. Developer acknowledges that, pursuant to this Agreement, Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of petbar Boutique outlets, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:

8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's petbar Boutique outlets or of other developers or franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any pet care or supply business; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere

with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any petbar Boutique developers or franchisees or Franchisor-affiliated outlets.

8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's petbar Boutique outlets or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any pet care or supply business within ten (10) miles of the Development Area or any petbar location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any petbar Boutique developers or franchisees.

8.4 Reasonableness of Restrictions. Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

8.6 Injunctive Relief. Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.

8.7 No Defense. Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

9 INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS PB FRANCHISE LLC, AND ANY ITS PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "PETBAR INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S PETBAR BOUTIQUE OUTLETS TO BE DEVELOPED HEREUNDER, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO ANY OF SUCH PETBAR BOUTIQUE

OUTLETS, WHETHER CAUSED BY DEVELOPER'S AGENTS OR EMPLOYEES, OR ARISING FROM DEVELOPER'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE PETBAR INDEMNITEES. DEVELOPER AGREES TO PAY FOR ALL THE PETBAR INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE PETBAR INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE PETBAR INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE PETBAR INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE PETBAR INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE PETBAR INDEMNITEES.

_____
Initial

10. DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Exhibits hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 11.7 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

10.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Developer shall provide Franchisor with written notice of Developer's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Developer's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

10.3 Exceptions. Notwithstanding the requirements of Sections 10.2, the following claims shall not be subject to mediation:

10.3.1 Franchisor's claims for injunctive or other extraordinary relief;

10.3.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

10.3.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter

amended, relating to the ownership or validity of the Marks; and

10.3.4 enforcement of Developer's post-termination obligations, including but not limited to, Developer's non-competition covenants.

10.4 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Texas. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Texas. Developer, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Dallas County, Texas. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

10.5 Mutual benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

10.6 Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.

10.7 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.

10.8 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

10.9 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

11. GENERAL

11.1 Independent Licensee. Developer is and shall be an independent licensee under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to

incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the petbar Boutique outlets.

11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.

11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

11.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, except the representations made to Developer in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

11.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.

11.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

11.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.

11.8 Effect of Waivers No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

11.10. Consent to Do Business Electronically. The parties to this Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Texas, the parties hereby affirm to each other that they agree with the terms of this Agreement, and by attaching their signature electronically to this Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on an electronic signature as the respective party's signature.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

11.10 Survival. Any obligation of Developer that contemplates performance of such obligation after termination, expiration or transfer of this Agreement shall be deemed to survive such termination, expiration or transfer.

The parties hereto have executed this Multi-Unit Development Agreement in on the day and year first above written.

FRANCHISOR:
PB FRANCHISE LLC

By:_____
Name: _____
Title:_____

DEVELOPER:

_____
Name:_____

ATTACHMENT 1

DEVELOPMENT AREA

(insert map and/or define by zip codes):

ACCEPTED:

FRANCHISOR:
PB FRANCHISE LLC

By:_____
Name: _____
Title:_____

DEVELOPER:

_____
Name:_____

ATTACHMENT 2

DEVELOPMENT FEE AND MANDATORY DEVELOPMENT SCHEDULE

A. The Agreement authorizes and obligates the Developer to establish and operate _____ (__) "petbar" Boutique outlet, pursuant to a Franchise Agreement for each outlet in the Development Area.

B. The following is Developer's Mandatory Development Schedule:

Outlet Number	Outlet Open and Operating by ("Development Deadline")	$_____ Development Fee, per Section 4.1, paid on _____ ("Effective Date")
One (1)		$45,000
Two (2)		$35,000
Three (3)		$30,000

ACCEPTED:

FRANCHISOR:
PB FRANCHISE LLC

By:_____
Name: _____
Title:_____

DEVELOPER:

_____
Name:_____

EXHIBIT C

OPERATING MANUAL TABLE OF CONTENTS

PB Franchise LLC

Franchise Operations Manual

FEBRUARY 2024

All material in this manual is confidential and not for reproduction or public consumption. No part of this publication may be reproduced in any form without permission in writing from PB Franchise LLC.

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Section 2 Boutique Build Out		
2-1	2.1.2	Site Submission Form
2-2	2.3.1	petbar Design Control Document
2-3	2.3.3.3	Sample Car Wrap
2-4	2.3.3.4	Exterior Sign Specifications
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2-12	2.4.1	Retail Inventory
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3-2	3.2.2	Form I-9, Employment Eligibility Verification
3-3	3.2.4	OSHA Record Keeping
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5-6	5.4.2	Daily Dog List Form Example
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5-14	5.5.4	Closing Checklist for 2 Bathers
5-15	5.6.1	Cleaning Check List
5-16	5.6.2	Equipment Maintenance Schedules
5-17	5.8.4	Chart of Accounts with Detailed Descriptions
5-18	5.8.4	QuickBooks Chart of Accounts Import File

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5-19	5.9	Secret Shopper Form
		Shampoo Machine Set Up
		Dilution and Cleaning Guide
		Appointment Wait List
		Bather Quality Checklist

EXHIBIT D

FORM OF RELEASE

GENERAL RELEASE

_____ ("Franchisee") and its principal(s):

_____

_____

(collectively, "Franchisee's Principal(s)"), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless PB Franchise LLC ("Franchisor"), petbar Inc, their affiliates, and each of their respective officers, directors, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated _____ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Executed as of _____.

FRANCHISEE:

By: _____

_____, _____
(Name, Title)

FRANCHISEES'S PRINCIPAL:

_____

Print Name: _____

_____

Print Name: _____

EXHIBIT E

FINANCIAL STATEMENTS

PB FRANCHISE LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2024

PB FRANCHISE LLC

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Independent Auditor's Report

To the Members
PB Franchise LLC
Dallas, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PB Franchise LLC which comprise the balance sheets as of December 31, 2024, and 2023 and the related statements of operations, changes in members' (deficit) and cash flows for the years ended December 31, 2024, 2023, and 2022 and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of PB Franchise LLC as of December 31, 2024, and 2023 and the results of its operations and its cash flows for the years ended December 31, 2024, 2023, and 2022 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 (GAAS). 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 PB Franchise LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial 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 PB Franchise LLC's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 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 GAAS, 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 PB Franchise LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about PB Franchise LLC's ability to continue as a going concern for a reasonable period of time.

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

Reese CPA LLC

Ft. Collins, Colorado
May 12, 2025

PB FRANCHISE LLC
BALANCE SHEETS

	AS OF DECEMBER 31, 2024	2023
ASSETS:		
CURRENT ASSETS		
Cash	$ 55,863	$ 22,498
Franchisee receivable	4,333	16,680
Contract acquisition costs, current	77,618	126,647
TOTAL CURRENT ASSETS	137,814	165,825
NON-CURRENT ASSETS		
Contract acquisition costs	378,111	525,913
Intangible assets	10,625	12,009
TOTAL ASSETS	$ 526,550	$ 703,747
LIABILITIES AN MEMBERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 38,106	$ 94,993
Due to related party	98,162	94,244
Non-refundable deferred franchise fees, current	94,907	158,315
TOTAL CURRENT LIABILITIES	231,175	347,552
LONG-TERM LIABILITIES		
Non-refundable deferred franchise fees	483,889	656,396
TOTAL LIABILITIES	715,064	1,003,948
MEMBERS' (DEFICIT)		
Member contributions	8,100	8,100
Accumulated (deficit)	(196,614)	(308,301)
TOTAL MEMBERS' (DEFICIT)	(188,514)	(300,201)
TOTAL LIABILITIES AND MEMBERS' (DEFICIT)	$ 526,550	$ 703,747

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

PB FRANCHISE LLC
STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31,		
	2024	**2023**	**2022**
REVENUES			
Franchise fees	$ 258,414	$ 313,611	$ 405,537
Royalties	724,654	586,430	196,234
Other	90,560	49,798	57,253
TOTAL REVENUES	1,073,628	949,839	659,024
OPERATING EXPENSES			
Payroll and related costs	194,934	443,319	128,894
Franchise expenses	231,153	328,508	498,256
General and administrative	108,059	98,191	131,925
Professional fees	107,765	80,081	23,338
Advertising expenses	85,349	46,784	9,847
Amortization expense	1,384	1,384	1,384
TOTAL OPERATING EXPENSES	728,644	998,267	793,644
OPERATING INCOME (LOSS)	344,984	(48,428)	(134,620)
OTHER INCOME (EXPENSE)	1,408	-	-
NET INCOME (LOSS)	$ 346,392	$ (48,428)	$ (134,620)

The accompanying notes are an integral part of these financial statements

PB FRANCHISE LLC
STATEMENTS OF CHANGES IN MEMBERS' (DEFICIT)
YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

`

	Member Contributions	Accumulated Earnings (Deficit)	Total Members' Equity
BALANCE, DECEMBER 31, 2021	**$ 8,100**	**$ (80,801)**	**$ (72,701)**
Distributions	-	(25,557)	(25,557)
Net (loss)	-	(134,620)	(134,620)
BALANCE, DECEMBER 31, 2022	**8,100**	**(240,978)**	**(232,878)**
Distributions	-	(18,895)	(18,895)
Net (loss)	-	(48,428)	(48,428)
BALANCE, DECEMBER 31, 2023	**8,100**	**(308,301)**	**(300,201)**
Distributions	-	(234,705)	(234,705)
Net income	-	346,392	346,392
BALANCE, DECEMBER 31, 2024	**$ 8,100**	**$ (196,614)**	**$ (188,514)**

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

PB FRANCHISE LLC
STATEMENT OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		
	2024	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ 346,392	$ (48,428)	$ (134,620)
Adjustments to reconcile net income to net cash provided by operating activities:			
Recognition of non-refundable deferred franchise sales	(235,915)	(313,601)	(405,537)
Recognition of contract acquisition costs	196,831	260,925	352,936
] Amortization expense	1,384	1,384	1,384
Change in assets and liabilities			
Franchisee receivables	12,347	(16,626)	99,594
Contract acquisition costs	-	(19,500)	(243,500)
Accounts payable	(56,887)	72,472	(8,490)
Non-refundable deferred franchise fees	-	135,000	333,000
Net cash provided (used) by operating activities	264,152	71,626	(5,233)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash (used) in investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to related party	3,918	(89,871)	56,845
Distributions to members, net	(234,705)	(18,895)	(25,557)
Net cash provided (used) by financing activities	(230,787)	(108,766)	31,288
NET INCREASE (DECREASE) IN CASH	33,365	(37,140)	26,055
CASH, beginning of year	22,498	59,638	33,583
CASH, end of year	$ 55,863	$ 22,498	$ 59,638
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest	$ -	$ -	$ -

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

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PB Franchise LLC ("Company") is a Texas limited liability company and was formed August 31, 2017.

The Company offers franchises to own and operate an upscale personalized pet grooming and bathing boutique that provides related products and services to the general public (the "***petbar Boutique***").

Related Parties

Pet Bar, Inc., a Texas corporation, was formed on April 9, 2015. It has operated a petbar Boutique since 2015 and opened a second Boutique in 2020.

Pet Bar Boutique, LLC, a Texas limited liability company was formed in September 2023 and opened a boutique in 2024.

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Franchisee Receivables

The Company's franchisee receivables primarily result from initial franchise fees, royalty fees, and other fees charged to franchisees. The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. The Company reports these receivables at net realizable value.

Management determines the allowance for doubtful accounts based on historical losses, current expectations, and economic conditions. On a continuing basis, management analyzes delinquent accounts receivable and, once these accounts receivable are determined to be uncollectible, they are written off through a charge against an existing allowance account. The allowance account is reviewed regularly and adjusted against earnings as appropriate. The Company determined that an allowance on outstanding franchisee receivables of $0 and $0 was necessary as of December 31, 2024, and 2023. Franchisee's bad debt expense for the years ended December 31, 2024, 2023, and 2022 was $0, $0, and $40,000, respectively. Franchisee amounts written off for the years ended December 31, 2024, 2023, and 2022 were $0, $0, and $40,000, respectively.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

Intangible assets consist of the following as of December 31:

	2024	2023
Franchise development costs	$ 25,774	$ 25,774
Less accumulated amortization	(15,149)	(13,765)
	$ 10,625	$ 12,009

Amortization expense was $1,384, $1,384, and $1,384 for the years ended December 31, 2024, 2023, and 2022. Amortization expense is expected to be $1,400 per year for the next five years.

Revenue Recognition, Non-refundable Deferred Franchise Fees, and Contract Acquisition Assets

The Company recognizes revenues under the guidance of ASC 606, "Contracts with Customers". The Company's revenue is principally generated through franchise agreements with the Company's franchisees.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation, and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

When a qualified party purchases a petbar Boutique franchise, the Company grants the franchisee the right to operate the franchised business in a designated territory and to use the proprietary methods, techniques, trade dress, trademarks, and logos ("symbolic intellectual property" or "IP"). Revenues related to the designated territory and IP are continuing royalties that are 5.0% of gross revenues. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed weekly and are recognized as revenue when earned.

Revenue from initial franchise fees is allocated to the performance obligations in the franchise agreement that are distinct from the territory rights and symbolic intellectual property. The amount allocated to each identified performance obligation is determined using the expected cost plus a margin or fair market value approach. Revenue from initial fees is recognized when the performance obligation is satisfied and control of the goods or service has been transferred to the franchisee. Unearned initial fee revenues will be recorded as non-refundable deferred revenue. Commissions and other direct costs related to unsatisfied performance obligations will be recorded as a contract acquisition asset and are recognized as an expense when the related performance obligation has been satisfied.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The stockholders of the Company have elected to be treated as a partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's members and no provision for federal or state income taxes has been recorded in the accompanying financial statements.

The Company follows accounting requirements associated with uncertainty in income taxes under the provisions of Financial Accounting Standards Board ("FASB") ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements for the years ended December 31,2024, 2023, and 2022.

Advertising Expenses

The Company expenses advertising costs for the selling of franchises as incurred. Advertising costs charged to expense were $85,349, $46,784, and $9,847 for the years ended December 31, 2024, 2023, and 2022.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, franchise receivables. The Company deposits its temporary cash investments with financial institutions. At times throughout the year the Company may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. Management does not believe the Company is exposed to any unusual risks on such deposits. The Company grants credit to franchisees. The Company's ability to collect the amounts due from franchisees is affected by fluctuations in the economy and the operations of the franchisees.

Recently Adopted Accounting Guidance

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). Management has not yet determined the effect the adoption of the other recently issued ASUs, including those not yet effective, could have on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recognized an asset for the incremental costs and recorded a liability for unearned revenue associated with franchisee acquisition and acceptance performance obligation of the Company's franchise agreement. The account balances and activity are as follows:

	December 31, 2024	December 31, 2023
Contract Acquisition Costs:		
Balance beginning of year	$ 652,560	$ 893,985
Deferral of contract acquisition costs	-	20,250
Recognition contract acquisition costs	(196,831)	(261,675)
Balance at end of year	$ 455,729	$ 652,560
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	$ 814,711	$ 993,312
Deferral of non-refundable franchise fees	-	135,000
Recognition of non-refundable franchise fees	(235,915)	(313,601)
Balance at end of year	$ 578,796	$ 814,711

Estimated Recognition of Non-refundable Deferred Franchise Fees and Contract Acquisition Costs

Estimated revenues and contract acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported at December 31, 2024, is as follows:

	Contract Acquisition Costs	Non-refundable Franchise Fees
Year ending December 31:		
2025	$ 77,618	$ 94,907
2026	69,371	84,881
2027	69,231	84,748
2028	69,420	84,980
2029	69,231	84,748
Thereafter	100,858	144,532
	$ 455,729	$ 578,796

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31, 2024, 2023, and 2022 is as follows:

	2024	2023	2022
Performance obligations satisfied at a point in time	$ 837,713	$ 636,238	$ 659,024
Performance obligations satisfied by the passage of time	235,915	13,601	-
Total revenues	$ 1,073,628	$ 949,839	$ 659,024

NOTE 3 – RELATED PARTY TRANSACTIONS

From time to time Pet Bar, Inc. has advanced cash to and paid expenses for the Company. The amounts due to the Pet Bar, Inc. as of December 31, 2024, and 2023 were $98,162, and $94,244.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Operating Lease

The Company entered into a lease for office space. The lease is a one year lease that can be cancelled by the Company upon 60 days' notice. The lease term is from September 1, 2023, through August 31, 2025. Monthly rental is $2,775. Rent expense for the years ended December 31, 2024, 2023, and 2022, was $38,932, $34,542. and $26,284.

Contingencies

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. 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.

NOTE 5 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through May 12, 2025, the date on which the financial statements were available to be issued.

PB FRANCHISE LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2023

PB FRANCHISE LLC

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Independent Auditor's Report

To the Members
PB Franchise LLC
Dallas, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PB Franchise LLC which comprise the balance sheets as of December 31, 2023, and 2022 and the related statements of operations, changes in members' (deficit) and cash flows for the years ended December 31, 2023, 2022, and 2021 and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of PB Franchise LLC as of December 31, 2023, and 2022 and the results of its operations and its cash flows for the years ended December 31, 2023, 2022, and 2021 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 (GAAS). 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 PB Franchise LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial 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 PB Franchise LLC's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 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 GAAS, 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 PB Franchise LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about PB Franchise LLC's ability to continue as a going concern for a reasonable period of time.

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

Reese CPA LLC

Ft. Collins, Colorado
March 25, 2024

PB FRANCHISE LLC
BALANCE SHEETS

	AS OF DECEMBER 31,	
	2023	**2022**
ASSETS:		
CURRENT ASSETS		
Cash	$ 22,498	$ 59,638
Franchisee receivable	16,680	54
Contract acquisition costs, current	126,647	213,667
TOTAL CURRENT ASSETS	165,825	273,359
NON-CURRENT ASSETS		
Contract acquisition costs	525,913	680,318
Intangible assets	12,009	13,393
TOTAL ASSETS	$ 703,747	$ 967,070
LIABILITIES AN MEMBERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 94,993	$ 22,521
Due to related party	94,244	184,115
Non-refundable deferred franchise fees, current	158,315	277,729
TOTAL CURRENT LIABILITIES	347,552	484,365
LONG-TERM LIABILITIES		
Non-refundable deferred franchise fees	656,396	715,583
TOTAL LIABILITIES	1,003,948	1,199,948
MEMBERS' (DEFICIT)		
Member contributions	8,100	8,100
Accumulated (deficit)	(308,301)	(240,978)
TOTAL MEMBERS' (DEFICIT)	(300,201)	(232,878)
TOTAL LIABILITIES AND MEMBERS' (DEFICIT)	$ 703,747	$ 967,070

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

PB FRANCHISE LLC
STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31,		
	2023	**2022**	**2021**
REVENUES			
Franchise fees	$ 313,611	$ 405,537	$ 492,843
Royalties	586,430	196,234	15,053
Other	49,798	57,253	51,912
TOTAL REVENUES	949,839	659,024	559,808
OPERATING EXPENSES			
Payroll and related costs	443,319	128,894	89,715
Franchise expenses	328,508	498,256	390,579
General and administrative	98,191	131,925	57,656
Professional fees	80,081	23,338	55,642
Advertising expenses	46,784	9,847	11,843
Amortization expense	1,384	1,384	1,384
TOTAL OPERATING EXPENSES	998,267	793,644	606,819
OPERATING (LOSS)	(48,428)	(134,620)	(47,011)
OTHER INCOME (EXPENSE)	-	-	420
NET INCOME (LOSS)	$ (48,428)	$ (134,620)	$ (46,591)

The accompanying notes are an integral part of these financial statements

PB FRANCHISE LLC
STATEMENTS OF CHANGES IN MEMBERS' (DEFICIT)
YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Member Contributions	Accumulated Earnings (Deficit)	Total Members' Equity
BALANCE, DECEMBER 31, 2020	**$ 8,100**	**$ (34,210)**	**$ (26,110)**
Net (loss)	-	(46,591)	(46,591)
BALANCE, DECEMBER 31, 2021	**8,100**	**(80,801)**	**(72,701)**
Distributions	-	(25,557)	(25,557)
Net (loss)	-	(134,620)	(134,620)
BALANCE, DECEMBER 31, 2022	**8,100**	**(240,978)**	**(232,878)**
Distributions	-	(18,895)	(18,895)
Net (loss)	-	(48,428)	(48,428)
BALANCE, DECEMBER 31, 2023	**$ 8,100**	**$ (308,301)**	**$ (300,201)**

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

PB FRANCHISE LLC
STATEMENT OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		
	2023	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ (48,428)	$ (134,620)	$ (46,591)
Adjustments to reconcile net income to net cash provided by operating activities:			
Recognition of non-refundable deferred franchise sales	(313,601)	(405,537)	(332,843)
Recognition of contract acquisition costs	260,925	352,936	310,256
Amortization expense	1,384	1,384	1,384
Change in assets and liabilities			
Franchisee receivables	(16,626)	99,594	70,352
Contract acquisition costs	(19,500)	(243,500)	(763,000)
Accounts payable	72,472	(8,490)	(34,773)
Non-refundable deferred franchise fees	135,000	333,000	771,000
Net cash provided (used) by operating activities	71,626	(5,233)	(24,215)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash (used) in investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to related party	(89,871)	56,845	12,846
Proceeds from notes payable			
Distributions to members, net	(18,895)	(25,557)	-
Net cash provided by financing activities	(108,766)	31,288	12,846
NET INCREASE (DECREASE) IN CASH	(37,140)	26,055	(11,369)
CASH, beginning of year	59,638	33,583	44,952
CASH, end of year	$ 22,498	$ 59,638	$ 33,583
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest	$ -	$ -	$ -

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

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PB Franchise LLC ("Company") is a Texas limited liability company and was formed August 31, 2017.

The Company offers franchises to own and operate an upscale personalized pet grooming and bathing boutique that provides related products and services to the general public (the "***petbar Boutique***").

Related Parties

Pet Bar, Inc., a Texas corporation, was formed on April 9, 2015. It has operated a petbar Boutique since 2015.

Outlets in Operation

Changes in the number of operating outlets for the years ended December 31, 2023, 2022 and 2021 consist of the following:

	2023	2022	2021
Outlets in operation, beginning	25	8	2
Outlets opened	8	17	6
Outlets terminated or closed	(1)	-	-
Outlets in operation, ending	32	25	8
Franchised outlets	30	23	6
Related party owned outlets	2	2	2

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Franchisee Receivables

The Company's franchisee receivables primarily result from initial franchise fees, royalty fees, and other fees charged to franchisees. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. The Company reports these receivables at net realizable value.

Management determines the allowance for doubtful accounts based on historical losses, current expectations, and economic conditions. On a continuing basis, management analyzes delinquent accounts receivable and, once these accounts receivable are determined to be uncollectible, they are written off through a charge against an existing allowance account. The allowance account is reviewed regularly and adjusted against earnings as appropriate. The Company determined that an allowance on outstanding franchisee receivables of $0 and $0 was necessary as of December 31, 2023, and 2022. Franchisee bad debt expense for the years ended December 31, 2023, 2022, and 2021 was $0, $40,000, and $0, respectively. Franchisee amounts written off for the years ended December 31, 2023, 2022, and 2021 were $0, $40,000, and $0, respectively.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

Intangible assets consist of the following as of December 31:

	2023	2022
Franchise development costs	$ 25,774	$ 25,774
Less accumulated amortization	(13,765)	(12,381)
	$ 12,009	$ 13,393

Amortization expense was $1,384, $1,384, and $1,384 for the years ended December 31, 2023, 2022, and 2021. Amortization expense is expected to be $1,400 per year for the next four years.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition, Non-refundable Deferred Franchise Fees, and Contract Acquisition Assets

The Company recognizes revenues under the guidance of ASC 606, "Contracts with Customers". The Company's revenue is principally generated through franchise agreements executed with the Company's franchisees.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

When a qualified party purchases a petbar Boutique franchise, the Company grants the franchisee the right to operate the franchised business in a designated territory and to use the proprietary methods, techniques, trade dress, trademarks, and logos ("symbolic intellectual property" or "IP"). Revenues related to the designated territory and IP are continuing royalties that are 5.0% of gross revenues. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed weekly and are recognized as revenue when earned.

Revenue from initial franchise fees is allocated to the performance obligations in the franchise agreement that are distinct from the territory rights and symbolic intellectual property. The amount allocated to each identified performance obligation is determined using the expected cost plus a margin or fair market value approach. Revenue from initial fees is recognized when the performance obligation is satisfied and control of the good or service has been transferred to the franchisee. Unearned initial fee revenues will be recorded as non-refundable deferred revenue. Commissions and other direct costs related to unsatisfied performance obligations will be recorded as a contract acquisition asset and are recognized as expense when the related performance obligation has been satisfied.

Income Taxes

The stockholders of the Company have elected to be treated as a partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's members and no provision for federal or state income taxes has been recorded in the accompanying financial statements.

The Company follows accounting requirements associated with uncertainty in income taxes under the provisions of Financial Accounting Standards Board ("FASB") ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements for the years ended December 31,2023, 2022, and 2021.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Expenses

The Company expenses advertising costs for the selling of franchises as incurred. Advertising costs expensed were $46,784, $9,847, and $11,843 for the years ended December 31, 2023, 2022, and 2021.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, franchise receivables. The Company places its temporary cash investments with financial institutions. At times throughout the year the Company may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. Management does not believe the Company is exposed to any unusual risks on such deposits. The Company grants credit to franchisees. The Company's ability to collect the amounts due from franchisees is affected by fluctuations in the economy and the operations of the franchisees.

Recently Adopted Accounting Guidance

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). Management has not yet determined the effect the adoption of the other recently issued ASUs, including those not yet effective, could have on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recognized an asset for the incremental costs and recorded a liability for unearned revenue associated with franchisee acquisition and acceptance performance obligation of the Company's franchise agreement. The account balances and activity are as follows:

	December 31, 2023	December 31, 2022
Contract Acquisition Costs:		
Balance beginning of year	$ 893,985	$ 1,003,421
Deferral of contract acquisition costs	20,250	243,500
Recognition contract acquisition costs	(261,675)	(352,936)
Balance at end of year	$ 652,560	$ 893,985
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	$ 993,312	$ 1,065,849
Deferral of non-refundable franchise fees	135,000	333,000
Recognition of non-refundable franchise fees	(313,601)	(405,537)
Balance at end of year	$ 814,711	$ 993,312

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Estimated Recognition of Non-refundable Deferred Franchise Fees and Contract Acquisition Costs

Estimated revenues and contract acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported at December 31, 2023, is as follows:

	Contract Acquisition Costs	Non-refundable Franchise Fees
Year ending December 31:		
2024	$ 126,647	$ 158,315
2025	90,116	108,412
2026	79,151	95,875
2027	79,151	95,742
2028	79,368	96,004
Thereafter	198,127	260,363
	$ 652,560	$ 814,711

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31, 2023, 2022, and 2021 is as follows:

	2023	2022	2021
Performance obligations satisfied at a point in time	$ 636,238	$ 253,487	$ 559,808
Performance obligations satisfied through the passage of time	313,601	405,537	-
Total revenues	$ 949,839	$ 659,024	$ 559,808

NOTE 3 – RELATED PARTY TRANSACTIONS

From time to time Pet Bar, Inc. has advanced cash to and paid expenses for the Company. The amounts due to the Pet Bar, Inc. as of December 31, 2023, and 2022 were $94,244, and $184,115.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Operating Lease

The Company entered into a lease for office space. The lease is a one year lease that can be cancelled by the Company upon 60 days' notice. The lease term is from September 1, 2023, through August 31, 2025. Monthly rental is $2,775. Rent expense for the years ended December 31, 2023, 2022, and 2021, was $34,542. $26,284, and $2,798.

Contingencies

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. 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.

NOTE 5 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through March 25, 2024, the date on which the financial statements were available to be issued.

EXHIBIT F

FRANCHISED OUTLETS
(As of December 31, 2024)

Arizona

DBP Franchise 1, LLC 2824 E Indian School Road Suite 5 Phoenix, AZ 85016 602-675-0845	

Florida

FEMI Management LLC 1579 North Federal Hwy, Fort Lauderdale, FL 33304 954-533-1150	CROMAS LLC 2440 NE Miami Gardens Dr. Suites 105&106, Miami, FL 33180 305-778-6950
Murati Garcia Investments, Inc. 801 S. University Drive, #13B, Plantation, FL 33324 305-205-6112	

Georgia

SMB Management Corporation 910 Woodstock Road Suite 120 Roswell, GA 30075 470-275-4120	

Texas

RLNJ Enterprises 23541 Westheimer Parkway, Suite 150, Katy, TX 77484 281-665-3029	Semara Enterprises Corporation 427 S Loop 336 W, Suite 1300, Conroe, TX 77204 832-536-4306
New Trails North Texas Inc. 4610 Long Prairie Road, Flower Mound, TX 75208 1-877-826-9969	Gabrica Holdings LLC 6465 E Mockingbird Lane, Suite 302&206, Dallas, TX 75214 214-730-0063
Happy Beagles Inc. 3120 White Oak Drive, Houston, TX 77007 346-571-2135	Smicombe LLC 4720 Sweetwater Blvd, Suite D, Sugar Land, TX 77479 713-234-7115
ELKO Management LLC 845 W Stacy Road, Unit 130 Allen, TX 75013 469-656-1598	Moon3 Holdings LLC 10815 Ranch Road 2222, Unit 203, Austin, TX 78730 512-814-0111
ELKO Management LLC 8010 State Highway 78 Sachse, TX 75048 469-656-1598	Summit 22 LLC 4800 Eldorado Pkwy, Suite 500 Frisco, TX 75024 972-294-5288
Fur Sure LLC	OAKAL LLC

2800 Marina Bay Drive Unit P League City, TX 77573 281.549.4194	406 West Whitestone Building 2, Suite 204 Cedar Park, TX 78613 512.300.0114
Classic Safaris LLC 5130 Bissonnet Street, Bellaire, TX 77401 832-997-3457	Fresh and Fluffy LLC 5615 Colleyville Blvd Suite #110 Colleyville, TX 76034 817.900.8743
210 Pets Inc. 5231 Broadway, Suite 121, San Antonio, TX 78209 210-845-0209	Sixty Blue LLC 5211 Forest Lane Suite 112 Dallas, TX 75244 214-377-9788
Mutts & Cuts LLC 3041 S Custer Road, Suite 700 McKinney, TX 75070 214.548.4673	Fresh and Fluffy LLC 2210 TX-114 3200 Trophy Club, TX 76262 817.900.8743
OAKAL LLC 13000 N FM 620 Austin, TX 78750	Over the Moon PB LLC 5925 Convair Drive Suite 553 Fort Worth, TX 76109 817.615.9398
Over the Moon PB LLC 3201 Tracewood Way Suite 121 Fort Worth, TX 76177 817.966.8022	

North Carolina

Pet Experience LLC 6437 Old Monroe Suite D Indian Trail, NC 28079 919-332-5731	

South Carolina

Puppy Time, LLC 1177 Stonecrest Blvd, Suite 107, Tega Cay, SC 29708 803-547-8779	

Franchise Agreements Signed but Outlet Not Open as of December 31, 2024

TEXAS	
Bark & Bath LLC 2871 Clearwater Drive Prosper, TX 75078	

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Former Franchisees

Franchisees that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or

has not communicated with the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

SCG Development Corporation 61 Kimball Grove Court, Lake Saint Louis, MO 6336761	Over the Moon LLC [1] 7216 Everglade Drive North Richland Hills, TX 76182 **(**Returned April 2024)
MFLC Enterprises Inc. 2147 Carlisle Court Henderson NV 89044 mattforster74@gmail.com	Shane Bauer Properties[2] 17025 North Scottsdale Road, Ste 150 Scottsdale, AZ 85255 (Deceased)
GSN Innovations, LLC 12304 Manchester Road, Des Peres, MO 63131 gsn1212@gmail.com	Silver Sailor Corporation 5615 Colleyville, Suite 110, Colleyville, TX, 76034 817-900-8743 (Franchisee to franchisee transfer)
DnA Endeavor 2 LLC 3201 Tracewood Way, Suite 121 Fort Worth, TX 76177 817-615-9398 (Franchisee to franchisee transfer)	Taku Winds LLC 2800 Marina Bay Drive Unit P League City, TX 77573 281-549-4194 (Franchisee to franchisee transfer)
MN3 Holdings LLC 13000 N FM 620 Road, Suite 104 Austin, TX 78750 512-350-2290 (Franchisee to franchisee transfer)	Mutzy Ventures LLC 1717 West 34th Street, Suite 1500, Houston, TX 77018 281-406-0065 (Reacquired by franchisor)
Miano Ventures, Inc. 3041 S Custer Road, Suite 700, McKinney, TX 75070 214-548-4673 (Franchisee to franchisee transfer)	

EXHIBIT G

LIST OF STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st FL New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard,State Capitol, 14th Floor, Dept. 414, Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Mailing - Department of Financial Institutions PO Box 41200 Olympia, WA 98504-1200 Overnight - Department of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501-6456 (360) 902-8760	Department of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501-6456
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT H

STATE ADDENDA

INDIANA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the "Acts"). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contain provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee's developer's written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

ATTACHMENT I

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

****NOT FOR USE IN CALIFORNIA, MARYLAND, AND WASHINGTON****

'Do not sign if the franchisee is a Maryland resident or if the franchised business will be located within the State of Maryland.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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 hereby acknowledges the following:

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

_____
Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

_____
Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement, or the documents incorporated herein. Franchisee acknowledges that no

representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

_____
Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

_____
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

_____
Initial

7. Franchisee acknowledges that it has received the PB Franchise LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

_____
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

_____
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

_____
Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

_____
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE PB FRANCHISE LLC, PET BAR INC. , AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

_____
Initial

FRANCHISEE:

_____

By: _____

_____, _____
(Print Name, Title)

Date: _____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
Indiana	October 17, 2025, amended June 25, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If PB Franchise LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If PB Franchise LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit G.

Issuance Date: June 16, 2025.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Dan O'Loughlin 3406 Asbury Street Dallas, TX 75205 214-680-5136	Gregg Koffler 2828 N 71st Place Scottsdale AZ 85257	Ashley O'Loughlin 3406 Asbury Street Dallas, TX 75205 972-839-3889

I received a Disclosure Document dated June 16, 2025, that included the following Exhibits:

Exhibit A.	Franchise Agreement
Exhibit B.	Multi-Unit Development Agreement
Exhibit C.	Operations Manual Table of Contents
Exhibit D.	Form of Release
Exhibit E.	Financial Statements
Exhibit F.	Franchised Outlets
Exhibit G.	List of State Franchise Administrators and Agents for Service of Process
Exhibit H.	State Addenda
Exhibit I.	Franchisee Acknowledgment Statement

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____
(Signature of recipient)

[RETAIN THIS COPY FOR YOUR RECORDS]

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Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____
(Signature of recipient)

Please return signed Receipt to: PB Franchise LLC, Attn: Dan O'Loughlin, 3406 Asbury Street, Dallas, TX 75205.