

## FRANCHISE DISCLOSURE DOCUMENT



Petite Pup Franchise LLC  
An Arizona limited liability company  
14700 N. Frank Lloyd Wright Blvd, #159  
Scottsdale, AZ 85260  
480-487-9705  
franchise@petitepupdaycare.com  
www.petitepupdaycare.com

As a Petite Pup franchisee, you will operate a boutique dog daycare, specializing in dogs that are under 15 pounds, under the trade name “Petite Pup”.

The total investment necessary to begin operation of a Petite Pup franchise is \$199,670 to \$296,670. This includes \$48,000 to \$50,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation under a three- to five-unit Multi-Unit Development Agreement (including the first unit) is \$275,670 to \$446,670. This includes \$120,500 to \$192,500 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Kathleen Kocsis at 14700 N. Frank Lloyd Wright Blvd, #159, Scottsdale, AZ 85260 and 480-487-9705.

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

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

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

Issuance date: October 15, 2025, as amended April 30, 2026

## How to Use This Franchise Disclosure Document

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

| QUESTION                                                                                 | WHERE TO FIND INFORMATION                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How much can I earn?</b>                                                              | 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 H. |
| <b>How much will I need to invest?</b>                                                   | 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.                                                                  |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or Exhibit F includes financial statements. Review these statements carefully.                                                                                                                                                                    |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.                                                                                                                                                              |
| <b>Will my business be the only Petite Pup business in my area?</b>                      | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.                                                                                                             |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.                                                                                                                      |
| <b>What's it like to be a Petite Pup franchisee?</b>                                     | Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.                                                                                                                                           |
| <b>What else should I know?</b>                                                          | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.                                                   |

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## **Some States Require Registration**

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in Arizona. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Arizona than in your own state.

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

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

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

**The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to:

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

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### **Exhibits**

- A. State Administrators and Agents for Service of Process
  - B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
  - C. Multi-Unit Development Agreement
  - D. Rider to Lease Agreement
  - E. Form of General Release
  - F. Financial Statements
  - G. Operations Manual Table of Contents
  - H. Current and Former Franchisees
  - I. State Addenda to Disclosure Document
  - J. State Addenda to Agreements
  - K. EFT Authorization Form
  - L. Confidentiality and Noncompete Agreement
  - M. SBA Addendum
- State Effective Dates  
Receipt (2 copies)

**Item 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

In this disclosure document, “we”, “us,” or “our” refers to Petite Pup Franchise LLC (but not to our officers, director, agents, employees, affiliates, parents, or subsidiaries). “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is Petite Pup Franchise LLC. Our principal business address is 14700 N. Frank Lloyd Wright Blvd, #159, Scottsdale, AZ 85260. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names “Petite Pup Franchise LLC”, “Petite Pup”, and “Petite Pup Small Dog Daycare”. We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Arizona is Gary Spear Agency, and the agent’s principal business address is 2901 Wahoo Rd., Overgaard, AZ 85933. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

Petite Pup Franchise LLC, an Arizona limited liability company, was formed on December 3, 2024.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised.

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

If you sign a franchise agreement with us, you will develop and operate a boutique dog daycare, specializing in dogs that are under 15 pounds, under the trade name “Petite Pup”. After receiving our approval in writing, you may, at your option, and during non-business hours, rent your space to other dog-related businesses (i.e., dog trainers, dog yoga providers, etc.) to generate

additional revenue for your business. You must ensure that your lease permits you to rent the space during your non-business hours and that any businesses renting the space have adequate insurance coverage. You must comply with any requirements or standards that we set regarding use of your business location by third parties. You will be required to pay a royalty fee on any revenue generated from such rentals.

If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will develop multiple Petite Pup outlets, on an agreed-upon schedule. For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

If we provide you with any confidential information prior to executing a franchise agreement (for example, in connection with a discovery day or upon your request), we reserve the right to require you to execute a Confidentiality and Noncompete Agreement (attached as Exhibit L to this disclosure document) prior to receiving such confidential information.

The general market for dog daycare is well-developed, but the market for dog daycare specializing in dogs under 15 pounds is less developed. Our customers are primarily affluent dog owners seeking an upscale daycare facility for their small dogs. Depending on the geographic location of your business, there may be material seasonal variations in the market.

You will compete directly with other local franchises and businesses that offer pet daycare services, such as dog daycare, boarding, and in-home pet care providers. You will compete against national chains, regional chains, and independent owners. Some of these competitors are franchised.

### Laws and Regulations

You may be subject to various federal, state and local laws and regulations applicable to our industry, including, but not limited to, pet sitting licensing laws, noise ordinances, health and safety laws, and hazardous waste and environmental laws. You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business, including any permits and licenses necessary to operate in your market.

### Prior Business Experience

We have offered franchises since October 2025. None of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

Our affiliate, Petite Pup LLC, has operated Petite Pup in Scottsdale, Arizona, since January 2020. This affiliate has the same business address as us.

**Item 2**  
**BUSINESS EXPERIENCE**

**Kathleen Kocsis – Founder and Chief Executive Officer.** Kathleen Kocsis has been our Chief Executive Officer, in Scottsdale, Arizona, since January 2020.

**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**

Franchise Fee

When you sign your franchise agreement, you must pay us \$47,500 as the initial franchise fee. This fee is uniform and is not refundable.

Technology Fee

Starting two months prior to your business opening, you will begin paying your monthly technology fee, in the amount of \$250 per month. See Item 6 for details. This fee is uniform and is not refundable.

Site Evaluation and Assistance Fee.

If we make an in-person visit to evaluate a proposed site for your business or to assist with the pre-opening development of your business, you will pay a fee of \$2,000, plus any out-of-pocket expenses (such as travel, lodging, and car rental; not including meals) we incur in connection with the visit. The site evaluation and assistance fee is not refundable.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. Your franchise fees will be reduced to \$40,000 for your second franchise and \$35,000 for your third franchise and any franchise thereafter. You will pay all franchise fees upon signing the MUDA. They are not refundable.

**Item 6  
OTHER FEES**

| <b>Type of Fee</b>                    | <b>Amount</b>                                                                      | <b>Due Date</b>                                            | <b>Remarks</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty                               | 6% of your adjusted gross sales                                                    | Upon daily POS reconciliation                              | See Notes 1, 2 and 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Marketing Fund Contribution           | Currently, 1% of your adjusted gross sales; up to 3% of your adjusted gross sales. | Upon daily POS reconciliation                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Market Cooperative Contribution       | As determined by the cooperative. Currently, none.                                 | Monthly, on the 5 <sup>th</sup> day of the following month | We have the right to establish local or regional advertising cooperatives. If you are a member of a cooperative, you and other members may vote to require each member to contribute between 1% and 5% of adjusted gross sales to the cooperative.                                                                                                                                                                                                                                                                                                                                                         |
| Technology Fee                        | Currently, \$250 per month.                                                        | Monthly, on the 5 <sup>th</sup> day of the following month | We reserve the right to charge a commercially reasonable fee for software and other technology products and services we provide. The technology fee will not necessarily be a pass-through of our exact costs. We may add, remove, or alter the software or technology products or services that we provide. Currently, the technology fee includes Google Suite (with two email addresses), a micro site (set up, monthly fees, and maintenance and updates), and a design platform that we designate. Upon 30 days' written notice, we may increase the technology fee to an amount not to exceed \$800. |
| Replacement / Additional Training fee | Currently, \$250 per person per day                                                | Prior to attending training                                | If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Type of Fee                        | Amount                                                                                                                                                                              | Due Date                  | Remarks                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third party vendors                | Pass-through of costs, plus reasonable administrative charge not to exceed the greater of \$500 or 10%. Currently, none.                                                            | Varies                    | We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program. |
| Non-compliance fee                 | \$500 per instance                                                                                                                                                                  | On demand                 | We may charge you \$500 for any aspect of your business which is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.                                                                                                         |
| Reimbursement                      | Amount that we spend on your behalf, plus 20%                                                                                                                                       | Within 30 days of invoice | If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.                                                                                                                                                                                                                                                                                                          |
| Late fee                           | \$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law) | On demand                 | We may charge a late fee if you fail to make a required payment when due.                                                                                                                                                                                                                                                                                                                                  |
| Insufficient funds fee             | \$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)                                                                                       | On demand                 | We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.                                                                                                                                                                                                                                                                                |
| Costs of collection or enforcement | Our actual costs                                                                                                                                                                    | As incurred               | Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us or otherwise enforcing your franchise agreement.                                                                                                                                                                                                                                             |

| Type of Fee                   | Amount                                                             | Due Date                                                                                                                                 | Remarks                                                                                                                                                                                                                           |
|-------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Convention fee                | As determined by us; currently, none.                              | Prior to convention                                                                                                                      | If we conduct a national or regional meeting or convention, we will charge you the attendance fee even if you do not attend. You are responsible for all travel and living expenses of attending any such meeting or convention.  |
| Special support fee           | Our then-current fee, plus our expenses. Currently, \$600 per day. | On demand                                                                                                                                | If we provide in-person support to you in response to your request we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and car rental (not including meals) for employees providing onsite support). |
| Relocation fee                | \$5,000                                                            | Half due when we have agreed to work with you to relocate your business and the remainder due when we have accepted a relocation request | Payable if you ask us to consider relocating your business. You cannot relocate your business to new premises without our approval. We have no obligation to approve of any relocation request.                                   |
| Customer complaint resolution | Our expenses                                                       |                                                                                                                                          | 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.                                       |
| Audit costs                   | Our actual cost                                                    | On demand                                                                                                                                | Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported adjusted gross sales by more than 3% for any month.               |
| Special inspection fee        | Currently \$600, plus our out-of-pocket costs                      | On demand                                                                                                                                | Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.                       |

| Type of Fee                       | Amount                                                                                                                                            | Due Date                                                                                                                       | Remarks                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-compliance cure costs and fee | Our out-of-pocket costs and internal cost allocation, plus 10%                                                                                    | When billed                                                                                                                    | We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.                                                                                                                                                                          |
| Renewal fee                       | \$10,000                                                                                                                                          | Upon renewal                                                                                                                   | Payable if you enter into a successor franchise agreement at the end of your agreement term.                                                                                                                                                                                                                                                                               |
| Transfer fee                      | \$10,000 plus any broker fees and other out-of-pocket costs we incur                                                                              | \$1,500 when you notify us of your intent to transfer or sell your business; the balance due at the closing of the transaction | Payable if you desire to transfer or sell your business.                                                                                                                                                                                                                                                                                                                   |
| Temporary management fee          | 10% of adjusted gross sales plus our expenses                                                                                                     | On demand                                                                                                                      | We have the right to temporarily manage your business and charge this fee if (i) you die or become incapacitated, (ii) we exercise our right to purchase your business after your franchise agreement end, or (iii) you operate the business in a dangerous manner.                                                                                                        |
| Liquidated damages                | An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining months of the franchise term | On demand                                                                                                                      | Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.                                                                                                                                                                                                                          |
| Indemnity                         | All of our costs and losses from any legal action related to the operation of your franchise or any act by you or your employees                  | On demand                                                                                                                      | You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the development or operation of your franchise, or any act or omission by you or any employee of your business (unless caused by our intentional misconduct or gross negligence). |

| Type of Fee                    | Amount                                                                                                   | Due Date  | Remarks                                                                                                                                          |
|--------------------------------|----------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Prevailing party's legal costs | Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party | On demand | In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses. |

All fees are payable only to us. All fees are imposed by us and collected by us. All fees are non-refundable. We do not represent that all fees are uniform for all franchisees; we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

#### Notes

1. "Adjusted Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. It also includes revenue that you generate from the rental of your space during non-business hours and any proceeds you receive from business interruption insurance. Adjusted Gross Sales does not include (i) bona fide refunds to customers, (ii) sales allowances and discounts, (iii) sales taxes collected, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Adjusted Gross Sales). Service gratuities directed by customers to employees are not counted towards Adjusted Gross Sales.

2. We reserve the right to change the payment period upon 30 days' written notice. In the event that we elect to change your payment period to weekly or monthly, you will report weekly or monthly adjusted gross sales to us by, if weekly, Tuesday of the following week, or, if monthly, the fifth day of the following month. If you fail to report weekly or monthly Adjusted Gross Sales, then we may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the most recent adjusted gross sales you reported. We will true-up the actual fees after you report adjusted gross sales.

3. We currently require you to pay royalty fees and marketing fund contributions via your daily POS reconciliation. We require you to pay other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method. If we permit you to pay by credit card or any other method which causes us to incur a processing fee, you will be responsible for the amount of the processing fee.

### **Item 7**

### **ESTIMATED INITIAL INVESTMENT**

### **YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT**

| Type of expenditure                  | Amount               | Method of payment            | When due                                                      | To whom payment is to be made |
|--------------------------------------|----------------------|------------------------------|---------------------------------------------------------------|-------------------------------|
| Initial franchise fee (Note 2)       | \$47,500 - \$47,500  | Lump Sum                     | Upon signing the franchise agreement                          | Us                            |
| Technology Fee (Note 3)              | \$500 - \$500        | Pre-authorized bank draft    | Monthly, commencing two months prior to opening your business | Us                            |
| Rent (one month) (Note 4)            | \$3,500 - \$6,000    | As agreed with your Landlord | Upon signing lease                                            | Landlord                      |
| Lease Security Deposit (Note 4)      | \$3,000 - \$6,000    | As agreed with your Landlord | Upon signing lease                                            | Landlord                      |
| Utilities                            | \$500 - \$1,500      | As incurred                  | Upon ordering service                                         | Utility providers             |
| Leasehold Improvements (Note 5)      | \$70,000 - \$125,000 | As incurred                  | Before opening                                                | Contractors                   |
| Market Introduction Program (Note 6) | \$2,500 - \$5,000    | As incurred                  | 30 days pre- and post-opening                                 | Vendors and suppliers         |
| Furniture, Fixtures, and Equipment   | \$35,000 - \$45,000  | As incurred                  | Before opening                                                | Vendors and suppliers         |
| Computer Systems                     | \$3,500 - \$5,000    | As incurred                  | Before opening                                                | Vendors and suppliers         |
| Insurance (one month)                | \$170 - \$670        | As incurred                  | Before opening                                                | Insurance company             |
| Signage                              | \$6,000 - \$8,000    | As incurred                  | Before opening                                                | Vendor                        |
| Office Expenses                      | \$1,000 - \$2,500    | As incurred                  | Before opening                                                | Vendors                       |
| Supplies                             | \$1,000 - \$2,500    | As incurred                  | Before opening                                                | Vendors                       |
| Licenses and Permits                 | \$500 - \$1,000      | As incurred                  | As incurred                                                   | Government                    |

| Type of expenditure                                           | Amount                | Method of payment | When due                     | To whom payment is to be made                      |
|---------------------------------------------------------------|-----------------------|-------------------|------------------------------|----------------------------------------------------|
| Professional Fees (Note 7)                                    | \$1,000 - \$3,000     | As incurred       | As incurred                  | Attorneys, accountants, and/or other professionals |
| Initial Training Expense – Travel, Lodging, Car Rental, Meals | \$1,000 - \$2,500     | As incurred       | Prior to and during training | Airlines, hotels, car rentals, and restaurants     |
| Additional funds (for first 3 months) (Note 8)                | \$23,000 - \$35,000   | As incurred       | As incurred                  | Employees, suppliers, utilities                    |
| Total                                                         | \$199,670 - \$296,670 |                   |                              |                                                    |

#### **YOUR ESTIMATED INITIAL INVESTMENT – MULTI-UNIT DEVELOPMENT AGREEMENT**

| Type of expenditure                            | Amount                | Method of payment      | When due              | To whom payment is to be made |
|------------------------------------------------|-----------------------|------------------------|-----------------------|-------------------------------|
| First franchise (see table above)              | \$199,670 - \$296,670 |                        |                       |                               |
| Additional initial franchise fees (see Note 8) | \$75,000 - \$145,000  | Check or wire transfer | Upon signing the MUDA | Us                            |
| Business planning and miscellaneous expenses   | \$1,000 - \$5,000     | Check                  | As incurred           | Vendors and suppliers         |
| Total                                          | \$275,670 - \$446,670 |                        |                       |                               |

#### Notes

1. The above tables are representative of our standard business model as specified herein and in our Operations Manual.

2. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

3. Starting two months prior to your business opening, you will begin paying your monthly technology fee. See Item 6 for more details.

4. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a “free rent” period for the time it takes to build out your business. We expect that you will rent your location and that your location will be approximately 1,200 to 1,600 square feet. If you choose to purchase real estate instead of renting, your costs will be significantly different.

5. Leasehold improvement costs vary widely based on several factors, including the size, location and condition of the premises, the extent and nature of any existing leasehold improvements and whether the landlord will contribute to these costs. Leasehold improvement costs do not necessarily correlate with the size of the facility. The low-end estimates assumes that your space is a vanilla shell, including essential features such as HVAC, finished ceilings and walls, basic lighting, and restrooms. The high-end estimate assumes that your space is a gray shell, containing minimal structural components and no interior finishing. This cost range includes architectural renderings.

6. This range takes into account costs for a grand opening marketing spend spanning the four-week period to your business opening through the four-week period after the opening of your business.

7. This range takes into account fees for attorney, accountant, and other professional services.

8. This includes any other required expenses you will incur before operations begin and during the initial three-month period of operations, such as, but not limited to, payroll, additional supplies, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. It does not include payments on loans your business may have. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Petite Pup business by our affiliate, and our general knowledge of the industry.

9. This estimate assumes you sign a Multi-Unit Development Agreement for three to five franchises. The franchise fee for your first unit is counted in the “Estimated Initial Investment – Franchise Agreement” table. Your initial franchise fees will be reduced to \$40,000 for your second franchise and \$35,000 for your third franchise and any franchise thereafter. You will pay all franchise fees upon signing the MUDA.

## **Item 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications. You must comply with any changes we make in the future to these requirements.

## Specific Obligations

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

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

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

We do not currently require that you use a specified insurance provider to meet the above stated insurance requirements. However, to assist with your insurance underwriting, and upon your request, we may provide contact information for an insurance provider that is familiar with the specific needs of a dog daycare business.

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

D. Advertising and Marketing. Except as otherwise provided in the Operations Manual and advertising or marketing materials that we furnish to you, you must submit all advertising and marketing materials to us for our written approval before use. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws. We have the right to establish and control all digital marketing. You must implement search engine optimization, and you must use a search engine optimization vendor that we specify. See Item 11 for more information.

E. Equipment and Supplies. All of your equipment and supplies, which includes, but is not limited to, such items as cleaning products, dog treats, and play equipment, must meet our specifications and be purchased only from approved suppliers.

## Us or our Affiliates as Supplier

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

### Ownership of Suppliers

None of our officers owns an interest in any supplier to our franchisees.

### Alternative Suppliers

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

### Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Operations Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Operations Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications after evaluating the intended changes. We may also conduct limited market testing in one or more outlets.

### Revenue to Us and Our Affiliates

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

### Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 70% to 90% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 70% to 90% of your total purchases and leases of goods and services to operate your business.

### Payments by Designated Suppliers to Us

Other than receiving a nominal referral fee from Payroc, we do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so. We have the right to earn a profit from any product we supply or from designated suppliers. We are not required to give you an accounting

of any payments we receive from designated suppliers, nor are we required to share any benefits of supplier payments with you or with any other franchisee.

#### Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

#### Negotiated Arrangements

Payroc, our designated credit card processing provider, will provide a discount rate to you of 2.95% and \$0.15 per transaction. Otherwise, we do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

#### Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

### **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.**

| <b>Obligation</b>                                          | <b>Section in agreement</b>                                                                 | <b>Disclosure document item</b> |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------|
| a. Site selection and acquisition/lease                    | §§ 6.1, 6.2                                                                                 | Item 11                         |
| b. Pre-opening purchase/leases                             | §§ 6.2, 6.3                                                                                 | Items 5, 7, 8 and 11            |
| c. Site development and other pre-opening requirements     | Article 6                                                                                   | Items 5, 7, 8 and 11            |
| d. Initial and ongoing training                            | §§ 5.2, 6.4, 7.7                                                                            | Items 5, 6, 8 and 11            |
| e. Opening                                                 | §§ 6.5, 6.6                                                                                 | Items 7, 8 and 11               |
| f. Fees                                                    | Article 4, §§ 5.3, 6.6, 6.7, 6.8, 7.9, 8.4, 10.5, 11.2, 11.3, 11.13, 14.5, 15.2, 16.1, 17.6 | Items 5, 6 and 7                |
| g. Compliance with standards and policies/operating manual | §§ 6.3, 7.1, 7.3, 7.5, 7.6, 7.10 – 7.15, 7.17, 9.1, 9.2, 10.1, 10.4, 11.1                   | Items 8, 11 and 14              |
| h. Trademarks and proprietary information                  | Article 12, § 13.1                                                                          | Items 13 and 14                 |
| i. Restrictions on products/services offered               | § 7.3                                                                                       | Items 8, 11 and 16              |

| <b>Obligation</b>                                       | <b>Section in agreement</b> | <b>Disclosure document item</b> |
|---------------------------------------------------------|-----------------------------|---------------------------------|
| j. Warranty and customer service requirements           | §§ 7.3, 7.9, 7.10           | Item 8                          |
| k. Territorial development and sales quotas             | § 2.2                       | Item 12                         |
| l. Ongoing product/service purchases                    | Article 8                   | Items 6 and 8                   |
| m. Maintenance, appearance, and remodeling requirements | §§ 3.2, 7.14, 7.15, 15.2    | Items 6, 7 and 8                |
| n. Insurance                                            | § 7.17                      | Items 6, 7 and 8                |
| o. Advertising                                          | Article 9                   | Items 6, 7, 8 and 11            |
| p. Indemnification                                      | Article 16                  | Items 6 and 8                   |
| q. Owner's participation/management/staffing            | §§ 2.4, 7.6                 | Item 15                         |
| r. Records and reports                                  | Article 10                  | Item 11                         |
| s. Inspections and audits                               | §§ 10.5, 11.2               | Items 6 and 11                  |
| t. Transfer                                             | Article 15                  | Items 6 and 17                  |
| u. Renewal                                              | §§ 3.2, 18.11               | Items 6 and 17                  |
| v. Post-termination obligations                         | Article 13, §§ 14.3, 14.4   | Item 17                         |
| w. Non-competition covenants                            | § 13.2                      | Item 17                         |
| x. Dispute resolution                                   | Article 17                  | Items 6 and 17                  |

## **Item 10 FINANCING**

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

## **Item 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

### Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We will review and advise you regarding potential locations that you submit to us. (Section 5.2). If you sign a Multi-Unit Development Agreement, we will approve the

location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

- (i) We generally do not own your premises and lease it to you.
- (ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. You must find a potential site and submit your site to us for approval, together with all information and documents about the site that we request. When we accept a site, we will issue a Location Acceptance Letter (in the form of Attachment 2 to the Franchise Agreement).
- (iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.
- (iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your franchise agreement.
- (v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. *Constructing, remodeling, or decorating the premises.* We will advise you regarding the layout, design, and build-out of your business. (Section 5.2)

C. *Hiring and training employees.* Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.2) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Operations Manual.* We will give you access to our Operations Manual in such format as we deem appropriate. (Section 5.1).

F. *Initial Training Program.* We will conduct our initial training program. (Section 5.2). The current initial training program is described below.

G. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Section 5.2)

H. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Section 5.2)

I. *On-site opening support.* We will have a representative provide on-site support for at least two days in connection with your business opening, at our expense. (Section 5.2)

### Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is six to twelve months. Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees.

### Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees.* All hiring decisions and conditions of employment are your sole responsibility. We will provide training materials to assist you in training employees. (Section 7.5)

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and car rental (not including meals) for our employees providing onsite support). (Section 5.3)

D. *Establishing prices.* Upon your request, we will provide recommended prices for products and services. We will determine minimum prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law). (Section 5.3)

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* To the extent we determine, we will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.3). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund.* We will administer the Marketing Fund (Section 5.3). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the

close of our fiscal year and will provide the financial statement to you upon written request. (Section 9.3)

G. *Website.* We will maintain a website for the Petite Pup brand, which will include the applicable business information for your location. (Section 5.3)

### Advertising

*Our obligation.* We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which may be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

*Your own advertising material.* You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use.. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. We have the right to establish and control all social media accounts and other digital marketing, and we retain the right to establish social media posting schedules and content standards that you must adhere to.. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws.

*Advertising council.* We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

*Local or Regional Advertising Cooperatives.* We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 5% of adjusted gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of the cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

*Marketing Fund.* You and all other franchisees must contribute to our Marketing Fund. Your contribution is currently 1% of adjusted gross sales; however, we reserve the right to have other franchisees contribute a different amount or at a different rate. We may increase your

contribution to up to 3% of adjusted gross sales. Outlets that we or our affiliates own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

Because we are a new franchisor, we did not spend any money from the Marketing Fund in our most recently concluded fiscal year.

If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year.

No money from the Marketing Fund is spent principally to solicit new franchise sales.

*Market introduction plan.* You must develop a market introduction plan and obtain our approval of the plan at least 45 days before the projected opening date of your business.

*Required spending.* You must spend at least \$1,000 each month on marketing your business. You are required to implement search engine optimization, and you must use a search engine optimization vendor that we specify. Funds spent to utilize our required search engine optimization vendor will be credited toward your monthly spending requirement. This spending requirement amount is only a minimum requirement, and we do not represent that it is the optimal amount of money for you to spend on marketing.

#### Point of Sale and Computer Systems

We require you to use a point-of-sale system and client management system that we designate. We reserve the right to change the point-of-sale system and client management system that you are required to use at any time and for any reason.

You will also be required to purchase a laptop and standard office peripherals, two iPhones, a photo paper printer, a security monitoring system, and an audio system for approved music. You will be required to use QuickBooks Online (financial management software).

We estimate that these systems will cost between \$3,500 and \$5,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you enter into any such contract with a third party.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

Not counting the Technology Fee, we estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be between \$0 and \$5,000.

You must give us independent access to the information that will be generated or stored in these systems, including access to your security monitoring system. The information that we may access will include sales, customer data, video, and reports. There is no contractual limitation on our right to access the information.

## Operations Manual

See Exhibit G for the table of contents of our Operations Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Operations Manual has 89 pages. The Operations Manual is subject to change.

## Training Program

Our training program consists of the following:

### **TRAINING PROGRAM**

| <b>Subject</b>                       | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b> |
|--------------------------------------|------------------------------------|-------------------------------------|-----------------|
| Introduction to the Franchise System | 0                                  | 1                                   | Scottsdale, AZ  |
| Brand and Culture                    | 0                                  | 1                                   | Scottsdale, AZ  |
| Operations (SOPs)                    | 0                                  | 1-5                                 | Scottsdale, AZ  |
| Product or Service Training          | 0                                  | 2-5                                 | Scottsdale, AZ  |
| Customer Service                     | 0                                  | 2-3                                 | Scottsdale, AZ  |
| Sales and Marketing                  | 0                                  | 1-5                                 | Scottsdale, AZ  |
| Financial Management                 | 0                                  | 1-3                                 | Scottsdale, AZ  |
| Technology and Systems               | 0                                  | 2-4                                 | Scottsdale, AZ  |
| Human Resources and Staff Management | 0                                  | 1-3                                 | Scottsdale, AZ  |
| Site Operations and Maintenance      | 0                                  | 1                                   | Scottsdale, AZ  |
| Legal and Compliance                 | 0                                  | 1-2                                 | Scottsdale, AZ  |
| <b>TOTALS:</b>                       | 0                                  | 14-33                               |                 |

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes three to six times per year. Training will be held at our offices and business location in Scottsdale, Arizona. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

The instructional materials consist of the Operations Manual and other materials, lectures, discussions, videos, and on-the-job demonstration and practice.

Training classes will be led or supervised by Kathleen Kocsis. Her experience is described in Item 2. She has five years of experience in our industry, and five years of experience with us or our affiliates.

There is no fee for up to three people to attend training. You must pay the travel and living expenses of people attending training.

You must attend training. You may send any additional people to training that you want (up to the maximum described above). You must complete training to our satisfaction at least three weeks before opening your business.

If you need to send any additional personnel to our training program, we will charge a fee, which is currently \$250 per person per day. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

## **Item 12 TERRITORY**

### **Your Location**

Your franchise is for a specific location. If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval.

### **Grant of Territory**

Your franchise agreement will specify a territory, which will be determined by us. Your territory will be specified by a radius, zip codes, county or city lines, or some other limit that we determine. We reserve the right to vary the criteria used for territory designation. If your business location is not known when you sign your franchise agreement, then we will state your location and territory in a “Location Acceptance Letter” when we approve your location.

### **Relocation; Establishment of Additional Outlets**

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee’s business on a case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

If you request our approval for you to relocate your business, you must pay us a \$5,000 fee. Half is due when you make the request, and the other half is due if and when we approve the request. If we approve, you must comply with the conditions described in the franchise agreement for developing a location and satisfy any other conditions we require.

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement (“MUDA”) in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right to establish a mutually-agreed number of additional outlets on a mutually-agreed schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Petite Pup business, (3) you must be in compliance with all brand requirements at your open Petite Pup business(es), and (4) you must not be in default under

any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. For each future site, you must sign our then-current form of Franchise Agreement, which may be materially different than the original Franchise Agreement that you signed. You are not obligated to develop additional outlets under the MUDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

#### Options to Acquire Additional Franchises

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

#### Territory Protection

In your franchise agreement, we grant you an exclusive territory. In your territory, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a Petite Pup outlet. The continuation of your territorial exclusivity does not depend on achieving a certain sales volume, market penetration, or other contingency. There are no circumstances that permit us to modify your territorial rights.

If you sign a MUDA, you do not receive an exclusive territory as an area developer. Therefore, with respect to a MUDA, we make the following disclosure: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

#### Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

#### Soliciting by You Outside Your Territory

You may make sales only to in-store customers, and all marketing and advertising is subject to our approval. You are not permitted to make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations.

You cannot solicit or accept orders outside of your territory using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, other than the methods of marketing and advertising that we approve.

### Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement allows us to do so.

## **Item 13 TRADEMARKS**

### Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by our owner, Kathleen Kocsis. It is registered on the Supplemental Register of the United States Patent and Trademark Office.

| Trademark  | Registration Date | Registration Number |
|------------|-------------------|---------------------|
| Petite Pup | March 3, 2020     | 6004408             |

Because the federal trademark registration is less than six years old, no affidavits are required at this time, and no required affidavits have been filed. The registration has not yet been renewed.

### Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

### Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

### Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed above in a manner material to the franchise.

Kathleen Kocsis, our owner, owns the trademark described in this Item. Under an Trademark License Agreement between us and Kathleen Kocsis, we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement has no expiration. It may be modified only by mutual consent of the parties. It may be terminated by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more

than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

### Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense. You will have a reasonable period of time to comply with the change, not to exceed 90 days. After such period, you would no longer have the right to use the unmodified or discontinued trademark. Your rights under the franchise agreement do not change, other than the modification or discontinuation of the trademark.

### Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks. There may be other uses of marks similar to our trademarks that may affect your use of our trademarks. We cannot represent with certainty that we have exclusive or superior rights to our marks in all geographical areas. You should understand that there could be other businesses using trademarks, trade names or other symbols similar to our Marks with superior rights to our rights. Before starting your business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your business name.

## **Item 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### Patents

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

## Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operations Manual and proprietary software, as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

## Proprietary Information

We have a proprietary, confidential Operations Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

All customer data and point-of-sale data generated by your business is confidential information and is exclusively owned by us. We license such data back to you without charge solely for your use in connection with your Petite Pup business.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operations Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

You must disclose to us all ideas, plans, improvements, concepts, methods, and techniques relating to your Petite Pup business that you conceive or develop. We will automatically own all such innovations, and we will have the right to incorporate any innovations into our system for use by all franchisees, without any compensation to you.

**Item 15**  
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE**  
**FRANCHISE BUSINESS**

**Your Participation**

You must devote substantial time and attention to your business.

If you are the sole owner of the business, then you are deemed the “Principal Executive”. If the business is owned through a corporation or limited liability company, you must designate one owner as your “Principal Executive”. The Principal Executive is the owner primarily responsible for the business and has decision-making authority on behalf of the business. The Principal Executive must own at least 30% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B). We do not require owners’ spouses to sign a personal guaranty, unless the spouse is also an owner.

**“On-Premises” Supervision**

You are not required to personally conduct “on-premises” supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises shift leader, supervisor, or general manager, and such person is not required to be an owner of the franchise; however, each person acting as on-premises supervisor or general manager (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager /on-site supervisor own any equity in the entity.

**Restrictions on Your Manager**

If we request, you must have your general manager/on-site supervisor (and other key employees that we reasonably designate) sign a confidentiality and non-compete agreement. We will not require you to enter into a confidentiality and non-compete agreement that violates applicable state law or that prohibits a person from being employed by another Petite Pup outlet. We do not require you to place any other restrictions on your manager or on-site supervisor.

**Item 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made at or from your premises.

**Item 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**  
**THE FRANCHISE RELATIONSHIP**

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

| <b>Provision</b>                                  | <b>Section in franchise or other agreement</b>                                    | <b>Summary</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term                   | Franchise Agreement (FA): § 3.1<br>Multi-Unit Development Agreement (MUDA): §1(a) | The term of the franchise agreement is ten years from date of signing.<br><br>The MUDA will expire on the date that your last franchise is scheduled to open.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| b. Renewal or extension of the term               | FA: § 3.2<br>MUDA: none                                                           | You may obtain a successor franchise agreement for up to two additional five-year terms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| c. Requirements for franchisee to renew or extend | FA: §§ 3.2, 18.11<br>MUDA: none                                                   | For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional five-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.<br><br>To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; must have substantially complied with the franchise agreement and other agreements with us throughout the term; have not defaulted more than twice under the franchise agreement; complied with all requirements of ethics and |

| Provision                                  | Section in franchise or other agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            |                                         | values; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); pay renewal fee; sign general release (unless prohibited by applicable law).<br>If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either consider the agreement as having expired (meaning that you are in violation of our rights) or consider the term to continue on a month-to-month basis. |
| d. Termination by franchisee               | FA: § 14.1<br>MUDA: § 4                 | If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.<br>If you sign a MUDA, you may terminate it at any time.                                                                                                                                                                                                                                                                           |
| e. Termination by franchisor without cause | Not Applicable                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| f. Termination by franchisor with cause    | FA: § 14.2<br>MUDA: § 4                 | We may terminate your agreement for cause, subject to any applicable notice and cure opportunity.<br>If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA.                                                                                                                                                                       |
| g. “Cause” defined--curable defaults       | FA: § 14.2<br>MUDA: none                | Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).                                                                                                                                                                                                                                                                                                                                                                                                 |
| h. “Cause” defined--non-curable defaults   | FA: § 14.2<br>MUDA: § 4                 | FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; fail to open by specified deadline; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of ethics and values; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business                                                                                                                      |

| Provision                                              | Section in franchise or other agreement     | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        |                                             | inspection; cease operations; operate in a manner dangerous to the health or safety of any person (if not corrected within 48 hours); operate in a manner dangerous to the health or safety of any animal; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it. |
| i. Franchisee's obligations on termination/non-renewal | FA: §§ 14.3 – 14.6<br>MUDA: none            | Pay all amounts due; return Operations Manual and proprietary items; cancel assumed names; cancel or transfer phone, post office boxes, directory listings, and digital marketing accounts; cease doing business; remove identification; purchase option by us.                                                                                                                                                                                                                                                                                                                                                                                 |
| j. Assignment of contract by franchisor                | FA: § 15.1<br>MUDA: § 7                     | Unlimited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| k. "Transfer" by franchisee - defined                  | FA: Article 1<br>MUDA: Background Statement | For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.                                                                                                                                                                                                                                                                                                            |
| l. Franchisor's approval of transfer by franchisee     | FA: § 15.2<br>MUDA: § 7                     | No transfers without our approval.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| m. Conditions for franchisor's approval of transfer    | FA: § 15.2<br>MUDA: none                    | Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release (subject to state law); business complies with then-current                                                                                                                                                                                                                            |

| Provision                                                                 | Section in franchise or other agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           |                                         | system specifications (including remodel, if applicable).                                                                                                                                                                                                                                                                                                                                                                                    |
| n. Franchisor's right of first refusal to acquire franchisee's business   | FA: § 15.5<br>MUDA: none                | If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.                                                                                                                                                                                                                                                                                                     |
| o. Franchisor's option to purchase franchisee's business                  | FA: § 14.6<br>MUDA: none                | When your franchise agreement expires or is terminated, we will have the right to purchase any or all of the assets of your business.                                                                                                                                                                                                                                                                                                        |
| p. Death or disability of franchisee                                      | FA: §§ 2.4, 15.4<br>MUDA: none          | If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months. We have the right to temporarily operate the business if you die or become incapacitated.                                                                                                                               |
| q. Non-competition covenants during the term of the franchise             | FA: § 13.2<br>MUDA: none                | Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.                                                                                                                                                                                                                                     |
| r. Non-competition covenants after the franchise is terminated or expires | FA: § 13.2<br>MUDA: none                | For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within ten miles of your former territory (or of your site selection area if no territory had been set) or of the territory of any other Petite Pup business operating on the date of termination or expiration. |
| s. Modification of the agreement                                          | FA: § 18.4<br>MUDA: § 7                 | No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Operations Manual or system specifications.                                                                                                                                                                                                                        |
| t. Integration/merger clause                                              | FA: § 18.3<br>MUDA: § 7                 | Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, no claim made in any franchise agreement (or MUDA) is                                                                                                                                                                              |

| <b>Provision</b>                                  | <b>Section in franchise or other agreement</b> | <b>Summary</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   |                                                | intended to disclaim the express representations made in this Disclosure Document.                                                                                                                                                                                                                                                                                                                                                                             |
| u. Dispute resolution by arbitration or mediation | FA: § 17.1<br>MUDA: § 7                        | All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).                                                                                                                                                                                                                                                                                                                                                     |
| v. Choice of forum                                | FA: §§ 17.1; 17.5<br>MUDA: § 7                 | Arbitration will take place where our headquarters is located (currently, Scottsdale, Arizona) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law). |
| w. Choice of law                                  | FA: § 18.8<br>MUDA: § 7                        | Arizona (subject to applicable state law).                                                                                                                                                                                                                                                                                                                                                                                                                     |

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document.

## **Item 18 PUBLIC FIGURES**

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

## **Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

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

|                   | 2024               |            | 2025               |            |
|-------------------|--------------------|------------|--------------------|------------|
|                   | Amount             | % of Sales | Amount             | % of Sales |
| Sales             | \$246,151.94       | 100%       | \$299,595.92       | 100%       |
| Labor Cost        | \$95,480.52        | 39%        | \$121,704.23       | 41%        |
| Rent              | \$52,185.35        | 21%        | \$63,612.71        | 21%        |
| Other Costs       | \$38,922.57        | 16%        | \$43,451.77        | 15%        |
| <b>Net Profit</b> | <b>\$59,563.50</b> | <b>24%</b> | <b>\$70,827.21</b> | <b>24%</b> |
|                   |                    |            |                    |            |
| Royalty Fee       | \$14,769.12        | 6%         | \$17,975.76        | 6%         |
| Marketing Fund    | \$2,461.52         | 1%         | \$2,995.96         | 1%         |

### Notes

1. The table above shows a summary adjusted profit statement for the Petite Pup operated by our affiliate, Petite Pup LLC, in calendar years 2024 and 2025. It is the only location that operated during calendar years 2024 and 2025. This information is a historic financial performance representation.

2. This Petite Pup business is located in Scottsdale, Arizona. Characteristics of this outlet related to its geographic location, such as population density and climate, may differ materially from those of the outlet that may be offered to you.

3. “Sales” means the total revenue derived from the sale of goods or services less discounts and refunds. It does not include sales taxes. It does not include gratuities collected on behalf of employees.

4. “Labor Cost” is our affiliate’s cost of hourly labor, including bonuses and payroll taxes. It does not include salary or compensation for our owner or payroll processing costs.

5. “Rent” is our affiliate’s annual cost to lease a retail space that is approximately 1,750 square feet. Depending on your geographic location and the square footage of your space, your rent cost may be lower or higher.

6. “Other Costs” includes various other operating expenses, including accounting expenses, certain advertising and marketing expenses, credit card fees, insurance costs, office supplies and software, and utilities (including electric, telephone, and internet). Excluded expenses included the following: certain advertising and marketing expenses that a franchisee would not be required to incur, common area maintenance, vehicle expenses, contractor expenses, optional food and treats for dogs, optional janitorial services, legal and professional services, meals and entertainment expenses, travel expenses, and trash expenses.

7. “Net Profit” is Sales less expenses shown above. It does not include interest, taxes, depreciation, or amortization.

8. “Royalty Fee” and “Marketing Fund” are the fees this location would have paid if it had been a franchise.

**Some outlets have sold and earned these amounts. Your individual results may differ. There is no assurance that you’ll sell or earn as much.**

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, Petite Pup Franchise LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kathleen Kocsis, 14700 N. Frank Lloyd Wright Blvd, #159, Scottsdale, AZ 85260, and 480-487-9705, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Item 20 OUTLETS AND FRANCHISEE INFORMATION

**Table 1  
Systemwide Outlet Summary  
For Years 2023 to 2025\***

| Column 1<br>Outlet Type | Column 2<br>Year | Column 3<br>Outlets at the<br>Start of the Year | Column 4<br>Outlets at the<br>End of the Year | Column 5<br>Net Change |
|-------------------------|------------------|-------------------------------------------------|-----------------------------------------------|------------------------|
| Franchised              | 2023             | 0                                               | 0                                             | 0                      |
|                         | 2024             | 0                                               | 0                                             | 0                      |
|                         | 2025             | 0                                               | 0                                             | 0                      |
| Company-Owned           | 2023             | 1                                               | 1                                             | 0                      |
|                         | 2024             | 1                                               | 1                                             | 0                      |
|                         | 2025             | 1                                               | 1                                             | 0                      |
| Total Outlets           | 2023             | 1                                               | 1                                             | 0                      |
|                         | 2024             | 1                                               | 1                                             | 0                      |
|                         | 2025             | 1                                               | 1                                             | 0                      |

\*Our fiscal year end is September 30.

**Table 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years 2023 to 2025**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Number of Transfers |
|-------------------|------------------|---------------------------------|
| N/A               | 2023             | 0                               |
|                   | 2024             | 0                               |
|                   | 2025             | 0                               |
| Total             | 2023             | 0                               |
|                   | 2024             | 0                               |
|                   | 2025             | 0                               |

**Table 3**  
**Status of Franchised Outlets**  
**For Years 2023 to 2025**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Outlets at<br>the Start<br>of the<br>Year | Column 4<br>Outlets<br>Opened | Column 5<br>Termi-<br>Nations | Column 6<br>Non-<br>Renewals | Column 7<br>Reacquired<br>by<br>Franchisor | Column 8<br>Ceased<br>Operations<br>– Other<br>Reasons | Column 9<br>Outlets at<br>End of the<br>Year |
|-------------------|------------------|-------------------------------------------------------|-------------------------------|-------------------------------|------------------------------|--------------------------------------------|--------------------------------------------------------|----------------------------------------------|
| N/A               | 2023             | 0                                                     | 0                             | 0                             | 0                            | 0                                          | 0                                                      | 0                                            |
|                   | 2024             | 0                                                     | 0                             | 0                             | 0                            | 0                                          | 0                                                      | 0                                            |
|                   | 2025             | 0                                                     | 0                             | 0                             | 0                            | 0                                          | 0                                                      | 0                                            |
| Totals            | 2023             | 0                                                     | 0                             | 0                             | 0                            | 0                                          | 0                                                      | 0                                            |
|                   | 2024             | 0                                                     | 0                             | 0                             | 0                            | 0                                          | 0                                                      | 0                                            |
|                   | 2025             | 0                                                     | 0                             | 0                             | 0                            | 0                                          | 0                                                      | 0                                            |

**Table 4**  
**Status of Company-Owned Outlets**  
**For Years 2023 to 2025**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Outlets at<br>the Start<br>of the<br>Year | Column 4<br>Outlets<br>Opened | Column 5<br>Outlets<br>Reacquired<br>from<br>Franchisee | Column 6<br>Outlets<br>Closed | Column 7<br>Outlets<br>Sold to<br>Franchisee | Column 8<br>Outlets at<br>End of the<br>Year |
|-------------------|------------------|-------------------------------------------------------|-------------------------------|---------------------------------------------------------|-------------------------------|----------------------------------------------|----------------------------------------------|
| Arizona           | 2023             | 1                                                     | 0                             | 0                                                       | 0                             | 0                                            | 1                                            |

| Column 1<br>State | Column 2<br>Year | Column 3<br>Outlets at<br>the Start<br>of the<br>Year | Column 4<br>Outlets<br>Opened | Column 5<br>Outlets<br>Reacquired<br>from<br>Franchisee | Column 6<br>Outlets<br>Closed | Column 7<br>Outlets<br>Sold to<br>Franchisee | Column 8<br>Outlets at<br>End of the<br>Year |
|-------------------|------------------|-------------------------------------------------------|-------------------------------|---------------------------------------------------------|-------------------------------|----------------------------------------------|----------------------------------------------|
|                   | 2024             | 1                                                     | 0                             | 0                                                       | 0                             | 0                                            | 1                                            |
|                   | 2025             | 1                                                     | 0                             | 0                                                       | 0                             | 0                                            | 1                                            |
| Totals            | 2023             | 1                                                     | 0                             | 0                                                       | 0                             | 0                                            | 1                                            |
|                   | 2024             | 1                                                     | 0                             | 0                                                       | 0                             | 0                                            | 1                                            |
|                   | 2025             | 1                                                     | 0                             | 0                                                       | 0                             | 0                                            | 1                                            |

**Table 5**  
**Projected Openings As Of September 30, 2025**

| Column 1<br>State | Column 2<br>Franchise Agreements<br>Signed but Outlet Not<br>Opened | Column 3<br>Projected New<br>Franchised Outlets in the<br>Next Fiscal Year | Column 4<br>Projected New Company-<br>Owned Outlets in the<br>Next Fiscal Year |
|-------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| N/A               | 0                                                                   | 0                                                                          | 0                                                                              |
| Totals            | 0                                                                   | 0                                                                          | 0                                                                              |

#### Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

#### Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

#### Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

## Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

## **Item 21 FINANCIAL STATEMENTS**

**We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission.** Exhibit F contains our unaudited opening balance sheet dated September 4, 2025. Our fiscal year end is September 30.

## **Item 22 CONTRACTS**

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- J. State Addenda to Agreements
- K. EFT Authorization Form
- L. Confidentiality and Noncompete Agreement
- M. SBA Addendum

## **Item 23 RECEIPTS**

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

## EXHIBIT A

### STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

| State      | State Administrator                                                                                                                                                                                              | Agent for Service of Process (if different from State Administrator)                                                                                                                               |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| California | Commissioner of Financial Protection and Innovation<br>Department of Financial Protection and Innovation<br>2101 Arena Blvd.<br>Sacramento, CA 95834<br>866-275-2677<br>www.dfpi.ca.gov<br>Ask.DFPI@difpi.ca.gov |                                                                                                                                                                                                    |
| Hawaii     | Department of Commerce and Consumer Affairs<br>Business Registration Division<br>Commissioner of Securities<br>P.O. Box 40<br>Honolulu, HI 96810<br>(808) 586-2722                                               | Commissioner of Securities<br>Department of Commerce and Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, HI 96813 |
| Illinois   | Franchise Bureau<br>Office of Attorney General<br>500 South Second Street<br>Springfield, IL 62706<br>(217) 782-4465                                                                                             |                                                                                                                                                                                                    |
| Indiana    | Franchise Section<br>Indiana Securities Division<br>Secretary of State<br>Room E-111<br>302 W. Washington Street<br>Indianapolis, IN 46204<br>(317) 232-6681                                                     |                                                                                                                                                                                                    |
| Maryland   | Office of the Attorney General<br>Division of Securities<br>200 St. Paul Place<br>Baltimore, MD 21202-2020<br>(410) 576-6360                                                                                     | Maryland Commissioner of Securities<br>200 St. Paul Place<br>Baltimore, MD 21202-2020                                                                                                              |
| Michigan   | Michigan Attorney General's Office<br>Consumer Protection Division<br>Attn: Franchise Section<br>525 W. Ottawa Street<br>Williams Building, 1st Floor<br>Lansing, MI 48933<br>(517) 373-7117                     |                                                                                                                                                                                                    |

| State        | State Administrator                                                                                                                                                  | Agent for Service of Process (if different from State Administrator)                                                                                  |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minnesota    | Minnesota Department of Commerce<br>Securities-Franchise Registration<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, MN 55101-2198<br>(651) 539-1500       | Commissioner of Commerce<br>Minnesota Department of Commerce<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, MN 55101-2198<br>(651) 539-1500 |
| New York     | NYS Department of Law<br>Investor Protection Bureau<br>28 Liberty St. 21st Floor<br>New York, NY 10005<br>212-416-8222                                               | Secretary of State<br>99 Washington Avenue<br>Albany, NY 12231                                                                                        |
| North Dakota | North Dakota Securities Department<br>600 East Boulevard Ave., State Capital Fifth Floor,<br>Dept. 414<br>Bismarck, ND 58505-0510<br>(701) 328-4712                  |                                                                                                                                                       |
| Oregon       | Department of Consumer & Business Services<br>Division of Finance and Corporate Securities<br>Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4140 |                                                                                                                                                       |
| Rhode Island | Department of Business Regulation<br>Securities Division<br>1511 Pontiac Avenue<br>Building 68-2<br>Cranston, RI 02920-4407<br>(401) 462-9527                        |                                                                                                                                                       |
| South Dakota | Division of Insurance<br>Securities Regulation<br>124 South Euclid Suite 104<br>Pierre, SD 57501-3185<br>(605) 773-3563                                              |                                                                                                                                                       |
| Virginia     | State Corporation Commission<br>1300 East Main Street<br>9th Floor<br>Richmond, VA 23219<br>(804) 371-9051                                                           | Clerk of the State Corporation<br>Commission<br>1300 East Main Street, 1st Floor<br>Richmond, VA 23219                                                |
| Washington   | Department of Financial Institutions<br>Securities Division<br>P.O. Box 41200<br>Olympia, WA 98504-1200<br>(360) 902-8760                                            | Department of Financial Institutions<br>Securities Division<br>150 Israel Rd SW<br>Tumwater, WA 98501<br>(360) 902-8760                               |
| Wisconsin    | Division of Securities<br>Department of Financial Institutions<br>4822 Madison Yards Way<br>Madison, WI 53705<br>(608) 266-0448                                      | Division of Securities<br>Department of Financial Institutions<br>4822 Madison Yards Way<br>Madison, WI 53705<br>(608) 261-7577                       |

**EXHIBIT B**  
**FRANCHISE AGREEMENT**



## FRANCHISE AGREEMENT

| SUMMARY PAGE                 |                                    |  |
|------------------------------|------------------------------------|--|
| 1. Franchisee                | <hr/>                              |  |
| 2. Initial Franchise Fee     | \$47,500                           |  |
| 3. Site Selection Area       | <hr/>                              |  |
| 4. Business Location         | <hr/>                              |  |
| 5. Protected Store Territory | <hr/> -mile radius around Location |  |
| 6. Opening Deadline          | <hr/>                              |  |
| 7. Principal Executive       | <hr/>                              |  |
| 8. Franchisee's Address      | <hr/>                              |  |

## FRANCHISE AGREEMENT

This Agreement is made between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”), and Franchisee effective as of the date signed by Petite Pup Franchise (the “Effective Date”).

### Background Statement:

A. Petite Pup Franchise and its affiliate Petite Pup LLC have created and own a system (the “System”) for developing and operating a boutique dog daycare, specializing in dogs that are under 15 pounds, under the trade name “Petite Pup”.

B. The System includes (1) methods, procedures, and standards for developing and operating a Petite Pup business, (2) plans, specifications, equipment, signage, and trade dress for Petite Pup businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Petite Pup Franchise from time to time.

C. The parties desire that Petite Pup Franchise license the Marks and the System to Franchisee for Franchisee to develop and operate a Petite Pup business on the terms and conditions of this Agreement.

## ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, or judgment, or appeal thereof, whether formal or informal.

“**Adjusted Gross Sales**” means the gross total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit, any revenue generated from the renting of Franchisee’s space during non-business hours, and any proceeds of business interruption insurance, minus (i) bona fide refunds to customers, (ii) sales allowances and discounts, (iii) sales taxes collected by Franchisee, and (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Adjusted Gross Sales). Service gratuities directed by customers to employees are not counted towards Adjusted Gross Sales.

“**Advertising and Promotional Content**” means all advertising, marketing, promotional, customer relationship management, public relations, and other brand-related programs, materials, and content relating to Petite Pup or the Business, including without limitation any printed materials (such as business cards, signs, counter cards, banners, posters, displays, window clings, leaflets, direct mail materials, coupons, and published advertisements); promotional items (such as branded specialty and novelty items, products, and clothing); audio or video advertising (such as radio, television, or podcast ads or online video postings); and Digital Marketing.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Petite Pup Franchise.

**“Business”** means the Petite Pup business owned by Franchisee and operated under this Agreement.

**“Competitor”** means any business which offers dog daycare services.

**“Confidential Information”** means all non-public information of or about the System, Petite Pup Franchise, and any Petite Pup business, including the Operations Manual, all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information, and know-how.

**“Data Security Event”** means any act, both actual or suspected, that initiates either internally or from outside the Business’ computers, point-of-sale terminals, and other technology or networked environment and violates any laws or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the System, other Petite Pup businesses, or their data or to view, copy, or use Privacy Information or Confidential Information without authorization or in excess of authorization; unwanted disruption or denial of service; unauthorized use of a system for processing or storage of data; and changes to system hardware, firmware, or software characteristics without Petite Pup Franchise’s knowledge, instruction, or consent.

**“Digital Marketing”** means social media accounts (such as Facebook, X, Instagram, Pinterest, Snapchat, TikTok, etc.), applications, keyword or adword purchasing programs, mobile applications, online videos, display banner campaigns, branded content social media campaigns, e-mail marketing campaigns, or other means of digital advertising on the Internet or any other means of digital or electronic communications that are intended to promote Petite Pup and/or the Business.

**“Input”** means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

**“Location”** means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

**“Losses”** includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Petite Pup Franchise’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

**“Marketing Fund”** means the fund established (or which may be established) by Petite Pup Franchise into which Marketing Fund Contributions are deposited.

**“Marks”** means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Petite Pup Franchise from time to time for use in a Petite Pup business.

**“Operations Manual”** means Petite Pup Franchise’s confidential Operations Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

**“Owner”** means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

**“Privacy Information”** means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver’s license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer’s interaction with an internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer’s preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

**“Remodel”** means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Petite Pup business.

**“Required Vendor”** means a supplier, vendor, or distributor of Inputs which Petite Pup Franchise requires franchisees to use.

**“System Standards”** means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Petite Pup Franchise, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), environmental protection and sustainability, equipment, inventory, maintenance, marketing and public relations, minimum numbers and types of personnel, operating days, operating hours, presentation of Marks, pet safety and welfare, product and service offerings, quality of products and services (including any guaranty and warranty programs), refund and replacement policies, reporting, safety procedures, sanitation,

security systems, Technology, temporary operational changes due to special circumstances (such as a pandemic), uniforms, and vehicles.

“**Technology**” means point-of-sale systems, back-office systems, information management systems, customer-facing software, and other software; computers, computer peripheral equipment, cash registers, smartphones, tablets, and similar equipment; communications systems (including email, audio, and video systems); backup and archiving systems; payment acceptance systems (including credit and debit card systems, check verification services, and other payment systems, as well as any compliance programs relating to those systems), and internet access, as well as upgrades, supplements, and modifications to any Technology.

“**Territory**” means the Protected Store Territory stated on the Summary Page, measured as a radius from the front door of the Business. If no Protected Store Territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

“**Transfer**” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

## ARTICLE 2. GRANT OF LICENSE

**2.1 Grant.** Petite Pup Franchise grants to Franchisee the right to operate a Petite Pup business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open, and operate a Petite Pup business at the Location for the entire term of this Agreement. Franchisee shall exert its best efforts to promote and enhance the Business.

**2.2 Protected Territory.** Petite Pup Franchise shall not establish, nor license the establishment of, another business within the Territory selling the same or similar goods or services under the same or similar trademarks or service marks as a Petite Pup business. This prohibition does not apply to any Petite Pup business operating or under construction when the Territory is determined. Petite Pup Franchise and its affiliates retain the right to do any of the following (all without any compensation to Franchisee):

- (i) establish and license others to establish and operate Petite Pup businesses outside the Territory, notwithstanding their proximity to the Territory or their potential impact on the Business;
- (ii) operate and license others to operate businesses anywhere, including within the Territory, that sell the same or similar goods or services as a Petite Pup business under trademarks or service marks that are not the same as or similar to the Marks;
- (iii) sell and license others to sell any products and services in the Territory under any trademarks or service marks (including the Marks) through channels of distribution (including the internet) other than Petite Pup outlets;

- (iv) acquire or be acquired by (under any form of business transaction) a Competitor that has (or may in the future have) outlets in the Territory which compete with the Business under trademarks or service marks other than the Marks; and
- (v) engage in any action not specifically precluded by the express terms of this Agreement.

**2.3 Franchisee Control.** Franchisee represents that Attachment 1 (i) identifies each owner, officer, and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Petite Pup Franchise within 10 days.

**2.4 Principal Executive.** Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. Petite Pup Franchise is entitled to rely on any communication, decision, or act by the Principal Executive as being the communication, decision, or act of Franchisee. The Principal Executive must have at least 30% ownership interest in Franchisee. The Principal Executive does not have to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Petite Pup Franchise's reasonable approval.

**2.5 Guaranty.** If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Petite Pup Franchise, in the form of Attachment 3.

**2.6 No Conflict.** Franchisee represents to Petite Pup Franchise that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

### ARTICLE 3. TERM

**3.1 Term.** This Agreement commences on the Effective Date and continues for ten years.

**3.2 Successor Agreement.** When the term of this Agreement expires, Franchisee may enter into a successor agreement for the Location for up to two additional periods of five years each, subject to the following conditions prior to each expiration:

- (i) Franchisee notifies Petite Pup Franchise of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Petite Pup Franchise (or any of its affiliates) at the time of election and at the time of renewal;

- (iii) Franchisee (and its affiliates) have been in substantial compliance with this Agreement and all other agreements with Petite Pup Franchise (or any of its affiliates) throughout the term of this Agreement and any other such agreement(s);
- (iv) Franchisee did not (A) receive written notice of default under this Agreement from Petite Pup Franchise more than twice during the term, or (B) failed to cure a written notice of default under this Agreement within the cure period (if any) provided in this Agreement;
- (v) Franchisee and its Owners complied with Section 7.25 of this Agreement at all times during the term;
- (vi) Franchisee has made or agrees to make (within a period of time acceptable to Petite Pup Franchise) renovations and changes to the Business as Petite Pup Franchise requires to conform to the then-current System Standards; such renovations and changes may include, without limitation, a Remodel, making changes to the façade, installing furnishings or fixtures, changing signage, and making upgrades to any technological features required by the System Standards;
- (vii) Franchisee and its Owners execute Petite Pup Franchise's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that the form of the franchise agreement will be amended to provide that Franchisee will not pay another initial franchise fee and to provide that Franchisee will not receive more renewal or successor terms than originally granted to Franchisee;
- (viii) Franchisee pays a renewal fee of \$10,000; and
- (ix) Franchisee and each Owner executes a general release (on Petite Pup Franchise's then-standard form) of any and all claims against Petite Pup Franchise, its affiliates, and their respective owners, officers, directors, agents and employees.

## ARTICLE 4. FEES

**4.1 Initial Franchise Fee.** Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable under any circumstances.

**4.2 Royalty Fee.** Franchisee shall pay Petite Pup Franchise a daily royalty fee (the "Royalty Fee") equal to 6% of Adjusted Gross Sales. Franchisee shall pay the Royalty Fee on a daily basis in conjunction with Franchisee's daily point-of-sale reconciliation. Petite Pup Franchise reserves the right to change the payment period upon 30 days' written notice.

### **4.3 Marketing Contributions.**

(a) Marketing Fund Contribution. Franchisee shall pay Petite Pup Franchise a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to no more than

3% of Franchisee's Adjusted Gross Sales (or such lesser amount as Petite Pup Franchise determines), at the same time as the Royalty Fee. The current Marketing Fund Contribution is 1% of Franchisee's Adjusted Gross Sales.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Adjusted Gross Sales (or other amount) determined by the Market Cooperative, not to exceed 5%.

**4.4 Technology Fee.** Petite Pup Franchise reserves the right to charge Franchisee a commercially-reasonable fee (the "Technology Fee") in exchange for software and other technology-related services and products provided by or through Petite Pup Franchise. The Technology Fee does not have to be a pass-through of Petite Pup Franchise's exact costs. Petite Pup Franchise has no liability or obligation to Franchisee with respect any third-party software or other technology-related services and products that Petite Pup Franchise provides to Franchisee. The Technology Fee for a given period is due and payable on or before the fifth day of the following month, unless Petite Pup Franchise determines otherwise. Petite Pup Franchise may add, remove, or alter the software or technology products or services that it provides. Petite Pup Franchise may change the Technology Fee after at least 30 days' notice to an amount not to exceed \$800. As of the date of this Agreement, the Technology Fee is \$250 per month. The Technology Fee begins two months prior to Franchisee opening for business.

**4.5 Replacement / Additional Training Fee.** If Franchisee sends an employee to Petite Pup Franchise's training program after opening, Petite Pup Franchise may charge its then-current training fee. As of the date of this Agreement, the training fee is \$250 per person per day.

**4.6 Non-Compliance Fee.** Petite Pup Franchise may charge Franchisee \$500 for each instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Petite Pup Franchise) which Franchisee fails to cure after 30 days' notice. Thereafter, Petite Pup Franchise may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Petite Pup Franchise's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Petite Pup Franchise's other rights and remedies (including default and termination under Section 14.2).

**4.7 Reimbursement.** Petite Pup Franchise may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Petite Pup Franchise does so or intends to do so, Franchisee shall pay such amount plus a 20% administrative charge to Petite Pup Franchise within 30 days after invoice by Petite Pup Franchise accompanied by reasonable documentation.

#### **4.8 Payment Terms.**

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, Technology Fee, and any other amounts owed to Petite Pup Franchise by pre-authorized bank draft or in such other manner as Petite Pup Franchise may require. Franchisee shall comply with Petite Pup Franchise's payment instructions, including executing all documents reasonably required by Petite Pup Franchise. If Petite Pup Franchise permits Franchisee to pay by

credit card or other method which causes Petite Pup Franchise to incur a processing fee, Franchisee shall be responsible for the amount of the processing fee.

(b) Calculation of Fees. In the event that Franchisor elects to change Franchisee's payment period to weekly or monthly, Franchisee shall report weekly or monthly Adjusted Gross Sales to Petite Pup Franchise by, if weekly, Tuesday of the following week, or, if monthly, the fifth day of the following month. If Franchisee fails to report weekly or monthly Adjusted Gross Sales, then Petite Pup Franchise may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Adjusted Gross Sales reported to Petite Pup Franchise, and the parties will true-up the actual fees after Franchisee reports Adjusted Gross Sales. Franchisee acknowledges that Petite Pup Franchise has the right to remotely access Franchisee's point-of-sale system to calculate Adjusted Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Petite Pup Franchise may charge \$30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection and Enforcement. Franchisee shall repay any costs incurred by Petite Pup Franchise in attempting to collect payments owed by Franchisee or to enforce any other provision of this Agreement (including, without limitation, reasonable attorney fees).

(f) Application. Petite Pup Franchise may apply any payment received from Franchisee to any obligation and in any order as Petite Pup Franchise may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Petite Pup Franchise any fees or amounts described in this Agreement are not dependent on Petite Pup Franchise's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

(h) Taxes. Franchisee will be responsible for (and shall immediately remit to Petite Pup Franchise upon demand) all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Petite Pup Franchise or its affiliates and on services or goods furnished to Franchisee by Petite Pup Franchise or its affiliates, unless the tax is an income tax assessed on Petite Pup Franchise or its affiliate for doing business in the state where the Business is located.

## ARTICLE 5. ASSISTANCE

**5.1 Operations Manual.** Petite Pup Franchise shall make its Operations Manual available to Franchisee in such format as Petite Pup Franchise deems appropriate.

## 5.2 Pre-Opening Assistance.

(a) Selecting Location. Petite Pup Franchise shall provide its criteria for Petite Pup locations to Franchisee. Petite Pup Franchise will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Development. To the extent Petite Pup Franchise deems appropriate, Petite Pup Franchise shall advise Franchisee regarding the layout, design, and build-out of the Business.

(c) Vendors. To the extent applicable, Petite Pup Franchise shall provide its specifications and list of Approved Vendors and/or Required Vendors for equipment, signs, fixtures, opening inventory, and supplies to open the Business.

(d) Business Plan Review. If requested by Franchisee, Petite Pup Franchise shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that Petite Pup Franchise accepts no responsibility for the performance of the Business.**

(e) Pre-Opening Training. Petite Pup Franchise shall make available its standard pre-opening training to the Principal Executive and up to two other employees, at Petite Pup Franchise's headquarters and/or at a Petite Pup business designated by Petite Pup Franchise. Petite Pup Franchise shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, car rental, meals, and other out-of-pocket expenses. Petite Pup Franchise reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(f) Market Introduction Plan. Petite Pup Franchise shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(g) On-Site Opening Assistance. Petite Pup Franchise shall have a representative support Franchisee's business opening with at least two days of onsite opening training and assistance, at Petite Pup Franchise's expense.

## 5.3 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Petite Pup Franchise shall provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Petite Pup Franchise deems reasonable. If Petite Pup Franchise provides in-person support in response to Franchisee's request, Petite Pup Franchise may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and car rental (not including meals) for employees providing onsite support).

(b) Pricing. Upon request, Petite Pup Franchise shall provide recommended prices for products and services offered by franchisees of the System. Franchisor shall determine the minimum prices charged by franchisees for goods and services (but only to the extent permitted by applicable law).

(c) Procedures. To the extent Petite Pup Franchise determines in its sole discretion, Petite Pup Franchise shall provide Franchisee with Petite Pup Franchise's recommended administrative, bookkeeping, accounting, and inventory control procedures. Petite Pup Franchise may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Petite Pup Franchise shall manage the Marketing Fund.

(e) Internet. Petite Pup Franchise shall maintain a website for Petite Pup, which will include the applicable business information for the Location.

## ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

**6.1 Determining Location and Territory.** If the Location and Territory are not stated on the Summary Page, then Franchisee shall identify a potential Location within the Site Selection Area described on the Summary Page. Franchisee acknowledges that Franchisee does not have any territorial or other rights to the Site Selection Area and that it is only provided for the purpose of delineating the area within which Franchisee must locate an acceptable Location for the Business. Franchisee shall submit its proposed Location to Petite Pup Franchise for acceptance, with all related information and documents Petite Pup Franchise may request. If Petite Pup Franchise does not accept the proposed Location in writing within 30 days, then it is deemed rejected. When Petite Pup Franchise accepts the Location, it will issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Territory. Petite Pup Franchise shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document. **Petite Pup Franchise's advice regarding or acceptance of a proposed Location is not a representation or warranty that the Business will be successful or that the Business is permitted to be operated at the Location under applicable laws or zoning ordinances, and Petite Pup Franchise has no liability to Franchisee with respect to the location of the Business.**

**6.2 Lease.** In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Petite Pup Franchise, Franchisee must submit the proposed lease to Petite Pup Franchise for written approval, (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Petite Pup Franchise.

**6.3 Development.** Franchisee shall construct (or remodel) and finish the Location in conformity with Petite Pup Franchise's System Standards. If required by Petite Pup Franchise, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Petite Pup Franchise's approval of Franchisee's plans and without first obtaining any required permits or licenses necessary to commence such construction or remodeling work. Franchisee must engage a qualified licensed general contractor to perform such construction or remodeling work. Petite Pup Franchise may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Petite Pup Franchise or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the

development and construction of the Business, and Petite Pup Franchise assumes no liability with respect thereto. Petite Pup Franchise's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards.

**6.4 New Franchisee Training.** Franchisee's Principal Executive must complete Petite Pup Franchise's training program for new franchisees to Petite Pup Franchise's satisfaction at least three weeks before opening the Business.

**6.5 Conditions to Opening.** Franchisee shall notify Petite Pup Franchise at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Petite Pup Franchise has inspected and approved the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Petite Pup Franchise's required pre-opening training; and (7) Petite Pup Franchise has given its written approval to open, which will not be unreasonably withheld.

**6.6 Opening Date.** Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

**6.7 Location Evaluation and Assistance Fee.** If Petite Pup Franchise determines that an in-person visit to a proposed Location or a Location under development is necessary or appropriate, then Petite Pup Franchise may charge a fee of \$2,000, plus any out-of-pocket expenses (such as travel, lodging, and car rental (not including meals)) incurred in connection with the visit.

**6.8 Relocation.** Franchisee shall not relocate the Business to new premises without the prior written approval of Petite Pup Franchise. If Franchisee requests approval of a relocation, Franchisee must pay \$2,500 upon submitting the request. If Petite Pup Franchise approves the relocation, Franchisee must (i) pay an additional \$2,500 relocation fee to Petite Pup Franchise upon approval, (ii) comply with the conditions set for in Sections 6.1, 6.2, and 6.6 with respect to the new location, and (iii) satisfy any other conditions required by Petite Pup Franchise.

**6.9 Damage to the Location.** If the Location is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than one month following such casualty, initiate repairs of or the process for reconstruction of the Location, and Franchisee shall in good faith and with due diligence continue until such repairs or reconstruction are completed. Any repairs or reconstruction shall otherwise comply with the System Standards (including the then-current design and décor) and the requirements of this Agreement.

## ARTICLE 7. OPERATIONS

**7.1 Compliance with Operations Manual and System Standards.** Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Operations Manual and with all other System Standards, as they are now or hereafter established. Franchisee acknowledges and agrees that the products and services offered under the Marks have a reputation

for excellence and that Franchisee's compliance with all System Standards is of the utmost importance to Petite Pup Franchise.

**7.2 Compliance with Law.** Franchisee and the Business shall comply with all laws, rules, ordinances, and regulations applicable to Franchisee or to the Business. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business. Franchisee is solely responsible for all such compliance, notwithstanding any information provided by Petite Pup Franchise.

**7.3 Products, Services, and Methods of Sale.** Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Petite Pup Franchise in the Operations Manual or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Petite Pup Franchise, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall maintain sufficient levels of inventory at all times. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Petite Pup Franchise may require.

**7.4 Prices.** Franchisee acknowledges that the System Standards determined by Franchisor may include the minimum prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law).

**7.5 Personnel.**

(a) Management. The Principal Executive must complete Petite Pup Franchise's training program. Each person acting as on-premises shift lead, supervisor, or general manager (whether that is you or a hired person) must successfully complete Petite Pup Franchise's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform with name tag, personal appearance, and hygiene standards set forth in the Operations Manual.

(d) Qualifications. Petite Pup Franchise may set minimum qualifications for categories of employees employed by Franchisee.

(e) Staffing. Franchisee must hire or engage a sufficient number of personnel to service its volume of business, and Franchisee must comply with any System Standards regarding staffing levels.

(f) Sole Responsibility. Franchisee is solely responsible for all hiring decisions and all terms and conditions of employment of all of its personnel, including recruiting, hiring, scheduling,

supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Petite Pup Franchise are not joint employers, and no employee of Franchisee will be an agent or employee of Petite Pup Franchise. Within seven days of Petite Pup Franchise's request, Franchisee and each of its employees shall sign an acknowledgment form stating that Franchisee alone (and not Petite Pup Franchise) is the employee's sole employer. Franchisee shall use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee shall not use the Marks on any of these documents.

**7.6 Post-Opening Training.** Petite Pup Franchise may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Petite Pup Franchise. Petite Pup Franchise may charge a reasonable fee for any training programs. Petite Pup Franchise may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

**7.7 Technology.** Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all Technology required by Petite Pup Franchise. Petite Pup Franchise has the right to prohibit Franchisee from using any Technology which is not approved or required by Petite Pup Franchise. Franchisee shall enter into any subscription and support agreements related to the Technology that Petite Pup Franchise may require. Franchisee shall upgrade, update, or replace any Technology from time to time as Petite Pup Franchise may require. Franchisee shall protect the confidentiality and security of all Technology, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Petite Pup Franchise unlimited access to Franchisee's Technology used in the Business, by any means designated by Petite Pup Franchise. Despite Franchisee's obligation to acquire and use Technology according to System Standards, Franchisee has sole and complete responsibility for: (a) acquiring, operating, maintaining, and upgrading Franchisee's Technology; (b) the manner in which Franchisee's Technology interfaces with Petite Pup Franchise's and any third party's computer system; (c) any and all consequences if Franchisee's Technology is not properly operated, maintained, and upgraded; (d) complying at all times with the most current version of the Payment Card Industry Data Security Standards, and (e) complying at all times with all laws governing the use, disclosure, and protection of Privacy Information.

**7.8 Customer Complaints.** Franchisee shall use its best efforts to promptly resolve any customer complaints. Petite Pup Franchise may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Petite Pup Franchise may require Franchisee to reimburse Petite Pup Franchise for any expenses.

**7.9 Evaluation and Compliance Programs.** Franchisee shall participate at its own expense in programs required from time to time by Petite Pup Franchise for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Petite Pup Franchise shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements

set by Petite Pup Franchise for such programs. Petite Pup Franchise may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

**7.10 Payment Systems.** Franchisee shall accept payment from customers in any form or manner designated by Petite Pup Franchise (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Petite Pup Franchise.

**7.11 Gift Cards, Loyalty Programs, and Incentive Programs.** At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs or customer incentive programs, designated by Petite Pup Franchise, in the manner specified by Petite Pup Franchise in the Operations Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Petite Pup business. If Franchisee honors a gift card or other pre-paid system sold by another location, or vice versa, Petite Pup Franchise and Franchisee will cooperate so that the cash received is fairly allocated to the location where that gift card or other pre-paid system is redeemed (subject to fees and charges). Franchisee shall comply with all procedures and specifications of Petite Pup Franchise related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty or customer incentive programs.

**7.12 Safety and Welfare.** Franchisee shall at all times maintain high standards of safety, sanitation, and animal welfare at the Business, including without limitation complying with the following obligations:

- (i) not permit use of tobacco, marijuana, alcohol, or illegal drugs at the Business;
- (ii) require that all customers provide accurate records showing appropriate vaccinations of their dogs;
- (iii) comply with the highest industry standards regarding safety, sanitation, and/or animal welfare; and
- (iv) comply with all System Standards related to safety, sanitation, and/or animal welfare.

**7.13 Maintenance, Repair, and Alterations.** Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all of the property of the Business in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Petite Pup Franchise may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment, and décor. If such work is reserved to Franchisee's landlord under the terms of Franchisee's lease, then Franchisee shall use reasonable efforts to cause its landlord to perform such work. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, replacement, and repair. Franchisee shall not alter or replace the equipment, fixtures, furniture, signs, décor, or other aspects of the interior or exterior of the

Business except in compliance with all applicable System Standards or except with prior approval from Petite Pup Franchise.

**7.14 Remodeling.** In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Petite Pup Franchise may require Franchisee to undertake and complete a Remodel of the Location to Petite Pup Franchise's satisfaction. Franchisee must complete the Remodel in the time frame specified by Petite Pup Franchise. Petite Pup Franchise may require Franchisee to submit plans for Petite Pup Franchise's reasonable approval prior to commencing a required Remodel, and Petite Pup Franchise may require Franchisee to engage a qualified licensed contractor to perform the Remodel. Petite Pup Franchise's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

**7.15 Meetings.** The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Petite Pup Franchise requires, including any national or regional brand conventions or conferences. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings. Petite Pup Franchise may charge Franchisee the attendance fee for Petite Pup's national or regional brand convention, regardless of whether the Principal Executive attends. Franchisee is responsible for all travel and living expenses of attending any such meeting or convention.

**7.16 Insurance.**

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Petite Pup Franchise in the Operations Manual. If not specified in the Operations Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible);
- (ii) Business interruption insurance covering at least 12 months of income;
- (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit; and
- (iv) Workers Compensation coverage as required by state law.

(b) Franchisee's policies (other than Workers Compensation) must (1) list Petite Pup Franchise and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Petite Pup Franchise and its affiliates, (3) be primary and non-contributing with any insurance carried by Petite Pup Franchise or its affiliates, and (4) stipulate that Petite Pup Franchise shall receive 30 days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Petite Pup Franchise prior to opening and upon annual renewal of the insurance coverage, as well as at any time within 15 days after request from Petite Pup Franchise.

**7.17 Obligations to Third Parties.** Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

**7.18 Public Relations.** Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Petite Pup, the Business, or any particular incident or occurrence related to the Business, without Petite Pup Franchise's prior written approval, which will not be unreasonably withheld.

**7.19 Association with Causes.** Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Petite Pup Franchise's prior written approval, which will not be unreasonably withheld.

**7.20 No Other Activity Associated with the Business.** Franchisee shall not engage in any business or other activity at the Location other than operation of the Petite Pup Business. Franchisee shall not use assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Petite Pup businesses. Franchisee may, at Franchisee's option and after receiving Petite Pup Franchise's written approval, rent Franchisee's Location to other dog-related third party businesses during non-business hours. Franchisee must ensure that Franchisee's lease permits Franchisee to rent the Location to third parties during Franchisee's non-business hours and that any third parties renting the space have adequate insurance coverage. Franchisee must comply with any requirements or standards that Franchisor establishes regarding the use of Franchisee's Location by third parties.

**7.21 No Third-Party Management.** Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Petite Pup Franchise, which will not be unreasonably withheld.

**7.22 Identification.** Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Petite Pup Franchise. Franchisee must display at the Business signage prescribed by Petite Pup Franchise identifying the Location as an independently owned franchise.

**7.23 Privacy Practices.**

(a) With respect to Privacy Information, Franchisee must comply with all of their obligations under applicable privacy laws, including any local, state, or federal data privacy or data security law or regulation.

(b) Franchisee shall not sell any Privacy Information. Franchisee further agrees to not access, use, or process the Privacy Information except in the furtherance of its obligations under this Agreement, but in all times, in compliance with applicable privacy laws.

(c) To the extent Petite Pup Franchise does not have the then-current ability to address requests made under any applicable privacy law by individuals that are the subject of any of the Privacy Information, Franchisee shall, upon Petite Pup Franchise's request, provide reasonable assistance to Petite Pup Franchise in responding to such requests.

(d) In the event of a Data Security Event, Franchisee must notify Petite Pup Franchise immediately after becoming aware of the Data Security Event and shall cooperate with Petite Pup Franchise and follow all of Petite Pup Franchise's reasonable requests to address the Data Security Event and to protect any Privacy Information and/or Confidential Information. Petite Pup Franchise, or its designee, has the right, but not the obligation, to take any action or pursue any proceeding with respect to the Data Security Event.

**7.24 Communication.** Franchisee shall respond promptly to requests for communication from Petite Pup Franchise, and in any event within three business days. Franchisee and each Owner shall be courteous and respectful to Franchisor and its personnel and shall comply with any rules adopted by Petite Pup Franchise from time to time establishing procedures and requirements for communications between Franchisee's personnel and Petite Pup Franchise's personnel.

**7.25 Business Practices and Values.** Franchisee and each Owner shall comply with and uphold any code of ethics or statement of values adopted by Petite Pup Franchise. Franchisee and each Owner shall be honest and fair in all interactions with customers, employees, vendors, governmental authorities, and other third parties. Neither Franchisee nor any Owner shall engage in or permit any employee to engage in any (i) violence or a threat of violence against any person or group of persons, (ii) sexual harassment of any person, (iii) discrimination against any person or group of persons on account of sex, race, color, religion, ancestry, national origin, sexual orientation, or disability, or any legally protected class in the jurisdiction where the Business is located, or (iv) any act which injures or is likely to injure the goodwill associated with the Marks, in Petite Pup Franchise's reasonable opinion.

## **ARTICLE 8. SUPPLIERS AND VENDORS**

**8.1 Generally.** Franchisee shall acquire all Inputs required by Petite Pup Franchise from time to time in accordance with System Standards. Petite Pup Franchise may require Franchisee to purchase or lease any Inputs from Petite Pup Franchise, Petite Pup Franchise's designee, Required Vendors, Approved Vendors, and/or under Petite Pup Franchise's specifications. Petite Pup Franchise may change any such requirement or change the status of any vendor. To make such requirement or change effective, Petite Pup Franchise shall issue the appropriate System Standards.

**8.2 Alternate Vendor Approval.** If Petite Pup Franchise requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Petite Pup Franchise.

Petite Pup Franchise may approve or disapprove the alternative vendor in its sole discretion. Petite Pup Franchise may condition its approval on such criteria as Petite Pup Franchise deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Petite Pup Franchise shall provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

**8.3 Alternate Input Approval.** If Petite Pup Franchise requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Petite Pup Franchise. Petite Pup Franchise may approve or disapprove the alternative Input in its sole discretion. Petite Pup Franchise shall provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

**8.4 Purchasing.** Petite Pup Franchise may negotiate prices and terms with vendors on behalf of the System. Petite Pup Franchise may receive rebates, payments, or other consideration from vendors in connection with purchases by franchisees. Petite Pup Franchise has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and to impose a reasonable markup or charge for administering the payment program (not to exceed the greater of \$500 or 10% of Franchisee's payment). Petite Pup Franchise may implement a centralized purchasing system. Petite Pup Franchise may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Petite Pup Franchise may determine.

**8.5 No Liability of Franchisor.** Petite Pup Franchise and its affiliates shall not have any liability to Franchisee for any claim, loss, or other Action related to any product provided or service performed by any Approved Vendor or Required Vendor (unless Petite Pup Franchise or its affiliate, as applicable, is the vendor), including without limitation for defects, delays, unavailability, failure, or breach of contract related to such products or services.

**8.6 Product Recalls.** If Petite Pup Franchise or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Petite Pup Franchise or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

## **ARTICLE 9. MARKETING**

**9.1 Advertising Standards.** Except as otherwise provided in the Operations Manual, Franchisee may use only Advertising and Promotional Content that Petite Pup Franchise has furnished or approved in writing in advance. Franchisee must ensure that all Advertising and Promotional Content that Franchisee uses is clear, factual, ethical, and not misleading; complies with all laws; and conforms to System Standards. Except as otherwise provided in the Operations Manual and Advertising and Promotional Content that Petite Pup Franchise furnishes to Franchisee, Franchisee must submit to Petite Pup Franchise for its written approval, at least 14

days before use, copies of all proposed Advertising and Promotional Content that Franchisee intends to use or implement. If Petite Pup Franchise does not respond, the material is deemed rejected. Petite Pup Franchise has the right to approve or disapprove any Advertising and Promotional Content, as well as the media in which Franchisee intends to use them, in its sole discretion. Petite Pup Franchise reserves the right to require Franchisee to discontinue the use of any Advertising and Promotional Content for any reason.

**9.2 Digital Marketing.** Petite Pup Franchise may (but is not obligated to) establish and operate all Digital Marketing and has the sole right to control all aspects of Digital Marketing, including those related to the Business. Without limiting the generality of Section 9.1, Franchisee shall not, directly or indirectly, conduct or be involved in any Digital Marketing without the prior written consent of Petite Pup Franchise. If Petite Pup Franchise permits Franchisee to conduct any Digital Marketing, Franchisee must (a) comply with any System Standards, to include, but not limited to, posting schedules and content standards, and must immediately modify or delete any Digital Marketing that Petite Pup Franchise determines, in its sole discretion, is not compliant with such System Standards; (b) only use materials that Petite Pup Franchise has approved and submit any proposed modifications to Petite Pup Franchise for approval; (c) not use any Mark (or words or designations similar to any Mark) in any domain name, electronic address, website, or other source identifier except as Petite Pup Franchise expressly permits; (d) include only the links that Petite Pup Franchise approves or requires; and (e) immediately take all actions necessary or that Petite Pup Franchise requests to provide Petite Pup Franchise with access to, or to transfer ownership of, all Digital Marketing relating to the Business to Franchisor, including, without limitation, providing login and password details and promptly signing all directions and authorizations as Petite Pup Franchise deems necessary to effect the intent and provisions of this Section. If Franchisee uses any Mark (or words or designations similar to a Mark) in any domain name, electronic address, website, or other source identifier, Petite Pup Franchise may register such name, address, website, or identifier and then license use of the registered item back to Franchisee under a separate agreement. Franchisee must pay all costs due for registration, maintenance, and renewal of any such names, addresses, websites, or identifiers that Petite Pup Franchise approves and maintains on Franchisee's behalf. Petite Pup Franchise may withdraw its approval for any Digital Marketing at any time.

**9.3 Implementation.** Franchisee shall implement any advertising or marketing materials, plans or campaigns (including Digital Marketing) required by Petite Pup Franchise.

**9.4 Use by Petite Pup Franchise.** Petite Pup Franchise may use any Advertising and Promotional Content developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Petite Pup Franchise for such purpose.

**9.5 Marketing Fund.** Petite Pup Franchise has established or may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If Petite Pup Franchise has established a Marketing Fund:

(a) Account. Petite Pup Franchise is not required to hold the Marketing Fund Contributions in a bank account separate from Petite Pup Franchise's other accounts.

(b) Use. Petite Pup Franchise shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level) for Petite Pup, and related overhead. The foregoing includes such activities and expenses as Petite Pup Franchise reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of Petite Pup Franchise's employees working on marketing and for accounting, bookkeeping, reporting, legal, collections, and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Petite Pup Franchise's sole discretion, and Petite Pup Franchise has no fiduciary duty with regard to the Marketing Fund.

(d) Contribution by Other Outlets. Petite Pup Franchise is not obligated to (i) have all other Petite Pup businesses (whether owned by other franchisees or by Petite Pup Franchise or its affiliates) contribute to the Marketing Fund, or (ii) have other Petite Pup businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Petite Pup Franchise may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Petite Pup Franchise may loan such funds to the Marketing Fund on reasonable terms.

(f) Financial Statement. Petite Pup Franchise shall prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Petite Pup Franchise's fiscal year and shall provide the financial statement to Franchisee upon written request.

**9.6 Market Cooperatives.** Petite Pup Franchise may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days of notice from Petite Pup Franchise. Petite Pup Franchise shall not require Franchisee to be a member of more than one Market Cooperative. If Petite Pup Franchise establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Petite Pup Franchise. Petite Pup Franchise may require the Market Cooperative to adopt bylaws or regulations prepared by Petite Pup Franchise. Unless otherwise specified by Petite Pup Franchise, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Petite Pup

Franchise will be entitled to attend and participate in any meeting of a Market Cooperative. Any Petite Pup business owned by Petite Pup Franchise in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Petite Pup Franchise may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Petite Pup Franchise's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Petite Pup Franchise pursuant to Section 9.1. Petite Pup Franchise may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and not more than 5% of Adjusted Gross Sales.

(e) Enforcement. Only Petite Pup Franchise will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Petite Pup Franchise may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

**9.7 Required Spending.** Franchisee shall spend at least \$1,000 each month on marketing the Business. Franchisee shall implement search engine optimization and shall use a search engine optimization vendor that Franchisor specifies. Funds spent to utilize Franchisor's required search engine optimization vendor will be credited toward Franchisee's monthly spending requirement. Within 10 days after request by Petite Pup Franchise, Franchisee shall furnish proof of its compliance with this Section. Petite Pup Franchise has the discretion to determine in good faith what activities constitute "marketing" under this Section. If Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section.

**9.8 Market Introduction Plan.** Franchisee must develop a market introduction plan and obtain Petite Pup Franchise's approval of the market introduction plan at least 45 days before the projected opening date of the Business.

## ARTICLE 10. RECORDS AND REPORTS

**10.1 Systems.** Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Petite Pup Franchise may specify in the Operations Manual or otherwise in writing.

### 10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Petite Pup Franchise may require in the Operations Manual or otherwise in writing, including:

- (i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of each calendar year; and
- (iii) any information Petite Pup Franchise requests in order to prepare a financial performance representation for Petite Pup Franchise's franchise disclosure document, within 30 days after request.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Petite Pup Franchise of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Petite Pup Franchise may request.

(c) Government Inspections. Franchisee shall give Petite Pup Franchise copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Petite Pup Franchise such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Operations Manual or that Petite Pup Franchise may reasonably request (either upon specific request or on a regular basis as directed by Petite Pup Franchise, as applicable). Petite Pup Franchise acknowledges that all personnel records of the Business belong to Franchisee and that this Agreement does not grant Petite Pup Franchise the right to access personnel records of Franchisee's employees.

**10.3 Initial Investment Report.** Within 120 days after opening for business, Franchisee shall submit to Petite Pup Franchise a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Petite Pup Franchise's Franchise Disclosure Document and with such other information as Petite Pup Franchise may reasonably request.

**10.4 Business Records.** Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Petite Pup Franchise may specify in the Operations Manual or otherwise in writing.

**10.5 Records Audit.** Petite Pup Franchise may examine and audit all books and records related to the Business (other than personnel records of Franchisee's employees), and supporting documentation, at any reasonable time. Petite Pup Franchise may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Petite Pup Franchise. Franchisee shall also reimburse Petite Pup Franchise for all costs and expenses of the examination or audit if (i) Petite Pup Franchise conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Adjusted Gross Sales by 3% or more for any month.

## **ARTICLE 11. FRANCHISOR RIGHTS**

**11.1 Operations Manual; Modification.** The Operations Manual, and any part of the Operations Manual, may be in any form or media determined by Petite Pup Franchise. Petite Pup Franchise may supplement, revise, or modify the Operations Manual, and Petite Pup Franchise may change, add or delete System Standards at any time in its discretion. Petite Pup Franchise may inform Franchisee thereof by any method that Petite Pup Franchise reasonably deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Operations Manual, Petite Pup Franchise's master copy will control.

**11.2 Inspections.** Petite Pup Franchise may enter the premises of the Business from time to time at any reasonable time (including during normal business hours) and conduct an inspection. Franchisee shall cooperate with Petite Pup Franchise's inspectors. Petite Pup Franchise will use reasonable efforts to not disrupt Franchisee's business operations during any such inspection. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Petite Pup Franchise may videotape and/or take photographs of the inspection and the Business. Petite Pup Franchise may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Petite Pup Franchise's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Petite Pup Franchise conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Petite Pup Franchise may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

**11.3 Petite Pup Franchise's Right to Cure.** If Franchisee breaches or defaults under any provision of this Agreement, Petite Pup Franchise may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee, including entering

the premises of the Business and curing the default without notice to Franchisee. Franchisee shall reimburse Petite Pup Franchise for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

**11.4 Right to Discontinue Supplies Upon Default.** While Franchisee is in default or breach of this Agreement, Petite Pup Franchise may (i) require that Franchisee pay cash on delivery for products or services supplied by Petite Pup Franchise, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Petite Pup Franchise shall be a breach or constructive termination of this Agreement, change in competitive circumstances, or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Petite Pup Franchise are in addition to any other right or remedy available to Petite Pup Franchise.

**11.5 Business Data.** All customer data collected or generated by the Business and all data collected or generated by the point-of-sale system (other than data regarding employees) is deemed to be Confidential Information and is exclusively owned by Petite Pup Franchise. Petite Pup Franchise hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

**11.6 Innovations.** Franchisee shall disclose to Petite Pup Franchise all ideas, plans, improvements, concepts, methods, and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee or its employees, agents, or contractors. Petite Pup Franchise will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Petite Pup Franchise to document Petite Pup Franchise's ownership of Innovations.

**11.7 Communication Systems.** If Petite Pup Franchise provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Petite Pup Franchise to access such communications.

**11.8 Communication with Employees.** Franchisee irrevocably authorizes Petite Pup Franchise to communicate with Franchisee's employees and contractors on any matter related to the System or the Business. Franchisee will not prohibit any employee or contractor from communicating with Petite Pup Franchise on any matter related to the System or the Business.

**11.9 Communications with Landlord and Lenders.** Franchisee irrevocably authorizes Petite Pup Franchise to communicate with Franchisee's landlord and lender(s), or prospective landlord and lender(s), about matters relating to the Business, and to provide information about the Business to them.

**11.10 Delegation.** Petite Pup Franchise may delegate any duty or obligation of Petite Pup Franchise under this Agreement to an affiliate or to a third party.

**11.11 System Variations.** Petite Pup Franchise may vary or waive any System Standard for any one or more Petite Pup franchises due to the peculiarities of the particular site or circumstances,

density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

**11.12 Franchisor's Discretion.** Petite Pup Franchise may engage in any activity not expressly prohibited by this Agreement. Whenever this Agreement provides that Petite Pup Franchise has a certain right, that right is absolute and the parties intend that Petite Pup Franchise's exercise of that right will not be subject to any limitation or review. Petite Pup Franchise has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Whenever Petite Pup Franchise agrees to exercise its rights reasonably or in good faith, Petite Pup Franchise will have satisfied its obligations whenever it exercises reasonable business judgment in making a decision or exercising its rights. Petite Pup Franchise's decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Petite Pup Franchise's decision or action is intended, in whole or significant part, to promote or benefit the System or the Petite Pup brand generally even if the decision or action also promotes Petite Pup Franchise's financial or other individual interest. Examples of items that will promote or benefit the System or the Petite Pup brand include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System and Petite Pup outlets.

**11.13 Temporary Management.** If (i) the Principal Executive dies or becomes incapacitated, (ii) this Agreement is terminated or expires and Petite Pup Franchise elects to purchase assets of the Business as provided in Section 14.6, or (iii) Franchisee is operating the Business in a manner which, in Petite Pup Franchise's reasonable opinion, constitutes a danger to the health or safety of any person, then Petite Pup Franchise may (but is not obligated to) enter the Location and operate and manage the Business for Franchisee's (or Franchisee's estate's) account until this Agreement is terminated, the Business is transferred, the Business is purchased by Petite Pup Franchise, or Petite Pup Franchise returns the Business to Franchisee. Petite Pup Franchise's operation and management will not continue for more than 90 days without Franchisee's consent (or the consent of the representatives of Franchisee's estate). If this Agreement has not terminated or expired, then Petite Pup Franchise will account to Franchisee for all net income from the Business during the period in which Petite Pup Franchise operates the Business. Petite Pup Franchise may collect a temporary management fee equal to 10% of Adjusted Gross Sales for the period in which Petite Pup Franchise operates the Business, plus all expenses (including internal costs of personnel and overhead) incurred by Petite Pup Franchise, which is in addition to Royalty Fees, Marketing Fund Contributions, or other amounts owed under this Agreement. If Petite Pup Franchise or a third party assumes the Business's management, Franchisee acknowledges that Petite Pup Franchise or the third party will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its Owners for any losses the Business incurs or obligations to creditors.

**11.14 Temporary Public Safety Closure.** If Petite Pup Franchise discovers or becomes aware of any aspect of the Business which, in Petite Pup Franchise's opinion, constitutes an imminent danger to the health or safety of any person or animal, then immediately upon Petite Pup Franchise's order, Franchisee must temporarily cease operations of the Business and remedy the

dangerous condition. Petite Pup Franchise shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

## ARTICLE 12. MARKS

**12.1 Authorized Marks.** Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Petite Pup Franchise, and only in the manner as Petite Pup Franchise may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Petite Pup Franchise.

**12.2 Change of Marks.** Petite Pup Franchise may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Petite Pup Franchise makes any such change (not to exceed 90 days), Franchisee must comply with the change, at Franchisee's expense.

### 12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Petite Pup Franchise shall defend Franchisee (at Petite Pup Franchise's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Petite Pup Franchise shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Petite Pup Franchise if Franchisee becomes aware of any possible infringement of a Mark by a third party. Petite Pup Franchise may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Petite Pup Franchise shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

**12.4 Name.** If Franchisee is an entity, it shall not use the word[s] "Petite Pup" or any confusingly similar words in its legal name.

## ARTICLE 13. COVENANTS

**13.1 Confidential Information.** With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Petite Pup Franchise for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized in writing by Petite Pup Franchise, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Petite Pup Franchise (except for Confidential Information which Petite Pup Franchise licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely. Nothing in this Section or

elsewhere in this Agreement shall be deemed to limit or prohibit Franchisee from communicating about potential law violations with the Federal Trade Commission or other government agency acting within its statutory mandate.

### **13.2 Covenants Not to Compete.**

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the “Restricted Parties”) shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor within ten miles of Franchisee’s Territory or within ten miles of the territory of any other Petite Pup business operating on the date of expiration, termination, or transfer, as applicable. If this Agreement is terminated before the Territory is determined, then the area of non-competition will be the Site Selection Area and within ten miles of the territory of any other Petite Pup business operating on the date of termination. If a given Petite Pup business does not have a defined territory, then for purposes of this Section its territory will be deemed to be a five-mile radius.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Petite Pup Franchise. Franchisee agrees that the existence of any claim it may have against Petite Pup Franchise shall not constitute a defense to the enforcement by Petite Pup Franchise of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

**13.3 General Manager and Key Employees.** If requested by Petite Pup Franchise, Franchisee shall cause its general manager and other key employees reasonably designated by Petite Pup Franchise to sign Petite Pup Franchise’s then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

## **ARTICLE 14. DEFAULT AND TERMINATION**

**14.1 Termination by Franchisee.** Franchisee may terminate this Agreement only if Petite Pup Franchise violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Petite Pup Franchise receives written notice of termination.

## 14.2 Termination by Petite Pup Franchise.

(a) Subject to 10-Day Cure Period. Petite Pup Franchise may terminate this Agreement if Franchisee does not make any payment to Petite Pup Franchise when due, or if Franchisee does not have sufficient funds in its account when Petite Pup Franchise attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Petite Pup Franchise gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Petite Pup Franchise's satisfaction within 30 days after Petite Pup Franchise gives notice to Franchisee of such breach, then Petite Pup Franchise may terminate this Agreement.

(c) Without Cure Period. Petite Pup Franchise may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Petite Pup Franchise;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 7.12 (safety and welfare), Section 7.25 (business practices and values), Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee ceases operation of the Business for more than five consecutive days, Franchisee informs Petite Pup Franchise that Franchisee is going to permanently close the Business prior to the end of the term of this Agreement, or Petite Pup Franchise reasonably concludes that Franchisee has ceased operation of the Business;

- (viii) Franchisee or any Owner slanders or libels Petite Pup Franchise or any of its employees, directors, or officers;
- (ix) Franchisee refuses to cooperate with or permit any audit or inspection by Petite Pup Franchise or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;
- (x) the Business is operated in a manner which, in Petite Pup Franchise's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Petite Pup Franchise or otherwise);
- (xi) the Business is operated in a manner which, in Petite Pup Franchise's reasonable judgement, constitutes a significant danger to the health or safety of any animal;
- (xii) Franchisee has received two or more notices of default (or a single notice of more than one default) and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xiii) Petite Pup Franchise (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Petite Pup Franchise the right to terminate this Agreement);
- (xiv) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or
- (xv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Petite Pup Franchise's opinion is reasonably likely to materially and unfavorably affect the Petite Pup brand.

**14.3 Effect of Termination.** Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition (Section 13.2(b)), confidentiality (Section 13.1), indemnity (Article 16), and dispute resolution (Article 17), will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Petite Pup Franchise based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to Petite Pup Franchise all copies of the Operations Manual, Confidential Information and any and all other materials provided by Petite Pup Franchise to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee); and delete all Confidential Information and proprietary materials from electronic devices;

- (iii) immediately take all action required (a) to cancel all assumed name or equivalent registrations relating to Franchisee's use of the Marks; and (b) to cancel or transfer to Petite Pup Franchise or its designee all telephone numbers, post office boxes, directory listings, and Digital Marketing accounts used by Franchisee in connection with the Business or the Marks, including, without limitation, by providing login and password details and promptly signing all directions and authorizations necessary or appropriate to accomplish the foregoing. Franchisee hereby irrevocably appoints Petite Pup Franchise, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing. The telephone company, the postal service, registrars, Internet service providers and each listing agency may accept such direction by Petite Pup Franchise pursuant to this Agreement as conclusive evidence of Petite Pup Franchise's exclusive rights in such accounts and its authority to direct their transfer; and
- (iv) cease doing business under any of the Marks.

**14.4 Remove Identification.** Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Petite Pup business, to the reasonable satisfaction of Petite Pup Franchise. Franchisee shall comply with any reasonable instructions and procedures of Petite Pup Franchise for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Petite Pup Franchise may enter the Location to remove the Marks and de-identify the Location. In this event, Petite Pup Franchise will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Petite Pup Franchise.

**14.5 Liquidated Damages.** If Petite Pup Franchise terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Petite Pup Franchise a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average monthly Royalty Fees and Marketing Fund Contributions that Franchisee owed to Petite Pup Franchise under this Agreement for the last 12 full months that Franchisee operated the Business (disregarding any fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (1) 24 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average monthly Royalty Fees and Marketing Fund Contributions that Franchisee owed to Petite Pup Franchise during the full months that Franchisee operated the Business. The "average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Petite Pup Franchise" shall be based on the obligations stated in Article 4, and shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions agreed to by Petite Pup Franchise unless this Section 14.5 is specifically amended. Franchisee acknowledges that a precise calculation of the full extent of Petite Pup Franchise's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Petite Pup Franchise under this Section will be in lieu of any direct monetary damages that Petite Pup Franchise may incur as a result of Petite Pup Franchise's

loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Petite Pup Franchise after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Petite Pup Franchise's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Petite Pup Franchise is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Petite Pup Franchise may have under this Agreement or otherwise. If liquidated damages are prohibited by applicable law or are otherwise deemed unenforceable for any reason, then Franchisee shall be liable for Petite Pup Franchise's actual damages (including, without limitation, lost future profits) instead of liquidated damages.

#### **14.6 Purchase Option.**

(a) Option. When this Agreement expires or is terminated, Petite Pup Franchise will have the option (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Petite Pup Franchise. To exercise this option, Petite Pup Franchise must notify Franchisee no later than 30 days after this Agreement expires or is terminated.

(b) Price. The purchase price for all assets that Petite Pup Franchise elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 20 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Petite Pup Franchise's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business.

(c) Due Diligence. For a period of 30 days following the determination of the fair market value (the "Due Diligence Period") whether by agreement or by the determination by the appraiser as provided herein, Petite Pup Franchise shall have the right to conduct a due diligence investigation of the assets related to the Business. Franchisee must give Petite Pup Franchise reasonable access to Franchisee's facilities, books, and records during the Due Diligence Period. Petite Pup Franchise shall have the right to require Franchisee to continue to operate the Business during the Due Diligence Period, and Petite Pup Franchise shall also have the right to operate the Business during the Due Diligence Period in accordance with Section 11.13. Petite Pup Franchise is under no obligation to continue with due diligence or to exercise its purchase option, and Petite Pup Franchise may withdraw its exercise of the purchase option at any time before it pays for the assets.

(d) Closing. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Petite Pup Franchise. Petite Pup Franchise will be entitled to all customary warranties and representations in connection with this asset purchase, including, representations and warranties as to ownership and condition of and title to assets, as to liens and encumbrances, validity of contracts, and liabilities affecting the assets. If Petite Pup

Franchise exercises the purchase option, Petite Pup Franchise may deduct from the purchase price: (i) all amounts due from Franchisee; (ii) Franchisee's portion of the cost of any appraisal conducted hereunder; and (iii) amounts paid or to be paid by Petite Pup Franchise to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Petite Pup Franchise may pay a portion of the purchase price directly to the lienholder to pay off such lien. Petite Pup Franchise may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid.

(e) Assignment. Petite Pup Franchise may assign this purchase option to an affiliate or a third party.

## ARTICLE 15. TRANSFERS

**15.1 By Petite Pup Franchise.** Petite Pup Franchise may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Petite Pup Franchise may undergo a change in ownership and/or control, without the consent of Franchisee.

**15.2 By Franchisee.** Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Petite Pup Franchise entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Petite Pup Franchise at least 60 days prior notice of the proposed Transfer, and without obtaining Petite Pup Franchise's consent. In granting any such consent, Petite Pup Franchise may impose conditions, including, without limitation, the following:

- (i) Petite Pup Franchise receives a transfer fee equal to \$10,000 plus any broker fees and other out-of-pocket costs incurred by Petite Pup Franchise (of which a non-refundable \$1,500 is due when Franchisee notifies Petite Pup Franchise or asks Petite Pup Franchise to consider a Transfer, and the balance is due when the Transfer is effective);
- (ii) the proposed Transferee and its owners have completed Petite Pup Franchise's franchise application processes, meet Petite Pup Franchise's then-applicable standards for new franchisees, and have been approved by Petite Pup Franchise as franchisees;
- (iii) the proposed Transferee is not a Competitor;
- (iv) the proposed Transferee executes Petite Pup Franchise's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the form will be amended to provide that the proposed Transferee will not be required to pay an initial franchise fee);
- (v) all owners of the proposed Transferee provide a guaranty in accordance with Section 2.5;

- (vi) Franchisee has paid all monetary obligations to Petite Pup Franchise and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Petite Pup Franchise or its affiliates;
- (vii) the proposed Transferee and its owners and employees undergo such training as Petite Pup Franchise may require;
- (viii) Franchisee, its Owners, and the Transferee and its owners execute a general release of Petite Pup Franchise in a form satisfactory to Petite Pup Franchise; and
- (ix) the Business fully complies with all of Petite Pup Franchise's most recent System Standards.

**15.3 Transfer for Convenience of Ownership.** If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Petite Pup Franchise, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Petite Pup Franchise, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

**15.4 Transfer upon Death or Incapacity.** Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Petite Pup Franchise (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

**15.5 Petite Pup Franchise's Right of First Refusal.** Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, to a co-Owner, or to a spouse, sibling, or child of an Owner), Petite Pup Franchise will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Petite Pup Franchise a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Petite Pup Franchise's receipt of such copy, Petite Pup Franchise will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that if some or all of the purchase price is not payable in cash, Petite Pup Franchise may pay the equivalent value in cash for the purchase price). If Petite Pup Franchise does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

**15.6 No Sublicense.** Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

**15.7 No Lien on Agreement.** Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

## ARTICLE 16. INDEMNITY

**16.1 Indemnity.** Franchisee shall indemnify and defend (with counsel reasonably acceptable to Petite Pup Franchise) Petite Pup Franchise, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, “Indemnitees”) against all Losses in any Action by or against Petite Pup Franchise and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the development or operation of the Business (including any Data Security Event), or the acts or omissions of Franchisee or any of Franchisee’s Owners, officers, directors, employees, or agents. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from Actions which Franchisee proves arose solely as a result of any Indemnatee’s intentional misconduct or gross negligence. Any delay or failure by an Indemnatee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnatee. This indemnity will continue in effect after this Agreement ends.

**16.2 Assumption.** An Indemnatee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee’s expense. Such an undertaking shall not diminish Franchisee’s obligation to indemnify the Indemnitees.

## ARTICLE 17. DISPUTE RESOLUTION

### 17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsections (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Petite Pup Franchise’s headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of Petite Pup Franchise’s intellectual property rights in a court authorized to hear such claims under Section 17.5 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Petite Pup Franchise to comply with laws and regulations applicable to the sale of franchises.

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Petite Pup Franchise and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

**17.2 Damages.** In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

**17.3 Waiver of Class Actions.** The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

**17.4 Time Limitation.** Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date of the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by Petite Pup Franchise related to non-payment of Royalty Fees and other amounts owed by Franchisee, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

**17.5 Venue Other Than Arbitration.** For any legal proceeding not required to be submitted to arbitration, the parties agree that such proceeding will be brought in the United States District Court where Petite Pup Franchise's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Petite Pup Franchise's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

**17.6 Legal Costs.** In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

**17.7 Franchisor Personnel.** The provisions of this Article 17 will apply to any Action by Franchisee or its Owners against Petite Pup Franchise's officers, directors, shareholders, members, employees, and/or agents. Nothing in this Agreement authorizes any Action against Petite Pup Franchise's officers, directors, shareholders, members, employees, and/or agents or makes those persons liable for Petite Pup Franchise's conduct.

## ARTICLE 18. MISCELLANEOUS

**18.1 Relationship of the Parties.** The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Petite Pup Franchise is not a fiduciary of Franchisee. Petite Pup Franchise does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Petite Pup Franchise's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Petite Pup Franchise has no liability for Franchisee's obligations to any third party whatsoever.

**18.2 No Third-Party Beneficiaries.** Except as stated in Article 16 or Article 17, this Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Petite Pup Franchise, and Petite Pup Franchise's affiliates.

**18.3 Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Petite Pup Franchise in its franchise disclosure document.

**18.4 Modification.** No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Petite Pup Franchise's rights to modify the Operations Manual or System Standards.

**18.5 Consent; Waiver.** No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance, or omission by a party to exercise any right will constitute a waiver of such right.

**18.6 Cumulative Remedies.** Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

**18.7 Severability.** The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

**18.8 Governing Law.** The laws of the state of Arizona (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Arizona law for the protection of franchisees or business opportunity purchasers (including the Arizona Business Opportunity Sales Act) will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

**18.9 Notices.** Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Petite Pup Franchise, addressed to 14700 N. Frank Lloyd Wright Blvd, #159, Scottsdale, AZ 85260. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notices will be effective upon the earlier of: (i) receipt by the recipient, (ii) first rejection by the recipient, (iii) three business days after mailing if sent via registered or certified mail; or (iv) the next business day after mailing if sent via overnight courier. Notwithstanding the foregoing, Petite Pup Franchise may amend the Operations Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail

or other electronic communication, in which case notice would be effective on Franchisee upon the delivery of the electronic mail or other electronic communication.

**18.10 Force Majeure.** If either party is unable to perform an obligation due to riots, terrorist act, war, disaster (such as an earthquake, hurricane, or tornado), health emergency (such as epidemics, pandemic, and quarantines), or any other act of God or nature beyond the reasonable control of such party (a “Force Majeure”), such party’s performance of the obligation shall be excused for so long as the Force Majeure exists, but not longer than 180 days. This section shall not excuse a party’s obligation to make a payment owed under this Agreement.

**18.11 Holdover.** If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any communication or course of dealing by Petite Pup Franchise), Petite Pup Franchise may determine that (a) this Agreement expired as of the date of expiration with Franchisee then operating the Business without a license to do so and in violation of Petite Pup Franchise’s rights or (b) this Agreement continues on an interim basis until 30 days after one party notifies the other party of termination (the “Interim Period”), in which case all of Franchisee’s obligations hereunder remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed at the expiration of this Agreement will take effect upon termination of the Interim Period.

**18.12 Joint and Several Liability.** If two or more people sign this Agreement as “Franchisee”, each will have joint and several liability.

**18.13 No Offer and Acceptance.** Delivery of a draft of this Agreement to Franchisee by Petite Pup Franchise does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Petite Pup Franchise.

*[Signatures on next page]*

Agreed to by:

FRANCHISOR:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE:

*[if an individual:]*

\_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_

*[if an entity:]*

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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

\_\_\_\_\_ Illinois  
\_\_\_\_\_ Indiana  
\_\_\_\_\_ Maryland  
\_\_\_\_\_ Minnesota  
\_\_\_\_\_ New York  
\_\_\_\_\_ North Dakota  
\_\_\_\_\_ Ohio  
\_\_\_\_\_ Rhode Island  
\_\_\_\_\_ Virginia  
\_\_\_\_\_ Washington

**Attachment 1 to Franchise Agreement**

**OWNERSHIP INFORMATION**

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

\_\_\_\_\_ *Sole Proprietorship*  
\_\_\_\_\_ *Partnership*  
\_\_\_\_\_ *Limited Liability Company*  
\_\_\_\_\_ *Corporation*

State: \_\_\_\_\_

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

| Name | Shares or Percentage of Ownership |
|------|-----------------------------------|
|      |                                   |
|      |                                   |
|      |                                   |
|      |                                   |
|      |                                   |

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

| Name | Title |
|------|-------|
|      |       |
|      |       |
|      |       |
|      |       |
|      |       |

**Attachment 2 to Franchise Agreement**

**LOCATION ACCEPTANCE LETTER**

To: \_\_\_\_\_

This Location Acceptance Letter is issued by Petite Pup Franchise LLC for your Petite Pup franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Business is:

\_\_\_\_\_

2. The Territory of the Business is:

\_\_\_\_\_

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### Attachment 3 to Franchise Agreement

#### **GUARANTY AND NON-COMPETE AGREEMENT**

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”).

**Background Statement:** \_\_\_\_\_ (“Franchisee”) desires to enter into a Franchise Agreement with Petite Pup Franchise for the franchise of a Petite Pup business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Petite Pup Franchise to enter into the Franchise Agreement.

Guarantor agrees as follows:

**1. Guaranty.** Guarantor hereby unconditionally guarantees to Petite Pup Franchise and its affiliates that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Petite Pup Franchise and its affiliates, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Petite Pup Franchise or its affiliates upon demand from Petite Pup Franchise. Guarantor waives (a) acceptance and notice of acceptance by Petite Pup Franchise of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Petite Pup Franchise make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled. Guarantor also agrees that no modification, extension, or indulgence granted to Franchisee (including any amendment or modification of the Franchise Agreement) shall release Guarantor from this Guaranty, and that this Guaranty shall continue in full force and effect as to any renewal, extension, amendment, or modification of the Franchise Agreement.

**2. Confidential Information.** With respect to all Confidential Information, Guarantor shall (a) adhere to all security procedures prescribed by Petite Pup Franchise for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Petite Pup Franchise, (d) exercise the highest

degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Petite Pup Franchise or its affiliates (except for Confidential Information which Petite Pup Franchise licenses from another person or entity). Guarantor acknowledges that all customer data collected or generated by the Business and all data collected or generated by the point-of-sale system (other than data regarding employees) is Confidential Information belonging to Petite Pup Franchise. This Section will survive the termination or expiration of the Franchise Agreement indefinitely. Nothing in this Section or elsewhere in this Guaranty or the Franchise Agreement shall be deemed to limit or prohibit Guarantor from communicating about potential law violations with the Federal Trade Commission or other government agency acting within its statutory mandate.

### **3. Covenants Not to Compete.**

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within ten miles of Franchisee's Territory or within ten miles of the territory of any other Petite Pup business operating on the date of expiration, termination, or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will be the Site Selection Area and within ten miles of the territory of any other Petite Pup business operating on the date of termination. If a given Petite Pup business does not have a defined territory, then for purposes of this Section its territory will be deemed to be a five-mile radius.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Petite Pup Franchise. Guarantor agrees that the existence of any claim it or Franchisee may have against Petite Pup Franchise shall not constitute a defense to the enforcement by Petite Pup Franchise of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

**4. Modification.** Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Petite Pup Franchise may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

**5. Governing Law; Dispute Resolution.** This Guaranty shall be governed by and construed in accordance with the laws of the state of Arizona (without giving effect to its principles of conflicts of law). The parties agree that any Arizona law for the protection of franchisees or business opportunity purchasers (including Arizona Business Opportunity Sales Act) will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Petite Pup Franchise and its affiliates all costs incurred by Petite Pup Franchise or its affiliates (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

## Attachment 4 to Franchise Agreement

### CONDITIONAL ASSIGNMENT OF BRAND ACCOUNTS

This Assignment of Brand Accounts (this “Assignment”) is executed by the undersigned (“Franchisee”) in favor of Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”).

**Background Statement:** Petite Pup Franchise and Franchisee are parties to a Franchise Agreement pursuant to which Petite Pup Franchise granted Franchisee a license to operate a Petite Pup franchised business (the “Business”). Petite Pup Franchise or its affiliates are the sole owner of the Petite Pup brand and all names, logos, trademarks, service marks, and other intellectual property associated therewith. To protect Petite Pup Franchise’s interest in and control of Petite Pup, Franchisee acknowledges and agrees that Petite Pup Franchise has the right to control all telephone numbers, directory listings, and internet marketing accounts related to Petite Pup.

Franchisee agrees as follows:

- 1. Conditional Assignment.** Franchisee hereby assigns to Petite Pup Franchise (or its designee) all of Franchisee’s rights, title, and interest in and to all telephone numbers, directory listings, email accounts, websites, social media accounts, and all other accounts and profiles for advertising and marketing on the internet or any electronic communications network (“Brand Accounts”) associated with Petite Pup and registered by Franchisee from time to time in connection with the operation of Franchisee’s Business, such assignment to be effective upon (a) termination or expiration of the Franchise Agreement, or (b) notice from Petite Pup Franchise to Franchisee, at which time Petite Pup Franchise will have the right to assume ownership of any one or all Brand Accounts.
- 2. Transfer or Deletion.** Franchisee hereby authorizes the service provider of each Brand Account (the “Provider”) to transfer the Brand Account to Petite Pup Franchise (or its designee) or to delete the Brand Account upon the written instruction of Petite Pup Franchise. Franchisee hereby grants Petite Pup Franchise an irrevocable limited power of attorney on behalf of Franchisee to direct any Provider to transfer or delete a Brand Account. In such an event, Franchisee will have no further right, title or interest in the Brand Account but will remain liable to the Provider for all past due fees owing to the Provider on or before the date on which the assignment is effective. Petite Pup Franchise will have no liability or obligation of any kind to a Provider arising prior to the effective date of transfer or deletion. Franchisee agrees to take all reasonable steps necessary to effectuate the transfer or deletion (as determined by Petite Pup Franchise) of each Brand Account.

*[Signatures on next page]*

Executed by:

FRANCHISEE:

*[if an individual:]*

\_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_

*[if an entity:]*

\_\_\_\_\_  
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT C

### MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Petite Pup Franchise LLC, a Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”) on the Effective Date.

**Background Statement:** On the same day as they execute this MUDA, Petite Pup Franchise and Franchisee have entered into a Franchise Agreement for the franchise of a Petite Pup business (the “Franchise Agreement”; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Petite Pup Franchise and Franchisee desire that Franchisee develop multiple Petite Pup businesses.

#### 1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Petite Pup businesses on the following schedule:

| Store #                      | Deadline for Opening | Total # of Stores to be Open and Operating on Deadline | Initial Franchise Fee |
|------------------------------|----------------------|--------------------------------------------------------|-----------------------|
| 1                            |                      | 1                                                      | \$_____               |
| 2                            |                      | 2                                                      | \$_____               |
| 3                            |                      | 3                                                      | \$_____               |
| 4                            |                      | 4                                                      | \$_____               |
| 5                            |                      | 5                                                      | \$_____               |
| Total Initial Franchise Fee: |                      |                                                        |                       |

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fee to Petite Pup Franchise. The Initial Franchise Fee is non-refundable.

**2. Form of Agreement.** For Store #1, Franchisee and Petite Pup Franchise have executed the Franchise Agreement simultaneously with this MUDA. For each additional Petite Pup franchise, Franchisee shall execute Petite Pup Franchise’s then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location. This MUDA does not give Franchisee the right to construct, open, or operate a Petite Pup business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Petite Pup business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Petite Pup business.

**3. Site Selection Area.** Franchisee shall locate each Petite Pup business it develops under this MUDA within the following area: \_\_\_\_\_ (the “Site Selection Area”). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Petite Pup businesses in the Site Selection Area.

**4. Default and Termination.** Petite Pup Franchise may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee fails to satisfy the development schedule; or
- (ii) Petite Pup Franchise has the right to terminate any franchise agreement between Petite Pup Franchise and Franchisee (or any affiliate thereof) due to Franchisee’s default thereunder (whether or not Petite Pup Franchise actually terminates such franchise agreement).

**5. Limitation of Liability.** Franchisee’s commitment to develop Petite Pup businesses is in the nature of an option only. If Petite Pup Franchise terminates this MUDA for Franchisee’s default, Franchisee shall not be liable to Petite Pup Franchise for lost future revenues or profits from the unopened Petite Pup businesses. Franchisee may terminate this MUDA at any time.

**6. Conditions.** Franchisee’s right to develop each Petite Pup franchise after the Store #1 is subject to the following:

- (i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Petite Pup business, in the reasonable judgment of Petite Pup Franchise, and
- (ii) Franchisee must be in full compliance with all brand requirements at its open Petite Pup businesses, and not in default under any Franchise Agreement or any other agreement with Petite Pup Franchise.

**7. Dispute Resolution; Miscellaneous.** The laws of the State of Arizona (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Arizona law for the protection of franchisees or business opportunity purchasers (including the Arizona Business Opportunity Sales Act) will not apply unless its jurisdictional requirements are met independently without reference to this Section 7. Franchisee shall not Transfer this MUDA without the prior written consent of Petite Pup Franchise, and any Transfer without Petite Pup Franchise’s prior written consent shall be void. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein.

*[Signatures on Next Page]*

Agreed to by:

FRANCHISOR:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE:

*[if an individual:]*

\_\_\_\_\_  
Name: \_\_\_\_\_

*[if an entity:]*

\_\_\_\_\_  
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*(Check if applicable)* At the same time as the parties execute this Agreement, they are also executing a Rider to Multi-Unit Development Agreement pursuant to:

\_\_\_\_\_ Illinois  
\_\_\_\_\_ Indiana  
\_\_\_\_\_ Maryland  
\_\_\_\_\_ Minnesota  
\_\_\_\_\_ New York  
\_\_\_\_\_ North Dakota  
\_\_\_\_\_ Ohio  
\_\_\_\_\_ Rhode Island  
\_\_\_\_\_ Virginia  
\_\_\_\_\_ Washington

## EXHIBIT D

### RIDER TO LEASE AGREEMENT

Landlord: \_\_\_\_\_

Notice Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Tenant: \_\_\_\_\_

Leased Premises: \_\_\_\_\_

Franchisor: Petite Pup Franchise LLC

Notice Address: 14700 N. Frank Lloyd

Wright Blvd, #159, Scottsdale, AZ 85260

Telephone: 480-487-9705

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Petite Pup business (or any name authorized by Franchisor), except that Tenant may rent the space, during non-business hours, to other dog-related businesses, so long as such businesses provide proof of adequate insurance coverage.

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default (“Default”) given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease; Amendment. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant’s Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease. Landlord and Tenant shall not amend the Lease without Franchisor’s written permission.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated or expires during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor or its affiliate, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease unless otherwise agreed by Landlord. If Franchisor or its affiliate becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Petite Pup brand. Any provision of the Lease which limits Tenant’s right to own or operate other Petite Pup outlets in proximity to the Leased Premises shall not apply to Franchisor or to its affiliates.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TENANT:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT E

### FORM OF GENERAL RELEASE

*[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]*

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”).

**Background Statement:** *[describe circumstances of Release]*

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Petite Pup Franchise, its affiliates, and their respective directors, officers, shareholders, employees, franchise sellers, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Petite Pup Franchise reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

**5. State Addenda.**

**[Maryland Residents]:** This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

**[Washington Residents]:** A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the parties are represented by independent counsel.

Agreed to by:

\_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT F

### FINANCIAL STATEMENTS

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

Opening Balance Sheet  
Petite Pup Franchise LLC  
As of September 4, 2025

|                                          |            |
|------------------------------------------|------------|
| <b>Assets</b>                            |            |
| <b>Current Assets</b>                    |            |
| Cash in Bank                             | \$2,027.96 |
| Accounts Receivable                      | -          |
| <b>Total Current Assets</b>              | \$2,027.96 |
|                                          |            |
| <b>Fixed Assets</b>                      | -          |
|                                          |            |
| <b>Other Assets</b>                      | -          |
|                                          |            |
| <b>TOTAL ASSETS</b>                      | \$2,027.96 |
|                                          |            |
| <b>Liabilities and Net Worth</b>         |            |
| <b>Current Liabilities</b>               |            |
| Total Current Liabilities                | -          |
|                                          |            |
| <b>Long-term Liabilities</b>             |            |
| Total Long-term Liabilities              | -          |
|                                          |            |
| <b>Total Liabilities</b>                 | -          |
|                                          |            |
| <b>Owner's Equity (Net Worth)</b>        | \$2,027.96 |
|                                          |            |
| <b>TOTAL LIABILITIES &amp; NET WORTH</b> | \$2,027.96 |

## EXHIBIT G

### OPERATIONS MANUAL TABLE OF CONTENTS

| <b>Section</b>                  | <b>Page Count</b> |
|---------------------------------|-------------------|
| Introduction                    | 13                |
| Getting Started                 | 10                |
| Facility Standards              | 10                |
| Operations and Daily Procedures | 11                |
| Staff Management                | 6                 |
| Customer Experience             | 9                 |
| Technology and Software         | 3                 |
| Marketing and Brand Compliance  | 7                 |
| Financial Management            | 7                 |
| Vendor Relations and Supplies   | 1                 |
| Communication and Support       | 3                 |
| Appendices                      | 9                 |
| <b>Total Pages</b>              | <b>89</b>         |

**EXHIBIT H**  
**CURRENT AND FORMER FRANCHISEES**

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

None

Franchisees who had signed franchise agreements but were not yet open as of the end of our last fiscal year:

None

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None

## **EXHIBIT I**

### **STATE ADDENDA TO DISCLOSURE DOCUMENT**

## **CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT**

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

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

OUR WEBSITE, [WWW.PETITEPUPDAYCARE.COM](http://WWW.PETITEPUPDAYCARE.COM), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND BUSINESS OVERSIGHT AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA.

**REGISTRATION OF THIS FRANCHISE OFFERING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION.**

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

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

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person

acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

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

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in Scottsdale, Arizona, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS. <https://www.nasaa.org/wp-content/uploads/2022/11/sop-franchise-questionnaires.pdf>.

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

## HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

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

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities  
335 Merchant Street  
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: \_\_\_\_\_
2. A proposed registration or filing is or will be shortly on file in the following states:  
\_\_\_\_\_
3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

## ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

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

## **MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT**

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 17:

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

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

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

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

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

## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."
- Minnesota Statutes, Section 181.991 prohibit the franchisor from restricting, restraining, or prohibiting in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor or from soliciting or hiring an employee of the franchisor.

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE**

**INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

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

## NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

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

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

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

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

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

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

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

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

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

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**: The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

## NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

## **OHIO ADDENDUM TO DISCLOSURE DOCUMENT**

In the State of Ohio only, this Disclosure Document is amended by adding the following two cover pages to this Disclosure Document:

### **PETITE PUP FRANCHISE LLC**

**October 15, 2025, as amended April 30, 2026**

### **READ THIS DISCLOSURE DOCUMENT CAREFULLY**

**The state of Ohio has not reviewed and does not approve, recommend, endorse, or sponsor this or any franchise. If you have any questions about this franchise, the information contained in this disclosure document should be reviewed with an attorney or financial advisor before you sign any agreement.**

**The following disclosure document contains the disclosures required by Ohio law.**

In the State of Ohio only, this Disclosure Document is further amended as follows:

The following is added to Item 19:

**CAUTION**

**Some business opportunity plans have earned this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.**

## **RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT**

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

## **VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT**

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

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

## **WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT**

(See Exhibit J for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

**EXHIBIT J**

**STATE ADDENDA TO AGREEMENTS**

**ILLINOIS RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT]**

This Rider amends the Franchise Agreement [if applicable: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

- 1. Governing Law.** Illinois law governs the Agreement.
- 2. Waivers Void.** In conformance with Section 41 of the Illinois Franchise Disclosure Act, notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
- 3. Jurisdiction.** In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to occur outside of Illinois.
- 4. Termination/Non-Renewal.** Franchisee’s rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
- 5. Disclaimers.** No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## INDIANA RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

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

**2. Certain Provisions Modified.** Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

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

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

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

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

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

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

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

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

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

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

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

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MARYLAND RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT]**

This Rider amends the Franchise Agreement [if applicable: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Registration and Disclosure Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

**2. Releases, Estoppels and Waivers of Liability.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

**4. Statute of Limitations.** Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

**5. Jurisdiction.** Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## MINNESOTA RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

**2. Amendments.** The Agreement is amended to comply with the following:

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

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

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

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

Under Minnesota Statutes, Section 181.991 (a) no franchisor may restrict, restrain, or prohibit in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor,

and (b) No franchisor may restrict, restrain, or prohibit in any way a franchisee from soliciting or hiring an employee of the franchisor.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**NEW YORK RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT]**

This Rider amends the Franchise Agreement [if applicable: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.
- 2. Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Petite Pup Franchise or any other person from any duty or liability imposed by New York General Business Law, Article 33 (the “New York Franchise Law”).
- 3. Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Petite Pup Franchise with any provision of the New York Franchise Law, or any rule promulgated thereunder, is hereby deleted.
- 4. Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchise Law shall govern any claim arising under that law.
- 5. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT [*if applicable*: AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

**2. Amendments.** The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OHIO RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT]**

This Rider amends the Franchise Agreement [if applicable: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “BOPA” means the Ohio Business Opportunity Act, codified in Revised Code of Ohio, Title XIII, Chapter 1334.

**2. Applicability of BOPA.** Franchisee acknowledges that Petite Pup Franchise is providing this Rider out of an abundance of caution, and that neither the execution of this Rider nor any other act of Petite Pup Franchise constitutes an intent that BOPA apply to the transaction between Petite Pup Franchise and Franchisee or an admission by Petite Pup Franchise that the transaction fails to comply in any material respects with the trade regulation rule of the federal trade commission, “disclosure requirements and prohibitions concerning franchising,” 16 C.F.R. 436.1 et seq.

**3. No Delivery of Goods or Services during Cancellation Period.** Petite Pup Franchise will not commence delivery of any goods or provide any services during the time within which Franchisee may cancel the Agreement as provided in Section 5 below.

**4. Jurisdiction and Venue.** In connection with the sale of the franchise, any provision in the Agreement restricting jurisdiction or venue to a forum outside of Ohio, or requiring the application of laws of another state, is void with respect to a claim otherwise enforceable under Sections 1334.01 to 1334.15 of the BOPA.

**5. Cancellation.** You, the franchisee, may cancel the transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.

**6. Agent for Service of Process.** The name and address of Petite Pup Franchise’s agent authorized to receive service of process in Ohio is [\_\_\_\_\_].

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OHIO**  
**NOTICE OF CANCELLATION**

[*Insert Date Agreement Signed by FRANCHISEE*]

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following Petite Pup Franchise LLC's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to Petite Pup Franchise at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of Petite Pup Franchise regarding the return shipment of the goods at Petite Pup Franchise's expense and risk. If you do make the goods available to Petite Pup Franchise and Petite Pup Franchise does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to Petite Pup Franchise, or if you agree to return them to Petite Pup Franchise and fail to do so, then you remain liable for the performance of all obligations under the Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Petite Pup Franchise LLC, at 14700 N. Frank Lloyd Wright Blvd, #159, Scottsdale, AZ 85260, or send a fax to Petite Pup Franchise at [*Insert facsimile number*] or an e-mail to Petite Pup Franchise at [*Insert email address*], not later than midnight of [*Insert date that is five business days after the date above*].

I hereby cancel this transaction.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**RHODE ISLAND RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT]**

This Rider amends the Franchise Agreement [if applicable: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the "Agreement"), between Petite Pup Franchise LLC, an Arizona limited liability company ("Petite Pup Franchise") and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee").

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

**2. Jurisdiction and Venue.** Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**VIRGINIA RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT]**

This Rider amends the Franchise Agreement [if applicable: and Multi-Unit Development Agreement] dated \_\_\_\_\_ (the “Agreement”), between Petite Pup Franchise LLC, a Arizona limited liability company (“Petite Pup Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

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

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

PETITE PUP FRANCHISE LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT  
AND  
RIDER TO FRANCHISE AGREEMENT [if applicable: AND MULTI-UNIT  
DEVELOPMENT AGREEMENT]**

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Agreed to by:

FRANCHISOR:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT K

### EFT AUTHORIZATION FORM

Bank Name: \_\_\_\_\_  
ABA#: \_\_\_\_\_  
Acct. #: \_\_\_\_\_  
Acct. Name: \_\_\_\_\_

Effective as of the date of the signature below, \_\_\_\_\_ (“Franchisee”) hereby authorizes Petite Pup Franchise LLC (“Franchisor”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Franchisor under the franchise agreement (the “Franchise Agreement”) between Franchisor and Franchisee: (1) all Royalty Fees; (2) all Marketing Fund Contributions; (3) all other fees authorized under the Franchise Agreement; and (4) any amounts charged by Franchisor or its affiliates in connection with equipment, inventory, supplies, and/or services that Franchisee purchases from Franchisor or its affiliates, as and when such amounts become due and owing to Franchisor and/or its affiliates. Franchisee acknowledges that Royalty Fees, Marketing Fund Contributions, and all other fees may be collected by Franchisor in the manner provided for in the Franchise Agreement. The parties further agree that all capitalized terms not specifically defined herein will be given the same definition as set forth in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in force and effect until terminated in writing by Franchisor. Franchisee shall provide Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PLEASE ATTACH A VOIDED BLANK CHECK FOR PURPOSES OF SETTING UP  
BANK AND TRANSIT NUMBERS**

## EXHIBIT L

### CONFIDENTIALITY AND NONCOMPETE AGREEMENT

This Confidentiality and Noncompete Agreement (this “Agreement”) is made as of the date signed by below by \_\_\_\_\_, a resident of \_\_\_\_\_ (“Recipient”), in favor of Petite Pup Franchise LLC, a Arizona limited liability company, and its affiliates (collectively, “Petite Pup Franchise”).

**Background Statement.** Recipient desires to evaluate a potential opportunity to enter into a franchise agreement with Petite Pup Franchise (the “Proposed Opportunity”) for a Petite Pup franchise. To induce Petite Pup Franchise to disclose confidential information to Recipient, Recipient agrees as follows:

**1. Confidentiality.** “Confidential Information” means all non-public data information of or about Petite Pup Franchise or its franchise system, including without limitation, trade secrets, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information, and know-how. Recipient shall (i) hold all Confidential Information in strict confidence and not disclose it to any person or entity; and (ii) not use Confidential Information for the purpose developing or operating a business similar to a Petite Pup or competing against Petite Pup Franchise or any of its franchisees or for any other purpose. The obligations of Recipient shall remain in force indefinitely or at least until such time as Recipient enters into a franchise agreement with Petite Pup Franchise (in which case such franchise agreement shall supersede the terms of this agreement).

**2. Noncompete.** Recipient shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, develop, or invest in, own, acquire, advise, or be employed by a Competitor anywhere in the United States for a period of three years from the date of this Agreement. For purposes of this agreement, “Competitor” is a business, other than a Petite Pup Franchise business, which offers which offers dog daycare services.

**3. Notice.** Recipient shall promptly notify Petite Pup Franchise in writing of any loss or unauthorized disclosure of any Confidential Information. If Recipient is requested or required to disclose any Confidential Information due to a lawsuit or similar action, Recipient shall promptly notify Petite Pup Franchise. Upon the request of Petite Pup Franchise, or upon termination of the Proposed Opportunity (whichever occurs first), Recipient shall promptly deliver to Petite Pup Franchise all documents and electronic files containing or constituting Confidential Information, without retaining any copies.

**4. Disclaimer.** Petite Pup Franchise makes no promise regarding its future business relationship with Recipient, and nothing herein obligates Petite Pup Franchise to enter into a franchise agreement with Recipient.

**5. Dispute Resolution.**

(a) The laws of the state of Arizona (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Arizona

law for the protection of franchisees or business opportunity purchasers (including the Arizona Business Opportunity Sales Act) will not apply unless its jurisdictional requirements are met independently without reference to this Section 5.

(b) Unless Recipient and Petite Pup Franchise enter into a franchise agreement—in which case the Dispute Resolution provisions of such franchise agreement will govern this Agreement—for any legal proceeding between the parties the parties, Recipient and Petite Pup Franchise agree that such proceeding will be brought in the United States District Court where Petite Pup Franchise’s headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Petite Pup Franchise’s headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

**6. Miscellaneous.** This Agreement contains the entire agreement of the parties related to the subject matter hereof, provided that nothing contained herein shall be deemed to waive, supersede, or otherwise modify any other confidentiality or non-compete obligations of Recipient. Petite Pup Franchise shall be entitled to specific performance and injunctive relief as remedies for any breach of this Agreement, in addition to all other remedies available at law or in equity. If any provision of this Agreement is invalid, void or unenforceable, the remaining provisions will continue in full force. No modification or release hereunder shall be effective except by means of a written instrument executed by the parties hereto.

Agreed to by:

RECIPIENT:

\_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT M

### SBA ADDENDUM

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”), between Petite Pup Franchise LLC, an Arizona limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**Background Statement:** Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

1. If Franchisor has an option to purchase or a right of first refusal (ROFR) with respect to a partial interest in the Franchisee’s business, Franchisor may exercise such option or right 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 Franchisee’s business, Franchisor will not unreasonably withhold such consent.
3. If Franchisee owns the real estate where the franchise location is operating, 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 franchise term (excluding additional renewals) for fair market value
4. If Franchisee owns the real estate where the franchise location is operating, 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 the Franchisee to obtain SBA financial assistance.
5. If the Franchisee owns the real estate where the franchise location is operating, 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 the Franchisee from having meaningful oversight over the operations of the business. A Franchise Agreement does not prevent a Franchisee from having meaningful oversight over the operations of its business by requiring the Franchisee to comply with quality, marketing, and operations standards that govern the Franchisee’s use of the Franchisor’s system of operations. Meaningful oversight includes the authority to (i) approve the annual budget; (ii) have control over the bank accounts; and (iii) have oversight over the employees operating the business (who must be employees of Franchisee).

Agreed to by:

FRANCHISOR:

PETITE PUP FRANCHISE LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

| State | Effective Date |
|-------|----------------|
|       |                |

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 disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Petite Pup 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 that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Petite Pup 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

| Name            | Principal Business Address                                      | Telephone Number |
|-----------------|-----------------------------------------------------------------|------------------|
| Kathleen Kocsis | 14700 N. Frank Lloyd Wright Blvd, #159,<br>Scottsdale, AZ 85260 | 480-487-9705     |

Issuance Date: October 15, 2025, as amended April 30, 2026

I received a disclosure document dated October 15, 2025, as amended April 30, 2026, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- F. Financial Statements
- G. Operations Manual Table of Contents
- H. Current and Former Franchisees
- I. State Addenda to Disclosure Document
- J. State Addenda to Agreements
- K. EFT Authorization Form
- L. Confidentiality and Noncompete Agreement
- M. SBA Addendum

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date Received: \_\_\_\_\_

**Keep This Copy For Your Records**



## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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The name, principal business address, and telephone number of each franchise seller offering the franchise is:

| Name            | Principal Business Address                                      | Telephone Number |
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| Kathleen Kocsis | 14700 N. Frank Lloyd Wright Blvd, #159,<br>Scottsdale, AZ 85260 | 480-487-9705     |

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- M. SBA Addendum

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date Received: \_\_\_\_\_

**Return This Copy To Us**