FRANCHISE DISCLOSURE DOCUMENT

PetSmart Veterinary Services, LLC
A Delaware limited liability company
19601 N. 27th Ave.
Phoenix, AZ 85027
Telephone Number: 623-587-2030
Email: vetownership@petsmart.com
Website: https://www.petsmart.com/veterinary-ownership.html

We offer franchises for veterinary practices under the name PETSMART VETERINARY SERVICES. The franchised veterinary practices are located in PETSMART® retail stores and offer full-service veterinary care and related products and services to the public, including preventive care, general pet health management and treatment for pets of PETSMART® customers.

The total investment necessary to begin operation of a PETSMART VETERINARY SERVICES franchise is $179,900 to $261,000. None of this amount is paid to the franchisor or its affiliates. There is no additional investment necessary under a Multi-Unit Development Agreement. The minimum number of units required to be opened under a Multi-Unit Development Agreement is two, and there is no maximum.

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 us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure Document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Senior Vice President – Vet Health Services at 19601 N. 27th Ave., Phoenix, AZ, tel. 623-587-2030 or vetownership@petsmart.com.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

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

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

Issuance date: **May 27, 2022, as amended February 17, 2023**

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 us by litigation only in the judicial district in which we have our principal place of business at the time the action is commenced, which is currently Maricopa County, Arizona. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with us in Arizona than in your own state.

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

3. **Sales Performance Requirement**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

4. **Supplier Control**. You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

5. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" pages for your state in Exhibit E.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "**Franchisor**", "**PVS**", "**we**" or "**us**" means PetSmart Veterinary Services, LLC, the franchisor; "**You**" or "**Franchisee**" means the business entity that signs a franchise agreement with us; "**Owner**" means the person(s) identified in the franchise agreement as owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the franchise; "**Operating Partner**" means a natural person designated by Franchisee (or an entity controlled by that person) that: (a) owns at least 10% of equity interest (equity interest may include equity-like equivalents such as RSUs, phantom-equity, etc.), or (b) has at least 20% individual production, revenue, or profits interest; or (c) is otherwise approved by PVS in its sole and absolute discretion; "**Hospital**" means the specific PETSMART VETERINARY SERVICES hospital you operate under the franchise agreement with us, if you become our franchisee; and "**PVS Hospitals**" means, collectively, all veterinary hospitals operating under the PETSMART VETERINARY SERVICES name.

PVS is a Delaware limited liability company formed on March 25, 2022. We do business only under the "PetSmart Veterinary Services" name and our legal name. Our principal place of business is at 19601 N. 27th Avenue, Phoenix, AZ 85027. Exhibit D to this disclosure document lists our agents for service of process, to the extent we have appointed them.

Our sole business activity is franchising PETSMART VETERINARY SERVICES hospitals. We do not operate any PVS Hospitals. We began offering franchises on May 27, 2022. We have never offered franchises in any other line of business.

Our parent company is PetSmart LLC (f/k/a PetSmart, Inc.), a Delaware limited liability company with its principal place of business at 19601 N. 27th Avenue, Phoenix, AZ 85027. PetSmart LLC is the leading specialty provider of products, services and solutions for the lifetime needs of pets operating over 1,650 retail stores throughout the United States, Canada and Puerto Rico. PetSmart LLC does not operate veterinary hospitals or offer veterinary medical services directly; however, PetSmart LLC does license space for full-service veterinary hospitals, owned and operated by third parties, in approximately 750 of its stores. As of the date of this disclosure document, approximately 730 of those veterinary hospitals are operated by Medical Management International d/b/a Banfield, The Pet Hospital ("MMI"). The remainder were independent veterinary operators ("IVOs") operating in PETSMART® stores under various practice names.

We launched the PETSMART VETERINARY SERVICES franchise program to ensure in-store access to veterinary services for customers of PETSMART® stores not already served by a BANFIELD hospital or an IVO. Each PETSMART VETERINARY SERVICES franchisee will be an IVO, but unlike other IVOs operating in PETSMART® stores, PVS Hospitals will operate under a common trade name, standards, and operating procedures.

Our affiliate, PetSmart Home Office, Inc., owns the PETSMART VETERINARY SERVICES mark and certain other trademarks, service marks, logos and commercial symbols and has licensed us to use them and to sublicense PETSMART VETERINARY SERVICES franchisees to use them. We do not have a predecessor as a franchisor of the PETSMART VETERINARY SERVICES business. None of our affiliates operate company-owned units similar to the franchises we offer. We do not currently have any affiliates that sell products or services to our franchisees. However, we have the right to require that you purchase from affiliates in the future.

The PetSmart Veterinary Services Franchise

Franchisees of PVS are independent owners of veterinary practices who will establish hospitals to provide full-service veterinary care and related products and services within PETSMART® retail stores. Franchisees will operate according to the system of operation we have developed (the "**PVS System**"). The distinctive elements of the PVS System include, but are not limited to, the design and appearance of the hospital facilities; the provision of certain products, services, and equipment by PVS; specifications for products and services to be provided to franchisees by third parties; PVS's quality assurance program and marketing and brand development programs; PVS's mandatory and recommended standards and procedures for business operations and coordination with the host PETSMART® store; training programs; and other policies and practices that reflect PVS's business judgment and accumulated trial and error experience.

You are not eligible for a franchise if you are a person or entity, or a subsidiary or affiliate of a person or entity, that owns or operates veterinary hospitals or other veterinary facilities at more than 50 locations within the United States and Puerto Rico (excluding vaccination clinics and other temporary facilities, such as mobile clinics) (the "**Size Restriction**").

If you apply for a franchise and we approve you, you will sign a Franchise and Premises License Agreement ("**Franchise Agreement**") with us. Our current form of Franchise Agreement appears in Exhibit A to this disclosure document. The Franchise Agreement authorizes you to operate one PETSMART VETERINARY SERVICES hospital occupying a designated space within a specific PETSMART® retail store.

PVS will construct the Hospital at PVS's expense, including interior and exterior signage, in the manner described in our Brand Standards Manual. You will accept the Hospital in its "AS-IS" condition when we deliver occupancy to you. Responsibility for maintenance and repairs will be allocated between PVS and you in accordance with the Brand Standards Manual. PVS will also arrange for or provide certain veterinary medical equipment and/or fixtures, technology systems, cages or kennels, and other equipment and furnishings for the Hospital (the "**Equipment**"), which will be licensed to you but remain our property. As part of your premises license, PVS will make available to the Hospital water, electricity, sewer, and trash service (other than for hazardous materials and medical wastes, for which you will be responsible).

The Franchisee must be qualified as a veterinary business and provide Veterinary Services either personally or through employees or independent contractors of the Franchisee who are licensed and qualified to practice veterinary medicine in the state where the Hospital is located. "**Veterinary Services**" means those services that may only be administered or provided by, or under the supervision, direction or control of, a currently licensed veterinarian or, if required by Applicable Laws, currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided. You must maintain accreditation of the Hospital by one or more veterinary accreditation associations as required by PVS, at your own expense. You must apply for and obtain accreditation within 18 months after the Commencement Date (defined in Item 5) as a PETSMART VETERINARY SERVICES hospital. If you are unable to obtain accreditation due to limitations outside of your control, PVS will work with you to determine appropriate exceptions to the accreditation standards. All veterinarians providing Veterinary Services in or through the Hospital ("**Hospital Veterinarians**") must hold a valid veterinary license and accreditation to practice in the applicable state or otherwise be qualified under the laws of the applicable state. Similarly, if required by the laws of the applicable state, all veterinary technicians and/or support personnel also must hold appropriate licenses and

accreditations. You must provide PVS, promptly upon request, evidence of all required veterinary licenses and accreditations.

We have described our mandatory and recommended standards and operating procedures in our Brand Standards Manual, or in other writings designated by us as part of the standards for the PVS System (collectively with the Brand Standards Manual, the "**System Standards**"). If you become our franchisee, we will provide you with electronic access to the Brand Standards Manual. We have the right to change the System Standards and the Brand Standards Manual at any time.

You and the Hospital Veterinarians may deviate from the System Standards only in specific instances in which you or they determine, in your or their professional judgment, that the System Standards would not satisfy statutory, regulatory, or professional ethical obligations applicable to the practice. We refer to these deviations as "**Professional Deviations**." Except for Professional Deviations, you must follow the System Standards, which may exceed the minimum standard of care in your geographic region. You will be solely and exclusively in control of all aspects of the practice of veterinary medicine and the delivery of veterinary care and related services at the Hospital. You will retain full authority to direct the veterinary, professional, and ethical aspects of the Hospital.

Multi-Unit Development Agreement

We may offer qualified persons the opportunity to develop multiple Hospitals under a Multi-Unit Development Agreement ("**MUDA**"). Under the MUDA, we reserve specific PETSMART® stores ("**Development Sites**") for you, and you commit to open Hospitals at those Development Sites by specified dates. If you qualify, we will negotiate the number of Development Sites and the development deadlines with you. We can reduce the Development Sites or terminate the MUDA entirely if you do not have the required number of Hospitals open and in operation by the agreed-upon deadlines. You will sign our then-current form of Franchise Agreement for each Hospital that you develop under the MUDA, which may differ from the current Franchise Agreement included with this disclosure document. Our current form of Multi-Unit Development Agreement appears in Exhibit B to this disclosure document.

Industry-Specific Laws

The veterinary industry is highly regulated in all states. States have formal licensing procedures for veterinarians, veterinary technicians, and other support personnel. You are responsible for knowing and following the veterinary practice laws and regulations in your area. If you are not a licensed veterinarian, you should thoroughly review all applicable laws to determine if it will be necessary for you to enter into an agreement with a qualified third party in order to operate a veterinary practice. You are solely responsible for obtaining all licenses and permits required for your business and personnel. The laws generally give the regulatory agencies broad discretion, and violations could result in the imposition of fines and penalties and the issuance of orders prohibiting your operation of the Hospital.

You must also comply with general business laws and regulations applicable to the operation of your Hospital. These include laws such as the Americans with Disabilities Act and employment laws. Local, state or federal laws could affect your business, financial condition and results of operations. You are solely responsible for compliance, at your own expense, with all local, state and federal laws that apply to your business operations, despite any information or advice that we may offer.

You should consult with your attorney concerning these and other laws and ordinances that may affect your operations.

Market and Competition

The market for veterinary services is well-established and very competitive. The business operates year-round and is not seasonal. The target audience is pet owners, primarily of dogs and cats. You will compete with both local, independent veterinary practices and units of regional and national chains, possibly including Banfield Hospitals and IVOs operating within other PETSMART® stores.

Although we carefully evaluate persons who wish to become our franchisee, no screening process that we implement can conclusively determine whether you will succeed as a PETSMART VETERINARY SERVICES operator. Similarly, completion of our training program does not provide assurance of success. You must rely on your own assessment of your suitability (in terms of energy, business skill, desire, temperament, people skills, and financial capability, among other things) and your own advisors in deciding whether to become a PETSMART VETERINARY SERVICES franchisee.

ITEM 2

BUSINESS EXPERIENCE

Alan M. Schnaid, *President and Chief Executive Officer*

Mr. Schnaid has been our President and Chief Executive Officer since April 2022. Mr. Schnaid is also the Executive Vice President and Chief Financial Officer of PetSmart LLC. Mr. Schnaid was appointed to this position in April 2017.

David Redfield, *Executive Vice President and Chief Operating Officer*

Mr. Redfield has been our Executive Vice President and Chief Operating Officer since April 2022. Mr. Redfield is also the Executive Vice President and Chief Operating Officer of PetSmart LLC. Mr. Redfield was appointed to this position in February 2022. From August 2011 until February 2022, Mr. Redfield served as the Business Unit President of Wal-Mart's South region in Bentonville, Arkansas.

John Bork, *Senior Vice President*

Mr. Bork has been our Senior Vice President since April 2022. Mr. Bork is also the Senior Vice President – Vet Health Services of PetSmart LLC. Mr. Bork was appointed to this position in October 2021. From July 2017 to September 2021, Mr. Bork was the founder, CEO and a board member of WellHaven Pet Health in Vancouver, Washington.

Lacey J. Bundy, *Senior Vice President, Chief Legal Officer and Secretary*

Ms. Bundy has been our Senior Vice President, Chief Legal Officer and Secretary since April 2022. Ms. Bundy was appointed Senior Vice President, General Counsel and Secretary of PetSmart LLC in August 2018. From September 2012 to August 2018, Ms. Bundy was SVP, General Counsel and Corporate Secretary at Express, Inc. in Columbus, Ohio.

Jennifer Bruns, D.V.M., M.P.V.M., *Vice President – Vet Health Services*

Dr. Bruns has been our Vice President – Vet Health Services since June 2022 and Vice President of Vet Business Development for PetSmart LLC since February 2022. Prior to joining PetSmart LLC, Dr. Bruns was the West Coast Regional Operation Advisor for United Veterinary Care from June 2021 to February 2022. From September 2017 to May 2021, Dr. Bruns was Senior Vice President for WellHaven Pet Health in Vancouver, Washington.

David Jacobs, *Vice President – Vet Health Services*

Mr. Jacobs has been our Vice President – Vet Health Services since June 2022 and Vice President of Veterinary Health Services for Petsmart LLC since January 2022. From May 2005 to July 2020, Mr. Jacobs was employed at Medical Management International, Inc. d/b/a Banfield, The Pet Hospital, in Vancouver, Washington, where he served in many roles including Sr. Director of Operations Development and New Hospital Openings and Vice President of the Southwest Region.

ITEM 3

LITIGATION

PetSmart LLC v. Medical Management International, Inc. d/b/a Banfield, The Pet Hospital

On May 27, 2022, our parent, PetSmart LLC (PetSmart) filed a Demand for Arbitration against Medical Management International, Inc. d/b/a Banfield, The Pet Hospital (Banfield) alleging multiple material breaches by Banfield of the Master Operations Agreement between PetSmart and Banfield under which PetSmart licenses space for veterinary hospitals. PetSmart is seeking monetary relief and a determination that the Master Operations Agreement between PetSmart and Banfield did not automatically renew and has expired as a result of the material breaches. Later on May 27, 2022, Banfield served its own Demand for Arbitration alleging material breaches and repudiation of the Master Operations Agreement by PetSmart and seeking monetary relief, an order directing PetSmart to perform its obligations, and a determination that the Master Operations Agreement validly renewed.

Vanzant, et al. v. Hill's Pet Nutrition, Inc., et al. – Case No. 17 cv 2535

In March 2017, Plaintiffs filed a class lawsuit on behalf of Illinois purchasers of prescription pet food alleging violations of the Illinois Consumer Fraud and Deceptive Business Practices Act and unjust enrichment in connection with the sale of prescription dog food against Hill's Pet Nutrition, Inc., BluePearl Vet, LLC, Medical Management International, Inc. d/b/a Banfield, The Pet Hospital, and PetSmart, Inc. n/k/a PetSmart LLC, our parent and predecessor. The Court granted defendants' joint Motion to Dismiss in November 2017. The case was subsequently appealed by Plaintiffs to the 7th Circuit Court of Appeals. On August 20, 2019, the 7th Circuit reversed and remanded the matter. This parties are in the discovery phase of the litigation.

In the Matter of Alan M. Schnaid, File No. 3-16071

On September 10, 2014, Alan Schnaid (Schnaid), who was then an executive with Starwood Hotels & Resorts Worldwide, Inc. (Starwood), together with Starwood, entered into separate Cease and Desist Orders with the Securities and Exchange Commission to resolve allegations

relating to a failure to timely file Section 16 reports of holdings and transactions in Starwood's securities. *In the Matter of Starwood Hotel & Resorts Worldwide, Inc.*, File No. 3-16070 and *In the Matter of Alan M. Schnaid*, File No. 3-16071. As separately disclosed by Starwood in its definitive Proxy Statement filed on April 18, 2013, the failure to file resulted from Starwood's failure to timely advise Mr. Schnaid that he was subject to the reporting requirements of Section 16 in his then current position. Without admitting or denying the Commission's findings: (a) Mr. Schnaid agreed to cease and desist from any violations of Section 16(a) of the Exchange Act and Rule 16a-3 promulgated thereunder and agreed to pay a civil penalty of $25,000; and (b) Starwood agreed to cease and desist from any violations and any future violations of Section 13(a) of the Exchange Act and Rule 13a-1 promulgated thereunder and agreed to pay a civil penalty of $75,000.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5

INITIAL FEES

There is no franchise fee or other initial payment to us for a PETSMART VETERINARY SERVICES franchise. As described in Item 1, we construct the Hospital for you at our own expense, including interior and exterior signage, and we also provide certain of the veterinary medical equipment and/or fixtures, technology systems, cages or kennels, and other equipment and furnishings you will need for the Hospital (the "**Equipment**"). The Equipment will be licensed to you but remains our property. This is not all of the equipment and supplies you will need (see Item 7).

There are no required pre-opening purchases or leases from us or our affiliates. You do not begin paying a fee for occupancy of the Hospital premises until the Ramp-Up Period ends. The "Ramp-Up Period" is the first 180 days after the Commencement Date. The "Commencement Date" is the earlier of (a) the date the Hospital opens for business, or (b) 45 days after we deliver possession of the Hospital to you.

There is no initial development fee for a Multi-Unit Development Agreement. The minimum number of units required to be opened under a Multi-Unit Development Agreement is two.

ITEM 6

OTHER FEES

Type of Fee[(1)]	Amount	Date Due	Remarks
Occupancy Payments - License Fee	$11.00 to $114.00 per sq. ft. (annual), depending on location	1/12th Due Monthly	No License Fee during the Ramp-Up Period. "**Ramp-Up Period**" means the first 180 days from the Commencement Date.
Occupancy Payments - Hospital Occupancy Costs	$1.50 to $33.00 per sq. ft. (annual), depending on location	At the same time and in the same manner as you pay the License Fee, you will pay PVS 1/12th of the amount of the Hospital Occupancy Costs for the applicable calendar year.	No Hospital Occupancy Costs during the Ramp-Up Period. For each calendar year of the Term after the first partial calendar year, the Hospital Occupancy Costs will increase by 4% (or the annual increase in the CPI, if higher) over the immediately preceding calendar year.
Franchise Royalty	7% of the first $1 Million of Hospital Revenue during the Fiscal Year; then 6% of Hospital Revenue above $1 Million and up to $1.5 Million during the Fiscal Year; then 5% of Hospital Revenue in excess of $1.5 Million in the Fiscal Year. The royalty rate reverts to 7% at the start of the next Fiscal Year.	Monthly	"**Hospital Revenue**" means all revenues generated from services and products sold by or through the Hospital and all other income of every kind related to the Hospital, net of any discounts or refunds to customers. "**Fiscal Year**" means the 52- or 53-week period ending on the Sunday closest to January 31st, and "**Fiscal Month**" means each 4-week or 5-week accounting period in PVS's retail calendar. PVS will provide its fiscal calendar to you before the start of each Fiscal Year.

Type of Fee[(1)]	Amount	Date Due	Remarks
Brand Fund Contribution	1.5% of Hospital Revenue, starting on January 1, 2023 (none currently)	Same as Royalty Fee	You must contribute to a Brand Fund we have established to support general development and recognition of the PETSMART VETERINARY SERVICES brand. We can designate any amount up to 1.5% of Hospital Revenue.
Local Marketing Expense	0.5% of Hospital Revenue	Annually	Not payable to us. For Local Marketing, you will pay vendors, media outlets, etc. directly.
Technology Fee	Currently $750 per month	Same as Royalty Fee	Paid to PVS for IT services and infrastructure, related equipment provided by PVS, and routine IT support, as detailed in the Brand Standards Manual. We can revise the Technology Fee at any time on reasonable notice, which need not be more than 30 days.
Training Fees	Currently $500 per day (plus travel and living expenses of our trainers if conducted at your location)	Before training begins	We provide training at no charge for the maximum number of trainees we designate. We may charge a training fee: (a) for additional trainees in excess of the maximum number PVS designates for a training program; (b) if PVS requires additional training as a result of your failure to comply with our quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that PVS makes optional for franchisees.
Conference Fee	Not to exceed $1,000 per person	As incurred	If we decide to hold a franchise convention, you must attend.
Reimbursement for Examination or Audit	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs	Upon demand	Payable only if examination or audit reveals an understatement of Hospital Revenue of more than 2%. This is in addition to applicable interest and late fees.
Proposed Supplier Inspection	Reasonable cost of the inspection and the actual cost of the test	As incurred	You must reimburse us whether or not we approve the proposed supplier.

Type of Fee[(1)]	Amount	Date Due	Remarks
Indemnification	Our actual losses and expenses	As incurred	You must reimburse us if we incur any expense, including attorney fees and other costs, or are held liable for claims arising out of your franchise operations.
Interest	4% per annum over the prime rate of interest announced by JP Morgan Chase & Co.	As incurred	Payable if any amount due PVS is not received within 10 days after the due date. The interest rate will not exceed the maximum rate allowed by law in your state.
Late Fee	Currently $150	With payment of overdue amount	Payable if any amount due PVS is not received within 10 days after the due date. We can charge a late fee to compensate us for our administrative costs incurred in enforcing your obligation to pay us.
Transfer Fee	Up to $5,000	At time of Transfer	Payable if you transfer the Franchise Agreement and/or substantially all of the assets of the Hospital, or if there is a transfer of direct or indirect ownership interest in the Franchisee that results in a change of control of the Franchisee.
Renewal Fee	Up to $5,000	At time of renewal	If you exercise your option for an Extension Period and you otherwise qualify, we can charge a fee for the extension.
Withholding Taxes	Actual amount of tax we owe plus any penalties, interest, and expenses (including legal and accounting fees) that we incur	As incurred	Payable only if you are obligated by law to withhold non-resident income taxes assessed against PVS and you fail to do so.
Step-In Management Fee	Greater of 10% of Hospital Revenue or $500 per day	As determined by management company	Payable only if you have failed to cure a default and we appoint a management company to run the Hospital. You will pay directly to the management company.
Holding Over Fee	150% of then-current Occupancy Payment and 150% of Royalty Fee	On demand	Payable only if you remain in possession of the Hospital after your Franchise Agreement expires and without execution of a new agreement.

Type of Fee[(1)]	Amount	Date Due	Remarks
Estoppel Certificate	$250	As incurred	Payable only for the second or subsequent estoppel certificate you request from us during any 365-day period.
Prevailing Party Fees	Our reasonable attorneys' fees and expenses, as determined by the court	Upon demand	Payable if PVS is the prevailing party in a trial or other dispute resolution proceeding between us.

NOTES TO CHART:

(1) Unless otherwise noted, all fees and charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable, payable to us, and charged uniformly to franchisees who received this disclosure document. For all amounts payable to PVS and affiliates, you must use the payment method we designate. If we require payment by electronic funds transfer (EFT), such as an automated clearing house transfer (ACH), you will designate an account at a commercial bank of your choice (the "**Account**") and furnish the bank with authorizations as necessary to permit PVS to make direct debit withdrawals from the Account. If funds in the Account are insufficient to cover the amounts payable at the time PVS makes a direct debit withdrawal, the amount of the shortfall will be deemed overdue.

(2) "**Hospital Occupancy Costs**" means the Hospital's proportionate share, based on square footage, of the total occupancy-related costs, plus any administrative fees, in connection with the use and occupancy of the Premises (including the Hospital). "**Hospital GFA**" means the number of square feet within the Premises licensed to PVS for the operation of a veterinary hospital. Occupancy-related costs include, but are not limited to, property insurance, liability insurance, common area expenses, electric and water/sewer charges and real property taxes.

(3) If you don't provide a Hospital Revenue report to us when due, we will have the right to estimate Hospital Revenue for the period and to withdraw by direct debit draft from the Account the estimated amount due for any charges that are calculated based on Hospital Revenue. When you provide the delinquent Hospital Revenue report, we will reconcile any difference between the estimated amount and the actual charges due for the period.

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	$0	Not applicable	Not applicable	Not applicable
Initial Training Expenses[1]	$0 to $5,000	As Arranged	As Incurred	Hotels, Airlines, etc.
Medical Equipment	$70,500 to $84,000	As Arranged	As Arranged	Designated Supplier
Pharmacy Supplies	$13,500 to $16,000	As Arranged	As Arranged	Third-party Suppliers
Surgical Supplies	$6,000 to $7,000	As Arranged	As Arranged	Third-party Suppliers
Hospital Supplies	$6,000 to $6,500	As Arranged	As Arranged	Third-party Suppliers
Office Equipment and Supplies	$1,000 to $1,200	As Arranged	As Arranged	Third-party Suppliers
Opening Supplies	$800 to $1,400	As Arranged	As Arranged	Third-party Suppliers
Professional Fees	$3,000 to $25,000	As Arranged	As Arranged	Your attorney, CPA, etc.
Insurance[2]	$3,000 to $18,000	As Arranged	As Arranged	Insurance company
Business Licenses and Permits	$1,100 to $1,900	As Incurred	As Incurred	Government agencies
Grand Opening Marketing	$5,000	As Arranged	As Arranged	Vendors, media outlets, etc.
Additional funds- 3 months[3]	$70,000 to $90,000	As Incurred	After Opening	Employees, vendors, suppliers, etc.

1 Initial training expenses is based on two trainees over a course of three days. Initial training will be conducted at a location we designate. You must pay for the travel and lodging expenses of your trainees. Please see Item 11 for further details on training.

2 You must procure and maintain throughout the term of the Franchise Agreement insurance of the types and amounts described in Item 8 of this disclosure document. The estimate in the table is for the likely cost of premiums for the first 12 months of coverage. The actual premiums could be higher or lower than the range in particular circumstances, depending on the insurance carrier (including the availability of several carriers), your location, prior loss history, and other uncontrollables that are difficult to anticipate.

3 This is an estimate of the additional funds you may need during the initial period of operation, which we define as 3 months from the opening of the Hospital. Additional funds may be needed to support on-going expenses such as payroll, marketing expenditures, inventory, utilities, and business licenses, to the extent that aggregate costs are not covered by your Hospital revenue. The estimate does not include any compensation that you may choose to pay yourself. We cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on many factors, such as how closely you follow the PVS System and its procedures, the local market for veterinary services, the prevailing wage rate, competition, and the sales level reached during the initial period.

YOUR ESTIMATED INITIAL INVESTMENT – Franchise Agreement				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Total	$179,900 to $261,000			

Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT – Multi-Unit Development Agreement				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Development Fee	$0	Not applicable	Not applicable	Not applicable
Initial Training Expenses	$0	As Arranged	As Incurred	Hotels, Airlines, etc.
Medical Equipment	$0	As Arranged	As Arranged	Designated Supplier
Pharmacy Supplies	$0	As Arranged	As Arranged	Third-party Suppliers
Surgical Supplies	$0	As Arranged	As Arranged	Third-party Suppliers
Hospital Supplies	$0	As Arranged	As Arranged	Third-party Suppliers
Office Equipment and Supplies	$0	As Arranged	As Arranged	Third-party Suppliers
Opening Supplies	$0	As Arranged	As Arranged	Third-party Suppliers
Professional Fees	$0	As Arranged	As Arranged	Your attorney, CPA, etc.
Insurance	$0	As Arranged	As Arranged	Insurance company
Business Licenses and Permits	$0	As Incurred	As Incurred	Government agencies
Grand Opening Marketing	$0	As Arranged	As Arranged	Vendors, media outlets, etc.
Additional funds- 3 months	$0	As Incurred	After Opening	Employees, vendors, suppliers, etc.
Total	$0			

No initial investment is required for a Multi-Unit Development Agreement. However, for each Hospital you open under the MUDA, you will incur the initial investment indicated in the first Table of this Item 7. The minimum number of Hospitals required to be opened under the MUDA is two.

We or an affiliate may offer financing in connection with your initial investment. See Item 10 for details.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To maintain high standards of quality, to promote uniformity and efficiency, and to reduce costs for all PVS Hospitals, PVS has the right to require that all current and future pharmaceuticals, medical equipment, information technology systems, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that you purchase for operation of or sale in the Hospital: (a) meet specifications that PVS establishes from time to time; (b) be purchased only from suppliers that PVS has expressly approved; and/or (c) be purchased only from a particular manufacturer, wholesaler, distributor or other source that PVS has designated for the particular product or service ("**Designated Supplier**").

We reserve the right to name ourselves or our affiliates as an approved supplier or the Designated Supplier for any item, at any time. However, we and our affiliates are not currently an approved supplier or Designated Supplier for any item except the Equipment, as described in Item 1 and below in this Item. Most of the required technology systems are included within the Equipment package that PVS provides for the Hospital (see Item 1).

The purchasing specifications, approved supplier requirements, and/or Designated Suppliers for particular items will be set out in the Brand Standards Manual from time to time. If we have named a Designated Supplier for a product or service, you must obtain the product or service from that Designated Supplier. As of the date of this disclosure document, IDEXX is the Designated Supplier of medical equipment, Elanco is the recommended (but not required) supplier of pharmacy supplies, and Covetrus is the recommended (but not required) supplier of surgical and hospital supplies. Rhapsody is the designated practice information management (PIM) system, but there is no purchase of this system; it is included within the Equipment package that PVS provides for the Hospital (see Item 11).

We may earn a profit on products and services we sell to you and other franchisees, and we may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of products or services to you or other franchisees, whether or not the product or service is presently mentioned in this Item. Because our franchise program is new, we did not receive any revenue from direct purchases by franchisees or any rebates or commissions from third-party suppliers based on purchases by franchisees in our last fiscal year. None of our officers or directors owns a material direct or indirect interest in any existing unaffiliated supplier.

If you desire to purchase any items from a source that has not been approved by PVS, and if we have not named a Designated Supplier for the item, you can submit a written request for approval of your proposed supplier, or you can have the supplier itself do so. We will have the right to inspect the proposed supplier's facilities and require that samples from the supplier be delivered to us or to an independent laboratory for testing. We will also have the right to require that the supplier satisfy certain standards, including data protection and data breach requirements. We may require you to pay us a fee, not to exceed the reasonable cost of the inspection and the actual cost of the test, whether or not we approve the proposed supplier. We generally will approve or disapprove the proposed supplier within 30 days after receiving all

requested information and completing evaluation and testing, if required. We reserve the right to revoke any approval of proposed suppliers by written notice.

We negotiate purchasing arrangements, including price terms, on behalf of franchisees and we have established strategic alliances or preferred vendor programs with certain suppliers to provide equipment, products or services to PVS Hospitals. These types of alliances or programs may limit the number of approved suppliers with whom you may deal. We can refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the System.

The following specific restrictions on your purchasing are in effect as of the issuance date of this disclosure document, but we can impose other restrictions at any time:

Premises License. You must license the occupancy rights for the Hospital from us.

PVS-Provided Equipment. We will provide certain veterinary medical equipment (e.g., surgery lights, cages or kennels, etc.), technology systems, and other equipment and furnishings for use in the Hospital (the "**Equipment**"). We license the Equipment to you, but it remains our property. This is included within your premises license and is covered by the License Fee in Item 6. We will also arrange for IT services and infrastructure, including telephone and internet service.

Digital Marketing. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Hospital must be requested through us. We will register them in PVS's name and provide you with administrative access only, retaining ownership and ultimate control for PVS.

Insurance. You must obtain insurance coverage meeting our requirements, at your expense. We currently require the following:

- A commercial general liability insurance policy with full limits, achieved either by primary or excess/umbrella insurance, for bodily injury and property damage of not less than $1,000,000 per occurrence, with an aggregate limit of not less than $2,000,000, to include products liability and contractual liability and contain no exclusion related to your compliance with mandatory or voluntary safety standards of the United States;

- If you use one or more vehicles in your Hospital operations, an automobile liability insurance policy with limits of not less than $1,000,000 combined single limit;

- Workers' compensation insurance, including coverage for occupational disease, in the benefit amounts required by applicable laws, and employer's liability insurance, with limits of bodily injury by accident of not less than $1,000,000 each accident, bodily injury by disease of not less than $1,000,000 policy limit, and bodily injury by disease of not less than $1,000,000 each employee. This coverage must also include coverage for temporary and contingent workers;

- Property insurance coverage in an amount equal to the full replacement value of your property, including but not limited to fixtures, furniture, equipment, machinery, goods, supplies, wares, or merchandise in the Premises;

- Veterinary malpractice insurance for Franchisee, the Hospital Veterinarians, employees, agents, and staff in an amount not less than $1,000,000 per incident with a $3,000,000 annual aggregate; and

- A crime insurance bond with policy coverage limits of not less than $250,000 per Occurrence. "Occurrence" means each criminal act giving rise to an event of coverage and not to each individual claim based on a criminal act.

Any retention or policy deductible cannot exceed $25,000. The amount of retention or deductible must be shown on the certificate of insurance, and any retention or deductible in excess of $25,000 must be approved by PVS in writing at its sole discretion. Additionally, if your commercial general liability, umbrella, or excess liability policy annual aggregate limit applicable to any policy year becomes exhausted, you must immediately replace the coverage and liability limits for that policy year.

The insurance policies must be provided on a primary and non-contributory basis and, with the exception of the worker's compensation and employers liability coverage, must name "PetSmart Veterinary Services, LLC.," "PetSmart LLC," and any other affiliates designated by PVS (including their parents, subsidiaries, affiliates, officers, directors, employees, agents, and other representatives) as additional insureds (the "Additional Insureds"). The insurance policies must also include: (i) separation of insureds (otherwise known as a cross-liability clause); (ii) a waiver of subrogation in favor of the Additional Insureds; and (iii) for the general liability policy, cover for PVS's property that is in your care, custody or control. You must provide to PVS a certificate of insurance or similar binder for each policy evidencing compliance with these requirements upon execution of the Franchise Agreement, on each anniversary thereafter, and within 10 days after written request from PVS. If any of the above policies are canceled before the expiration date, notice will be delivered in accordance with the applicable policy provisions. The required insurance coverage will not act to limit your liability. PVS reserves the right to adjust coverage limits depending on the risks inherent in the operation of your Hospital.

* * *

We estimate that 50% to 100% of your total purchases and leases in establishing the Hospital and 50% to 100% of your total purchases and leases in operating the Hospital will be subject to at least one of the restrictions described in this item.

There are no purchasing cooperatives or distribution cooperatives in our franchise system. We do not provide material benefits to franchisees based on their purchase of particular products or services or 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.

Obligation	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
a. Site selection and acquisition/lease	None	None	Item 11
b. Pre-opening purchases/ leases	14.1, 17	None	Items 5, 7, and 8
c. Site development and other pre-opening requirements	None	None	Items 5, 7, 8, and 11
d. Initial and ongoing training	7	None	Items 6, 7 and 11
e. Opening	6.1, 12.2	1.2	Item 11
f. Fees	13	None	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	8.2 - 8.4	1.2.2	Items 11 and 14
h. Trademarks and proprietary information	8.25 – 8.27, 24, 25	1.4	Items 13 and 14
i. Restrictions on products/ services offered	8.14	None	Items 8 and 16
j. Warranty and customer service requirements	None	None	Item 16
k. Territorial development and sales quotas	8.22	1.3	Item 12
l. Ongoing product/service purchases	8.15 – 8.20, 9	None	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	14, 15	None	Item 11
n. Insurance	17	None	Items 7 and 8
o. Advertising	12	None	Items 6 and 11

Obligation	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
p. Indemnification	18	9.2	Item 6
q. Owner's participation/ management/staffing	8.5, 8.9, 8.10	7.2	Item 15
r. Records and reports	30	7.3	Item 11
s. Inspections and audits	8.21, 27, 30.5	None	Items 6 and 11
t. Transfer	26	5	Item 17
u. Renewal	5.2	None	Item 17
v. Post-termination obligations	21	None	Item 17
w. Non-competition covenants	29	4	Item 17
x. Dispute resolution	32.9 – 32.16	11	Item 17
y. Other – Personal Guarantee	None	None	N/A

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ITEM 10

FINANCING

As a standard practice, PetSmart Veterinary Services, LLC does not offer direct financing for any portion of your investment or operating expenses. However, in limited instances, PetSmart LLC or another affiliate of PVS (the "Lender") may offer financing for Equipment, inventory, payroll, and working capital for the operation of your Hospital. The financing also covers a Loan Origination Fee equal to 5% of the loan amount or $5,000, whichever is less. The Loan Origination Fee is waived if you repay the loan within 30 months. The chart below summarizes the typical financing terms that the Lender may offer. You should not expect that the Lender would be willing to offer financing to you.

Item Financed	Amount Financed	Term	Interest Rate	Prepayment	Personal Guaranties Required	Potential Liability Upon Default	Loss of Legal Rights on Default
Loan Origination Fee, Equipment, Inventory, Payroll & Working Capital	Between $50,000 and $200,000	5 years	7.99% per annum during the first 30 months of the loan and 12.99% per annum thereafter through the fifth-year anniversary of the Promissory Note.	Allowed without penalty; Loan Origination Fee waived if loan is paid in full within 30 months of the origination date	One or more owners of debtor (if a corporation, limited liability company, or other legal entity) and their spouses, as determined by Lender.	5% late fee, acceleration of entire amount due, court costs and attorney's fees for collection, cross-default under Franchise and Premises License Agreement	You waive presentment, demand, notice of nonpayment, notice of intent to accelerate, notice of acceleration, diligence in collection, and all other notices and acts to which borrower might otherwise be entitled under any applicable law; you consent to jurisdiction of and venue in Arizona courts and waive right to jury trial.

If our affiliate offers you financing, you must sign the standard form of Promissory Note shown in Exhibit I to this offering circular and, if applicable, guarantors must sign the form of Guaranty shown in that Exhibit. The Promissory Note and your Franchise Agreement for the financed Hospital will be cross-defaulted; in other words, if you default on the loan, we can treat it as a breach of your Franchise Agreement, and if you default on the Franchise Agreement, the Lender can treat it as a loan default.

The Lender has no practice or present intent to sell, assign or discount any financing arrangement to any third party, but the Lender has the right to do so under the Promissory Note. You agree not to assert any claim or defense against an assignee that you would have had against the Lender, except defenses applicable to a holder in due course of a negotiable instrument.

We do not guarantee any note, lease or financial obligation you may incur to others in setting up and operating your Hospital.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before the Hospital opens to the public, we will perform the following obligations:

1. We will jointly determine with you the PETSMART® store in which you will have the right to operate. We will license you to use a defined space within the PETSMART® store for the veterinary practice. (Franchise Agreement, Section 2)

2. We will construct the Hospital at our expense, including interior and exterior signage, in the manner consistent with the Brand Standards Manual unless otherwise agreed between us. We will deliver it to you, and you must accept it, in its "AS-IS" condition, with all faults, and without warranty, express or implied. (Franchise Agreement, Section 14.1)

3. We will provide certain Equipment, as described in Item 8. (Franchise Agreement, Section 8.13)

4. We will provide you with electronic access to the Brand Standards Manual. We can modify the Brand Standards Manual as we think fit to reflect changes in the methods, standards, specifications and services we approve for the PVS System. (Franchise Agreement, Section 8.2).

5. We will provide initial training to your Operating Partner and any other Hospital personnel we designate. (Franchise Agreement, Section 7.1). Please see the "Training" section below in this Item.

6. We will arrange for IT services and infrastructure and related equipment, as specified in the Brand Standards Manual. You will pay us a Technology Fee for these services, as described in Item 6. (Franchise Agreement, Section 13.7)

Continuing Obligations

After your Hospital opens, we will:

1. If you are unable to obtain Hospital accreditation due to limitations outside of your control, we will work with you in good faith to determine appropriate exceptions to the accreditation standards. (Franchise Agreement, Section 8.1)

2. We will continuously develop, update and maintain the System Standards and notify you of changes via the Brand Standards Manual or otherwise. (Franchise Agreement, Section 8.2).

3. We will manage the sourcing of current and future pharmaceuticals, medical equipment, information technology systems, software, SaaS, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that you will purchase for operation of or sale in the Hospital. We

will notify you when we establish specifications, approve or revoke approval of products or vendors, or designate specific vendors for particular items. If you submit a written request for approval of an alternative source, we will review your proposed supplier (unless we have named a Designated Supplier for the item). (Franchise Agreement, Section 8.15)

4. We will coordinate with PetSmart regarding shelf and/or racking space for Therapeutic Pet Foods in close proximity to the Hospital, so that it is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet. "**Therapeutic Pet Foods**" means pet foods which are or have been labeled or marketed as "prescription" or "therapeutic" products (e.g., Hill's Prescription Diet). In addition, we will have the right (but no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. We will give you 60 days written notice before the start of any such program (Franchise Agreement, Section 8.14.4)

5. If we determine that we are able to supply Pharmacy Products to customers of your Hospital through an online pharmacy, we will negotiate with you, in good faith, the terms under which: (a) you will refer customers to the on-line pharmacy; (b) PVS or its affiliate(s) will supply Pharmacy Products to your customers; and (c) subject to Applicable Laws, the referral fee you will receive from PVS or its affiliate(s) for such customer referrals. "**Pharmacy Products**" means medications and pharmaceutical products that may only be prescribed and dispensed by a licensed veterinarian. (Franchise Agreement, Section 9.2)

6. We will arrange for PetSmart to use the Hospital for all veterinary care of pets at the Premises ("**PetSmart Pets**"), including those in the PetsHotel®, day care, or grooming, those held for sale, and those injured in the store or parking lot. However, PetSmart may obtain veterinary care from other providers on a case by case basis if: (a) the Hospital is closed when the services are needed; (b) the Hospital Veterinarian on duty is engaged in any urgent medical case(s) that require direct veterinarian supervision; or (c) there is no Hospital Veterinarian on duty whom you have certified to provide services with respect to the type of pet requiring the services. We will pay you for your services to PetSmart Pets as described in the Franchise Agreement. (Franchise Agreement, Sections 10.1 and 10.2)

7. We will administer the Brand Fund, as described below in this Item. (Franchise Agreement, Section 12.3)

8. We will review and approve or disapprove your proposed advertising and promotional plans and materials. (Franchise Agreement, Section 12.6). However, we have no obligation to assist you with establishing prices for your Hospital services.

9. We will maintain the IT services and infrastructure provided by PVS, and continue to develop, as we deem appropriate, websites, email accounts, mobile applications, social media, software, databases, portals, other technology and communications channels, and related equipment. You will pay us a Technology Fee for these services. (Franchise Agreement, Section 13.7)

10. We will provide additional or refresher training as we deem necessary. (Franchise Agreement, Section 7.2).

11. We will arrange for you and your employees and agents to have access, without additional charge, to the break rooms, restrooms, and other employee amenities within the Premises, as designated by PVS, and to use the loading docks of the Premises with commercially reasonable coordination with PVS. (Franchise Agreement, Section 6.3)

12. We will share responsibility for maintenance and repairs of the Hospital, according to an allocation of responsibilities set out in the Brand Standards Manual. PVS will provide, at its cost, the maintenance and repair services allocated to PVS. (Franchise Agreement, Section 15.2)

13. We will maintain water, electricity, sewer, and trash service to the Hospital (other than for hazardous materials and medical wastes, which you will dispose of at your own cost in accordance with applicable laws) ("**Utilities**"). The cost of the Utilities is included in the Hospital Occupancy Costs. (Franchise Agreement, Section 16)

14. We will provide after-hours access to the Hospital as reasonably needed during hours when the Premises are closed to the public, solely for purposes of maintaining the standard of care and subject to policies we PVS may institute for the purpose of security. (Franchise Agreement, Section 8.8)

15. We may establish, but have no obligation to establish, a program under which employees of the Hospital and employees of the PETSMART® store will receive discounts on services and product offerings provided by the other. (Franchise Agreement, Section 11)

Site Selection

The Hospital will be located in a PETSMART® store. We will provide information on PETSMART® stores that are available for establishing a PVS Hospital. You will identify a specific store from that list in which you wish to license space. There is no specific time limit for PVS to approve your request. If you and we cannot agree on a store location, no Franchise Agreement will be signed.

For the Multi-Unit Development Agreement, you and PVS will select locations from the pool of PETSMART® stores not already hosting a veterinary hospital, and these pre-determined locations will be inserted in the Development Schedule before we sign the MUDA. Because the future locations are pre-determined, there is no franchisor location approval when you develop an additional Hospital under the MUDA.

Time Between Signing and Opening

We expect that a new Hospital generally will open within 6 to 16 weeks after you sign the Franchise Agreement. The actual time will vary depending on several factors, including the time needed by PVS to build out and deliver the Hospital and the Equipment, the time needed by you to hire staff and to obtain operating permits and licenses for the Hospital, and the timing of initial training.

Training

Before the Hospital opens, Franchisee, or the Operating Partner if Franchisee is a company, and any other Hospital personnel we designate must successfully complete initial

training at a location we specify. Two employees must attend the initial training program. The training will focus on: (a) operation of the information technology systems and equipment provided by us and our designated vendors; and (b) policies and procedures relating to occupancy of the Hospital and coordination with the PETSMART® store at the Premises. We have the right to reduce the duration and content of initial training if the trainee has prior experience with PVS Hospitals.

After the Hospital opens for business, we may require that any new Hospital Veterinarian, before starting his or her duties, must successfully complete initial training. Each Hospital Veterinarian and any other Hospital personnel we designate must attend and successfully complete any additional training programs or refresher courses we require from time to time. We may offer optional training programs. If we require a program, we have the right to designate the personnel from your organization who must attend.

We have the right to judge whether a person has successfully completed a training program. If any person fails to complete a required training program to our satisfaction, he or she may repeat the course or Franchisee may send a substitute to the next available scheduled training session. Except for the initial training, we have the right to provide training programs in person, by video, via the Internet, or by other means, as we determine.

There is no training fee for the number of trainees we designate for initial training. We may charge a training fee: (a) for additional trainees that you request in excess of the maximum number we designate for a training program; (b) if we require additional training as a result of your failure to comply with our quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that we makes optional for franchisees.

For all training, including initial training, you are responsible for all travel expenses, living expenses, wages, and other expenses incurred by your trainees. If we conduct training at the Hospital, you will pay, in addition to any applicable training fee, the reasonable travel, meal and lodging expenses of our trainer(s).

The chart below summarizes the initial training program:

TRAINING PROGRAM

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
PVS Training			
Overview of PVS - Mission and Vision	1	0	On-Site at Hospital
Support provided by PVS	1.5	1	On-Site
AAHA and Accreditation	2	1	On-Site
PETSMART® Store Relationship	1	1	On-Site
Hospital Equipment	.5	5	On-Site
Technical Support	.5	.5	On-Site

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
Product Ordering	1	2	On-Site
Brand Marketing	1.5	.5	On-Site
Accounting	1	.5	On-Site
Business Plan and Franchisee Goals	2	1	On-Site
Therapeutic Pet Food	1	1	On-Site
Hospital Maintenance	.5	1	On-Site
PetSmart Pets	.5	1	On-Site
Human Resources and Employment Issues – Avoiding Joint Employment	1	0	On-Site
Store Operations Training	1	1	On-Site
Grand Opening	.5	1	On-Site
Total - PVS Training	16.5	17.5	
Vendor Training			
Idexx – Lab and X-Ray	0	5	On-Site
Midmark – Dental X-Ray	0	1	On-Site
Gateway – Afterlife Service	1	0	On-Site
Telephone System	0	1	On-Site
Covetrus – Account Ordering System	2	0	On-Site
Rhapsody – PIM System	5	5	On-Site
Total - Vendor Training	8.0	12.0	

We will schedule initial training as needed for new franchisees, to be completed within 30 days before opening the Hospital. The instructional materials may include the Brand Standards Manual, quizzes, videos, and checklists, as well as online learning materials. Our training instructors on average have 15 years of experience with veterinary services and 6 months of experience with our brand.

You must attend all meetings, seminars and conferences that we designate as mandatory, including but not limited to annual conferences, marketing meetings for the marketing area in which the Hospital is located, and meetings related to new products, revised operating procedures or programs, financial management, sales or sales promotion, or similar topics. If the Operating Partner is not able to attend the meeting, seminar or conference, you must notify us in advance and substitute another person from your organization to attend.

Advertising

Grand Opening. You will conduct grand opening activities within 30 days following the expiration of the Ramp-Up Period. You must spend at least $5,000 for grand opening marketing approved by us.

Brand Fund. We have established a fund to support development and recognition of the PETSMART VETERINARY SERVICES brand and the network of PVS Hospitals (the "**Brand Fund**"). Upon notice from us that the Brand Fund has been established, you will begin contributing an amount specified by PVS, not to exceed 1.5% of Hospital Revenue (the "**Brand Fund Contribution**") to the fund. Unless otherwise specified by PVS, the Brand Fund Contribution will be paid monthly based on Hospital Revenue for the preceding Fiscal Month.

We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over strategic direction, creative concepts, materials, endorsements, and geographic, market and media allocation. We may use the Brand Fund to pay costs and expenses as we determine in its sole discretion, including but not limited to: preparation and production of video, audio, written, online, digital and mobile marketing materials; search engine optimization; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other digital marketing; implementation of advertising programs and in-Hospital promotions, including purchasing direct mail and media advertising; employing advertising agencies; implementing quality assurance programs; conducting other public relations, marketing, consumer research, and promotional activities, including product or service testing and test marketing programs; the development, testing, and implementation of trade dress and design prototypes; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund, including reasonable salaries and expenses of employees, agents, representatives, and consultants working for or on behalf of the Brand Fund; reasonable fees and expenses of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims challenging our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund. We do not anticipate using any of the Brand Fund to solicit new franchise sales.

We are not obligated, in administering the Brand Fund, to make expenditures for you that are equivalent or proportional to your contributions, or to ensure that any particular franchisee or PVS Hospital benefits directly or pro rata from expenditures by the Brand Fund. You have no right to reduce or withhold contributions based on any alleged lack of benefits to the Hospital or based on failure by any other franchisee (with or without our permission) to make its contributions to the Brand Fund.

We will prepare an annual unaudited statement of contributions to and expenditures of the Brand Fund, which will be provided to you on written request. We have no obligation to have the Brand Fund independently audited. Any expenditures for independent accounting services in connection with the annual statement will be charged to the Brand Fund. Any unspent contributions remaining in the Brand Fund at the end of the year will remain in the Brand Fund for use in subsequent periods. We may, but we have no obligation to, loan money to the Brand Fund from time to time and may charge reasonable interest for any such loans.

Local Marketing. You will spend at least 0.5% of Hospital Revenue annually on local marketing of the Hospital ("**Local Marketing**"), in a format and using materials and designs

approved by us. All Local Marketing must be approved by us. At our request, you will provide invoices and other documentation to verify the type and amount of spending for Local Marketing. Unless specifically approved by PVS, you may not place advertising or promotional materials within the Premises or within the common areas of the shopping center in which the Premises are located. PVS has no obligation to spend any amount on advertising in the area of your Hospital.

Joint Marketing Programs. We have the right to establish, and thereafter modify: (1) co-marketing programs in which we and franchisees join with suppliers or other third parties to cross-promote products and services; (2) joint marketing efforts in which multiple franchisees contribute to a specific ad or event; and/or (3) local or regional marketing cooperatives that pool funds of franchisees on an ongoing basis to jointly promote the Marks and the Hospitals of the members. You will participate in each applicable joint marketing program and comply with the rules of the program.

Advertising Council. We currently do not have an advertising council composed of franchisees that advises us on advertising policies.

Approval. You must obtain prior written approval from us for all advertising and promotional materials you intend to use. You will submit all proposed advertising and promotional materials to us at least thirty (30) days before their intended use, except that you are not required to submit materials that were prepared by us or that we have approved within the prior six (6) months. Proposed advertising materials are deemed to be disapproved unless we have approved them in writing within fifteen (15) days after submission. Neither the approval of your advertising and promotional material nor the provision of any such materials by us will, directly or indirectly, require us to pay for any such advertising or promotion.

Digital Marketing. Unless we have agreed to it in writing, you will not use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any products or services of the Hospital. Your use of any electronic medium constitutes advertising and promotion subject to our approval. You will not post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with our brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that we prescribe. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Hospital must be requested through us. We will register them in PVS's name and provide you with administrative access only, retaining ownership and ultimate control for PVS.

Technology Requirements

We have the right to specify the point-of-sale (POS) system, practice information management system (PIMS), back-office system, software applications, audio/visual equipment and programs, electronic payment devices, and other hardware and software that you must install and use in the operation of the Hospital. If the vendor requires a standard license agreement or user terms to use a system we specify, you must accept those terms. You may not install any unrelated software or connect any unauthorized devices to the PIMS or any other required information systems. You must keep the information systems in good working order at all times and, if requested by PVS, promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, and other information system

components, at your expense. You are responsible for ensuring that your Hospital personnel are adequately trained to use the information systems and that they comply with the related policies and procedures. We will have independent access to your systems and you must configure security settings and/or provide PVS with any usernames and passwords necessary for that purpose.

Most of the required technology systems are included within the Equipment package that PVS provides for the Hospital (see Item 1). We are not affiliated with the vendors of the technology systems. We license the technology systems to you, but they remain our property. We also arrange for IT services and infrastructure, including telephone and internet service. The cost is included in the License Fee you pay for the Hospital premises. We do not require that you purchase a separate maintenance agreement for the technology systems. However, you will have to purchase two credit card machines directly from the designated vendor at a cost of $500 per machine.

Upon notice from us, you must implement, update or upgrade technology systems in the Hospital, at your expense unless PVS provided the system. There is no contractual limitation on the frequency and cost of this obligation. You must pay all amounts charged by any vendor of the systems and programs you use, including charges for maintenance and support. Our specifications may evolve over time and, in some cases, required items may only be available through us and/or Designated Suppliers.

You must implement industry-standard administrative, physical, and technical security measures and devices to protect data from unauthorized access, acquisition, loss, destruction, disclosure or transfer. You must use best efforts to secure the Hospital systems, including, but not limited to, use of firewalls, access code protection, anti-virus systems, and backup systems. If you accept payment from customers by credit and/or debit card, you must comply with the then-current Payment Card Industry Data Security Standards (PCI-DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization and complete PCI-DSS audits as and when required by the standards.

Brand Standards Manual

The table of contents of the Brand Standards Manual appears in Exhibit C of this disclosure document. It currently has 259 pages.

ITEM 12

TERRITORY

Each franchise is granted for a specific PETSMART® store that we approve. You must operate the Hospital only at the approved location. You may not relocate the Hospital without our prior written approval to relocate. In general, we will not approve relocation unless the store lease expires or PetSmart decides to close the store in which you are currently operating the Hospital. You may relocate only to another available PETSMART® store.

Franchise Agreement

You do not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Competitors could include local, independent

veterinary practices and units of regional and national chains, possibly including Banfield Hospitals and IVOs operating within other PETSMART® stores.

PVS and its affiliates retain all rights with respect to the Marks, PETSMART® stores, and the sale of products and services, anywhere in the world, including but not limited to: (a) the right to operate, and grant others the right to operate, PVS Hospitals anywhere in the world (including virtually); (b) the right to operate, and grant others the right to operate, veterinary hospitals under other names at any location, whether or not using the PVS System, on the terms and conditions that PVS and its affiliates deem appropriate; and (c) the right to develop, manufacture, market, distribute and sell, and to grant others the right, to develop, manufacture, market, distribute and/or sell, products and services through any channel of distribution whatsoever, whether at wholesale, retail or otherwise, including but not limited to any means of e-commerce, under or in association with the Marks or any other marks, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate. PVS and its affiliates can engage in these or any other business activities regardless of the proximity to or effect on your Hospital. PVS and its affiliates, in exercising their rights to sell products through any channel of distribution, have no obligation to compensate franchisees. In addition, PVS and its affiliates can acquire, be acquired by, or merge with other businesses that have veterinary hospitals or other businesses at any location and convert those businesses to the Marks or to any other name.

You are prohibited from using the PETSMART VETERINARY SERVICES name to sell products or services through e-commerce or any other distribution channel. Unless we have expressly authorized it, you may not sell products through any website, mobile app, or third-party platform. We may permit you to market through the Internet, social media, mobile apps, and other electronic means, but we have the right to approve and control any such channel that uses or displays any of the Licensed Marks.

Your Hospital must achieve minimum annual thresholds for Hospital Revenue as set forth below (the "**Minimum Performance Requirements**"). The Minimum Performance Requirements for each Hospital are:

	Franchise Year 1	Franchise Year 2	Franchise Year 3	Franchise Year 4	Franchise Year 5 and each Remaining Franchise Year of the Term
Minimum Hospital Revenue	None	$675,000	$900,000	$945,000	$1,000,000

The Minimum Performance Requirements do not predict or project the Hospital's revenue and are not a representation or guarantee of financial results. If the Hospital does not achieve the Minimum Performance Requirements, PVS will notify you of default and PVS will have the right to: (i) require you to implement a revenue improvement program approved by PVS, which may include, among other things, engaging in specified marketing activities; and (ii) terminate the franchise if you fail to comply with the terms of the revenue improvement program or fail to achieve, in the first six months of the succeeding Franchise Year, 50% of the Minimum Performance Requirement for the succeeding Franchise Year. The Minimum Performance Requirements are not a representation or guarantee of any financial results of the Hospital. "**Franchise Year**" means a period of 12 successive calendar months beginning on the Commencement Date; except that, if the Commencement Date is a day other than the first day

of a calendar month, the first Franchise Year will include the initial fractional month, together with the next succeeding 12 calendar months, and the first Franchise Year will expire at 11:59 p.m. on the last day of the calendar month in which the first anniversary of the Commencement Date occurs.

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises, unless you sign a Multi-Unit Development Agreement.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, you and PVS will select locations from the pool of PETSMART® stores not already hosting a veterinary hospital, and these pre-determined locations will be inserted in the Development Schedule before we sign the MUDA. Because the future locations ("Development Sites") are pre-determined, there is no franchisor location approval when you develop an additional Hospital under the MUDA. While the MUDA is in effect, we will not establish, or franchise others to establish, Hospitals in the Development Sites. However, we reserve all other rights as described above under "Franchise Agreement."

Your right to the Development Sites is contingent on you meeting your obligation to open Hospitals according to the Development Schedule. Your right expires and ceases to exist at the earliest of: (i) expiration of the term of the MUDA; (ii) when you complete the Development Schedule; or (iii) termination of the MUDA for any reason, including your failure to meet a deadline in the Development Schedule.

As noted in Item 1, PetSmart LLC licenses space in PETSMART® stores for full-service veterinary hospitals owned and operated by third parties. As of the date of this disclosure document, there are veterinary hospitals in approximately 750 of its stores. Approximately 730 of those veterinary hospitals are operated by MMI. The remainder are IVOs operating under various practice names. PetSmart is not the operator or franchisor of these veterinary practices. Other than controlling which veterinary practices operate in which PETSMART® stores, PetSmart does not have policies to resolve conflicts between the veterinary practices regarding territory, customers, and franchisor support.

ITEM 13

TRADEMARKS

The principal trademark that you will use is PETSMART VETERINARY SERVICES®. We may also authorize you to use other current or future trademarks to operate your Hospital. By trademark, we mean trade names, trademarks, service marks and logos we use to identify PVS Hospitals and the products and services sold in them.

Our affiliate, PetSmart Home Office, Inc. ("**IP Affiliate**"), is the owner of the Marks. IP Affiliate has granted us a license to use the Marks and to sublicense our franchisees to use them. IP Affiliate has registered the following mark on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration Number	Registration Date
PETSMART VETERINARY SERVICES	**6969122**	**January 31, 2023**

We have filed all affidavits required to date for the mark shown above. We intend to renew this registration when required by law.

IP Affiliate has applied for registration of the following mark on the Principal Register of the United States Patent and Trademark Office:

Mark	Serial Number	Application Date
PETSMART VETERINARY SERVICES	**97315852**	**March 16, 2022**

Although an application has been filed for this mark, we do not have a federal registration for it at this time. Therefore, this trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The license from our IP Affiliate continues so long as PVS remains a subsidiary or affiliate of PetSmart LLC and PVS continues to use the Marks in connection with the franchise operations. Our IP Affiliate can also license others to use the Marks for any business activities allowed under the reserved rights described in Item 12.

Other than the license from our IP Affiliate, there are no agreements that limit our rights to use or to license the use of the principal marks. There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal marks, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the principal marks. We are not aware of any infringing uses that could materially affect your use of the principal marks. Other than our affiliate's ownership rights described above, we are not aware of any superior rights that could affect your use of the principal marks.

You must notify us if you become aware of any unauthorized use of our trademarks. You must also notify us of any challenge to the validity of, or the right to use, any of our trademarks. We and our affiliate have the right to control any administrative proceeding or litigation that involves our trademarks. This right includes the right to settle any disputes. We are not required to take action to try to stop other people from using our trademarks or similar marks.

We do not have a contractual obligation to defend you against any claims of infringement or unfair competition that arise from your use of the trademarks, but it is our current policy to defend you against such claims. The defense will be at our expense (including the cost of any judgment or settlement) if your use of the trademarks complied with the Franchise Agreement, but it will be at your expense if your use of the trademarks did not comply with the Franchise Agreement. You must assist us in any action we take to protect the trademarks. We will reimburse you for your out-of-pocket costs in assisting us, unless the action results from your inappropriate use of the trademarks.

You must follow our rules when you use the trademarks. You may not use any of the trademarks as part of your corporate name, Internet domain name, social media name, or e-mail address, or with modifying words, designs or symbols. You may not use the trademarks for the sale of an unauthorized product or service or in any other manner not authorized by the Franchise Agreement.

We can modify the trademarks and/or substitute different marks for use in identifying PVS Hospitals and the PVS System. If we do so, you must promptly implement any modification or substitution. PVS will be responsible for all reasonable costs associated with implementing the changes at the Hospital.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents or patent applications that are material to the franchise.

We claim copyright protection for certain materials, including the Brand Standards Manual, advertisements, signs, promotional materials, posters, Internet sites, and design/build-out plans for PVS Hospitals, as modified from time to time, as well as new materials we create. We have not registered the copyrights in any of these materials, but we reserve the right to do so. You can use these materials only for the purpose of operating your Hospital.

You must maintain strict secrecy of the Brand Standards Manual, our training materials, our approved suppliers and supply arrangements, advertising and promotional plans, sales performance, financial records, and other information and materials that we designate as confidential. You may not reproduce any portion of the confidential information or make it available to any unauthorized person. You may reveal confidential information only to those of your employees who must have access to it in order to operate the Hospital, and to your contractors with our prior written approval. The Brand Standards Manual and all other confidential materials remain our property.

Subject to applicable laws, all patient records, reports, and information obtained, generated, or encountered relating to a patient visit, examination or diagnostics ("**Hospital Records**") will be the property of the franchisee and/or the treating Hospital Veterinarian, as applicable. You and/or the treating Hospital Veterinarian, and not PVS, will be responsible for securing and maintaining the privacy and confidentiality of the Hospital Records (whether or not stored within the Hospital). You must indemnify, defend, and hold harmless PVS and PetSmart for any liability, losses, damages, or judgments brought against PVS or PetSmart arising or resulting from, or in any way related to, the improper security or maintenance of Hospital Records or customer credit card information. You and/or the treating Hospital Veterinarian must use best

efforts, in coordination with PVS, to gain written consent from the client to share patient records, reports, and information with PVS and its affiliates and to enable you and the treating Hospital Veterinarian to provide additional services and care for the patient, including telehealth and telemedicine. PVS will indemnify you for any liability, losses, damages, or judgments brought against you arising or resulting from, or in any way related to the failure of PVS to maintain the confidentiality of any Hospital Records or patient information you provide to PVS. To the extent permitted by applicable laws, we will have the right to receive copies of such records as part of our quality monitoring procedures and/or to assist in any investigation concerning an injury to a pet.

Subject to applicable laws, you must regularly provide PVS, in a format acceptable to PVS, with customer information concerning pets and pet parents seeking Veterinary Services including, but not limited to, names, addresses, phone numbers, email addresses and pet information (name and type) (collectively "**Customer Data**"). PVS, you, and the treating Hospital Veterinarian will work together to develop any applicable forms, including consent forms, to comply with applicable laws and facilitate the sharing of Customer Data with PVS. Following the termination of the Franchise Agreement: (a) you are permitted to solicit for Veterinary Services those customers who patronized the Hospital and obtained Veterinary Services for their pets, regardless of whether such customers were your customers before or after the Effective Date; (b) you are permitted to solicit for Veterinary Services any potential customers you identified and sourced through your own efforts without the aid or assistance of PVS; and (c) you are prohibited from soliciting, for any reason, those customers whose Customer Data was provided to you by PVS and who did not obtain Veterinary Services from the Hospital for their pets. PVS is permitted to solicit, for any reason, those customers whose Customer Data was provided by you to PVS.

You are responsible for any unauthorized use or disclosure of our confidential information by your Owners, officers, employees, agents and contractors. At our request, you must require your Owners, officers, and employees to sign confidentiality agreements. The agreements must be in a form satisfactory to us and identify us as a third-party beneficiary with the independent right to enforce the agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If the Franchisee is a company, following the Ramp-Up Period, you must designate the Operating Partner (as defined in Item 1) who will be the day-to-day operator of the Hospital. The Operating Partner is the legal representative of Franchisee and we have the right to rely on any statement, agreement, or representation made by the Operating Partner on behalf of the Franchisee and other Owners. The Operating Partner must always retain the interests described in Item 1.

If the Operating Partner leaves your organization, you must name a replacement within 60 days. If you have not obtained approval of a new Operating Partner within 60 days, you will be in default of the Franchise Agreement.

You have sole responsibility for all employment decisions, functions, and liabilities relating to the Hospital.

The Operating Partner and any other Hospital personnel we designate must successfully complete our initial training program (see Item 11).

All Hospital Veterinarians must hold a valid veterinary license and accreditation to practice in the applicable state or otherwise be qualified under the laws of the applicable state to practice veterinary medicine in the state. Where applicable under the laws of a state or jurisdiction, all veterinary technicians and/or support personnel must also hold appropriate licenses and accreditations. You must provide PVS upon request with evidence of all required veterinary licenses and accreditations.

All original Owners of the Franchisee, and anyone who later becomes an Owner, must sign an agreement to be personally bound by the confidentiality obligations and restrictions on competition in the Franchise Agreement (and in the MUDA, if applicable).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer all Veterinary Services and all other veterinary medical and pet care services and related products and services that PVS designates from time to time as required items. You may also offer any optional products and services that PVS has approved for sale in PVS Hospitals, but you are prohibited from selling, directly or indirectly, either at the Hospital or elsewhere (including on-line) any unapproved products or services without PVS's prior written consent. You must discontinue selling or offering for sale any products or services that PVS disapproves at any time, in PVS's sole and absolute discretion. Without limiting the foregoing, you must comply with the following restrictions:

PETSMART® Store Products and Services. You may not, directly or indirectly, market, offer, or sell any product or service in the Hospital or elsewhere (including on-line or for home delivery) that is sold in PETSMART® stores (or by PetSmart on-line or for home delivery), now or in the future. This includes grooming, pet day care, training, and overnight boarding services (except if boarding in the Hospital is ancillary to or required by medical observation, diagnosis, vaccination, or treatment). You are required to use best efforts to promote the products and services sold inside the PETSMART® store and you may not promote another retail business (including both on-line and brick and mortar retail business) or, directly or indirectly, create your own brick and mortar or on-line retail business.

Discount Fees or Wellness Plans. You may not, directly or indirectly, market, offer, accept, or sell within the Premises any wellness or preventive program, arrangement or agreement similar to Banfield's "Wellness Plans" or a prepaid and discounted veterinary services program (collectively, "Wellness Plans"). You may not advertise, through any medium including flyers, handbills or posters, or otherwise solicit or recommend that your customers purchase a Wellness Plan from you, from any other veterinary practice locations you have, or from any third-party, unless PVS waives the restrictions described in this paragraph in writing.

Pet Insurance. You may not market, broker, offer, or sell any pet-insurance product, either under your own brand or the brand of a third party (or co-branded in any manner) at the Premises, unless PVS waives the restriction in writing. However, you may counsel customers on the benefits of pet-insurance products for the care of the customer's pet and the payment of veterinary expenses.

Therapeutic Pet Foods. You may not sell Therapeutic Pet Foods at the Hospital (or on-line or for home delivery), except to the extent (if any) expressly authorized by the Brand Standards Manual. PetSmart will determine the brands of Therapeutic Pet Foods to be carried by the PETSMART® store and will negotiate arrangements with the suppliers of those brands. All Therapeutic Pet Foods will be checked out through the cash registers of the PETSMART® store (except Therapeutic Pet Foods purchased online and picked-up at the Premises or orders shipped from and/or delivered by the Premises).

PVS will coordinate with PetSmart regarding the ordering, purchasing, storage, stocking, facing, and handling of all Therapeutic Pet Foods at the Premises. You must provide, at no charge to PVS or PetSmart, a prescription card to all customers for Therapeutic Pet Food. You will determine when prescriptions are necessary or, in the alternative, verify prescriptions issued by third-party veterinarians. PVS will arrange for PetSmart to verify and process only transactions that are supported by a valid prescription card or alternative electronic method which is agreeable to you. PVS will coordinate with PetSmart regarding shelf and/or racking space for the Therapeutic Pet Foods in close proximity to the Hospital, so that it is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet.

We reserve the right (but will have no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. We will give you at least 60 days written notice before the start of any such program.

Pharmaceuticals. You may not resell to others any pharmaceuticals or products purchased for the Hospital or engage in any other buying or selling practices that may put your veterinary license at risk (e.g., grey market sales). If PVS determines that you have ordered an excess inventory of pharmaceuticals or products for the Hospital, PVS may investigate as PVS sees fit and exercise the right to conduct an inspection of the Hospital.

If we determine that we are able to supply Pharmacy Products to customers of your Hospital through an online pharmacy, we will negotiate with you, in good faith, the terms under which: (a) you will refer customers to the on-line pharmacy; (b) PVS or its affiliate(s) will supply Pharmacy Products to your customers; and (c) subject to Applicable Laws, the referral fee you will receive from PVS or its affiliate(s) for such customer referrals.

Off-Premises Operations. You must obtain prior written approval from PVS before engaging in any Off-Premises Operations. "**Off-Premises Operations**" means the offering of any approved products and services under the PETSMART VETERINARY SERVICES name (or successor name) at or from a location outside of the Premises, including, for example, in a mobile van, community event, or customer's home. All Off-Premises Operations will be subject to all applicable provisions of the Franchise Agreement, including (but not limited to) the Royalty Fee and Brand Fund contribution, the operational requirements (including use of the Hospital's PIMS system for all transactions), the limitations on use of the Marks, and the obligation to indemnify PVS. If PVS authorizes any Off-Premises Operations, PVS may limit the geographic area and/or specific types of locations in which you are permitted to provide products and services. PVS may establish rules and policies to coordinate the Off-Premises Operations of PVS Hospitals to prevent customer confusion. You will be responsible for any fees and costs required to comply with such rules and policies.

You are prohibited from using the PETSMART VETERINARY SERVICES name to sell products or services through e-commerce or any other distribution channel. Unless we have expressly

authorized it, you may not sell products through any website, mobile app, or third-party platform. We may permit you to market through the Internet, social media, mobile apps, and other electronic means, but we have the right to approve and control any such channel that uses or displays any of the Licensed Marks.

You must participate in promotional activities that we require generally for PVS Hospitals. If we require that you conduct any promotional activities, you will bear your own costs of conducting these activities.

You must participate in any customer loyalty program we prescribe. We may also require you to participate in programs we establish relating to online or mobile customer engagement, gift cards, gift certificates, stored value cards, coupons or credits. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among PVS Hospitals based on customer purchases and redemption of stored value. You may not offer your own gift card, electronic money, or loyalty program without our prior approval.

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.

Franchise and Premises License Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	5.1	Lesser of 10 years or the remaining term of PetSmart's lease for the premises of the PETSMART® store (the "**Lease**").
b. Renewal or extension of the term	5.2	One additional term of 5 years, contingent on (a) renewal or extension of the Lease, and (b) no decision by PVS to stop offering franchises in the region of the USA where the Hospital is located.
c. Requirements for you to renew or extend	5.2	Conditions include: Franchisee provides written notice no later than 12 months prior to expiry of initial term; Franchisee is not in default; all licensed Hospital personnel are in good standing; Franchisee has a good record of customer service; Franchisee signs Renewal Agreement; Franchisee and Owners sign a general release; Franchisee pays renewal fee; and Hospital personnel complete any additional or refresher training courses. The Renewal Agreement may contain terms that are materially different from those of your expiring Franchise Agreement.
d. Termination by you	5.1, 20.2	You can terminate on 30 days' notice if PVS fails to deliver the Hospital by the Outside Delivery Date, unless PVS then delivers the Hospital within the 30-day period. This is your sole remedy for our failure to deliver the Hospital on time. If PVS fails to cure any other default within the applicable cure period, your sole remedy will be to pursue an action for money damages or equitable relief against PVS. You are not entitled to terminate this

Provision	Section in Franchise Agreement	Summary
		Agreement as a result of the default unless the default was material and a willful and intentional act of PVS.
e. Termination by us without cause	19.6	In the event a court or other legal authority rules that PVS or its affiliates are prohibited from engaging in the PETSMART VETERINARY SERVICES franchise program, PVS will have the right to terminate by written notice to you, without liability to either party. You will then have the option to (i) terminate the Franchise Agreement and wind down the operation of the Hospital and vacate the Hospital on a schedule to be agreed upon; or (ii) convert the Hospital to a different name and continue to operate the Hospital as an IVO under PetSmart's standard Independent Veterinary Operator Agreement. In addition, if PetSmart terminates the Lease because of a default by the landlord, the Franchise Agreement will also terminate, without liability to you or PVS.
f. Termination by us with cause	19.1 – 19.4	We can terminate the Franchise Agreement as described in g. and h. below. If you have signed a Multi-Unit Development Agreement, termination of the Franchise Agreement based on your default will permit us to terminate the MUDA as well. However, termination of the MUDA does not allow us to terminate the Franchise Agreement. If you have signed a Promissory Note with our affiliate for financing of your Hospital, we can terminate the Franchise Agreement based on your uncured loan default.
g. "Cause" defined - defaults which can be cured	19.1	Unless a default is specified to be non-curable, you will have 10 days after written notice to cure a payment default and 30 days to cure any other default. In addition, we can terminate if you cause PetSmart to be in default of its Lease or PVS to be in default of its License and you do not cure the default within a reasonable time.
h. "Cause" defined – non-curable defaults	19.3	PVS can terminate on written notice if: the Lease expires (but we will use good faith

Provision	Section in Franchise Agreement	Summary
		efforts to identify another PETSMART® store for your Hospital); you violate the Size Restriction defined in Item 1; you or your assets appear on any government list of blocked persons or assets; you receive 3 notices of default within 12 months; filing of a bill in equity or for appointment of a receiver; Franchisee is adjudicated bankrupt or insolvent; any advertisement for the bulk liquidation of Franchisee's assets or property; you or an Owner transfers or assigns any interest in the franchise without prior written approval of PVS.
i. Your obligations on termination/non-renewal	21	Upon termination or expiration of the Franchise Agreement, you must: cease to operate the Hospital and surrender possession; remove any branded presence of the Hospital online and in any mobile network; cease to use the Confidential Information and the Marks and return all materials containing them; leave in place all Equipment provided by PVS; provide us with all Hospital Records and Customer Data; withdraw all advertising that can be cancelled; cancel any assumed name registration; not hold yourself out as a present or former PVS franchisee; and not use any reproduction, copy or imitation of the Marks.
j. Assignment of contract by us	26.8	No restriction on our right to assign our rights and obligations, except that we must notify you.
k. "Transfer" by you – definition	26.1	Includes direct and indirect assignment of the Franchise Agreement, the assets of the Hospital, or transfer of an ownership interest in Franchisee, by any means (e.g., by sale or gift, either voluntarily or by operation of law, such as through divorce or bankruptcy proceedings).
l. Our approval of transfer by franchisee	26.1, 26.3 – 26.6	We have the right to approve all direct and indirect transfers.
m. Conditions for our approval of transfer	26.3	Conditions that we can impose for sale of the business include: no defaults and all monetary obligations satisfied; transferee

Provision	Section in Franchise Agreement	Summary
		meets our then-current qualifications for franchisees; transferee updates Hospital to then-current System Standards; transferee completes training; if transferee is another franchisee of PVS, transferee has no defaults and releases any claims against PVS; payment of transfer fee (see Item 6); at our request, you or transferee sign our then-current form of Franchise Agreement; you and the Owners release any claims against us; price and other terms of sale do not jeopardize ability to operate the Hospital; and financing is subordinated to obligations to us.
n. Our right of first refusal to acquire your business	26.2	We have the right to match any bona fide offer to purchase the Hospital or an ownership interest in Franchisee. Does not apply if you transfer ownership to a corporation or LLC that you form for that purpose; does not apply to a transfer to your spouse or adult son or daughter (including as a result of your death or incapacity).
o. Our option to purchase your business	None	
p. Your death or disability	26.6	Your executor or personal representative must apply to transfer your interest.
q. Non-competition covenants during the term of the franchise	29.1	Franchisee and its affiliates are prohibited from: (a) engaging in any activity relating to the ownership, operation or support of (including providing Veterinary Services at) any retail business which is in the business of selling pet food, pet supplies, pet services, and/or pet products (including both on-line or brick and mortar); or (b) owning, operating or supporting any hospital or clinic providing Veterinary Services within a 5-mile radius of the Premises.
r. Non-competition covenants after the franchise is terminated or expires	29.1	The restrictions in q. continue for 1 year following expiration, termination, or assignment of the Franchise Agreement.
s. Modification of the agreement	32.6	No modification will be deemed binding unless in writing and signed by the parties.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	32.1	Only the terms of the agreement are binding (subject to state law). However, this clause will not be treated as a disclaimer of our representations in this disclosure document. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	32.10	Before filing litigation (other than litigation seeking a restraining order, preliminary injunction, or declaratory relief), a dispute between us and you and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. These provisions are subject to state law in your state.
v. Choice of forum	32.11	You and the Owners must file any suit against us in the federal or state court where our principal office is located at the time the suit is filed (currently Maricopa County, Arizona). We can sue you where we have our principal office or where your principal office is located. You and we both waive the right to trial by jury and the right to seek punitive damages. These provisions are subject to state law in your state.
w. Choice of law	32.11	Arizona law applies (subject to state law).

Multi-Unit Development Agreement

Provision	Section in MUDA	Summary
a. Length of the franchise term	2	Expires on the last deadline date in your Development Schedule.
b. Renewal or extension of the term	Not applicable	
c. Requirements for you to renew or extend	Not applicable	

Provision	Section in MUDA	Summary
d. Termination by you	Not applicable	
e. Termination by us without cause	Not applicable	
f. Termination by us with cause	6	We can terminate the MUDA as described in g. and h. below. Termination of the MUDA does not allow us to terminate the Franchise Agreement. However, termination of a Franchise Agreement based on your default will permit us to terminate the MUDA.
g. "Cause" defined - defaults which can be cured	6.2	Unless a default is specified to be non-curable, you will have 30 days to cure after written notice.
h. "Cause" defined – non-curable defaults	6.1	Non-curable defaults of the MUDA include: Failure to meet your Development Schedule; termination of a Franchise Agreement based on your default; transfer of any interest contrary to transfer restrictions; knowingly submitting false reports; conviction of a crime; being named as a "blocked" person under anti-terrorism law; or insolvency, receivership, foreclosure or dissolution.
i. Your obligations on termination/non-renewal	1.7	You will lose your right to establish any Hospital for which a Franchise Agreement has not been signed by PVS. You may continue to operate the existing Hospitals under the terms of their separate Franchise Agreements. However, you may not open any more Hospitals.
j. Assignment of contract by us	5.8	No restriction on our right to assign our rights and obligations, except that we must notify you.
k. "Transfer" by you – definition	5.1	Includes direct or indirect assignment of Developer's rights under the MUDA or any change of ownership in Developer, by any means (e.g., by sale or gift, either voluntarily or by operation of law, such as through divorce or bankruptcy proceedings).
l. Our approval of transfer by franchisee	5.1, 5.3 – 5.6	We have the right to approve all direct and indirect transfers.
m. Conditions for our approval of transfer	5.3	Conditions that we can impose for sale of the business include: no defaults and all monetary obligations satisfied; transferee

Provision	Section in MUDA	Summary
		meets our then-current qualifications for multi-unit developers, including financial resources to complete the Development Schedule on time; transferee completes training; if transferee is another franchisee of PVS, transferee has no defaults and a good record of customer service; pay transfer fee (see Item 6); you Transfer all Hospitals along with the development rights to the same transferee in the same transaction; you and the Owners release any claims against us; price and other terms of sale do not jeopardize ability to compete Development Schedule; and financing is subordinated to obligations to us.
n. Our right of first refusal to acquire your business	5.2	We have the right to match any offer. Does not apply if you transfer ownership to a corporation or LLC that you form for that purpose; does not apply to a transfer to your spouse or adult son or daughter (including as a result of your death or incapacity).
o. Our option to purchase your business	None	
p. Your death or disability	5.6	Your executor or personal representative must apply to transfer your interest.
q. Non-competition covenants during the term of the franchise	4.1	Developer and its affiliates are prohibited from (a) engaging in any activity relating to the ownership, operation or support of (including providing Veterinary Services at) any retail business which is in the business of selling pet food, pet supplies, pet services, and/or pet products (including both on-line or brick and mortar); or (b) owning, operating or supporting any hospital or clinic providing Veterinary Services within a 5-mile radius of any Development Site identified in the MUDA.
r. Non-competition covenants after the franchise is terminated or expires	4.1	The restrictions in q. continue for 1 year following expiration, termination, or assignment of the MUDA.
s. Modification of the agreement	10.10	No modification will be deemed binding unless in writing and signed by the parties.
t. Integration/merger clause	10.10	Only the terms of the agreement are binding (subject to state law). However, this clause

Provision	Section in MUDA	Summary
		will not be treated as a disclaimer of our representations in this disclosure document. Any representations or promises outside of the disclosure document and MUDA may not be enforceable.
u. Dispute resolution by arbitration or mediation	11.2	Before filing litigation (other than litigation seeking a restraining order, preliminary injunction, or declaratory relief), a dispute between us and you and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. These provisions are subject to state law in your state.
v. Choice of forum	11.3	You and the Owners must file any suit against us in the federal or state court where our principal office is located at the time the suit is filed (currently Maricopa County, Arizona). We can sue you where we have our principal office or where your principal office is located. You and we both waive the right to trial by jury and the right to seek punitive damages. These provisions are subject to state law in your state.
w. Choice of law	11.1	Arizona law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 our Senior Vice President – Vet Health Services at 19601 N. 27th Ave., Phoenix, AZ, tel. 623-587-2030 or vetownership@petsmart.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-Wide Outlet Summary(1)
For Years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total	**2019**	**0**	**0**	**0**
	2020	**0**	**0**	**0**
	2021	**0**	**0**	**0**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st.

Table 2
Transfers of Outlets from Franchisees to New Owners (Not Franchisor)
For Years 2019 to 2021

State	Year	Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	**2019**	**0**
	2020	**0**
	2021	**0**

Table 3
Status of Franchised Outlets[(1)]
For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - other reason	Outlets at the End the of Year[(1)]
All States	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	**2019**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st.

Table 4
Status of Company-Owned Outlets[(1)]
For Years 2019 to 2021

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

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2020	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st.

Table 5
Projected Openings[(1)]
as of May 27, 2022

State	Franchise Agreement Signed but Hospital not Open as of 12/31/2021	Projected New Franchised Hospitals in 2022	Projected New Company-Owned Hospitals in 2022
Arizona	0	8	0
California	0	8	0
Florida	0	8	0
Georgia	0	4	0
Illinois	0	5	0
TOTAL	0	33	0

We have no franchised PVS Hospitals as of the date of this disclosure document. No franchisee had an outlet terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during our last fiscal year. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We and our affiliates have not signed any agreements with current or former franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience as our franchisee.

We have not created or sponsored any trademark-specific franchisee organizations associated with the franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Exhibit G to this disclosure document contains our reviewed financial statements as of and for the period ended May 2, 2022. Because PVS was organized on March 25, 2022, PVS does not have available and cannot yet include the 3 full years of audited financial statements otherwise required by the franchise laws. Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st.

ITEM 22

CONTRACTS

This disclosure document contains a copy of the following agreements:

Exhibit A	Franchise Agreement
Exhibit B	Multi-Unit Development Agreement
Exhibit E	State-Required Contract Addenda
Exhibit H	Sample of Release to be signed when you renew or transfer the franchise
Exhibit I	Promissory Note, Guaranty and Financing Addendum

ITEM 23

RECEIPTS

Two copies of a receipt form appear at the end of this disclosure document. Please fill out and sign both receipts, return one copy to us and keep the other for your records.

EXHIBIT A

FRANCHISE AND PREMISES LICENSE AGREEMENT

FRANCHISE AND PREMISES LICENSE AGREEMENT

THIS FRANCHISE AND PREMISES LICENSE AGREEMENT (this "Agreement") is entered into and effective of the last date signed below ("Effective Date"), between PETSMART VETERINARY SERVICES, LLC ("PVS"), a Delaware limited liability company, and [LEGAL NAME], a/an [STATE] [TYPE OF ENTITY] ("FRANCHISEE"). PVS and FRANCHISEE may be individually referred to as a "Party" or collectively as the "Parties."

BACKGROUND

A. PetSmart LLC, a Delaware limited liability company ("PETSMART") has formed PVS to ensure that certain PETSMART stores not already served by veterinary practices will be able to provide in-store access to a reputable, licensed, full-service or urgent care veterinarian to provide preventive and/or acute care, general pet health management, and treatment for pets of PETSMART customers.

B. PVS has developed a distinctive format, appearance, and set of specifications and operating procedures (collectively, the "PVS System") for the operation of veterinary practices offering full-service or urgent/emergency veterinary care and related products and services in PETSMART stores. The distinctive features of the PVS System include, but are not limited to: the design and appearance of the hospital facilities; the provision of certain products, services and equipment by PVS; specifications for products and services to be provided by PVS and third-parties; PVS's quality assurance program and marketing and brand development programs; PVS's mandatory and recommended standards and procedures for business operations and coordination with the PETSMART store; training programs; and other policies and practices that reflect PVS's business judgment and accumulated trial and error experience. PVS can add to, improve, expand, replace or modify elements of the PVS System from time to time.

C. PVS identifies the veterinary hospitals operating under the PVS System by means of the PETSMART VETERINARY SERVICES mark and certain other trademarks, service marks, logos and commercial symbols (collectively, the "Marks"). PVS may designate new or different trade names, trademarks, service marks, logos and commercial symbols as Marks that FRANCHISEE must or may use. PVS's affiliate, PetSmart Home Office, Inc., owns the Marks and has licensed PVS to use them and to sublicense PETSMART VETERINARY SERVICES franchisees to use them. PetSmart Home Office, Inc. is not a party to this Agreement.

D. PETSMART, as tenant, and [XXXX], as landlord, entered into a Lease (the "Lease") relative to certain premises (the "Premises") located at [XXXX], [XXXX], [XXXX].

E. PETSMART has licensed [XXXX] square feet ("Hospital GFA") within the Premises to PVS for the limited purpose of providing veterinary services and the incidental retail sale of products related to veterinary services by an independently owned franchisee using the PVS System, as set forth on **Exhibit A** (the "Hospital").

F. FRANCHISEE desires to operate and manage a Hospital within the Hospital GFA and to obtain certain products and services provided by PVS as set forth in this Agreement.

AGREEMENT

1. RECITALS. The above Background statements are incorporated herein as part of this Agreement.

2. PREMISES LICENSE. PVS licenses to FRANCHISEE, and FRANCHISEE licenses from PVS, the Hospital GFA (the "License") to operate a veterinary hospital, subject to the terms, conditions and provisions set forth in this Agreement. FRANCHISEE acknowledges and agrees that it will have no property interest in or other rights to the Hospital GFA, the Premises, the License, or the Lease. FRANCHISEE and PVS acknowledge and agree that this Agreement is not intended to create a lease or any other interest in real property in favor of FRANCHISEE.

3. FRANCHISE GRANT. PVS grants FRANCHISEE the right, and FRANCHISEE undertakes the obligation, on the terms and conditions of this Agreement, to use the Marks and the PVS System only in connection with the operation of the Hospital at the Premises. FRANCHISEE may not use the Marks, the PVS System, or any of the Confidential Information (as defined in Section 25.1) at any other location without PVS's prior written agreement. Subject to Section 8.22, no satellite or mobile location is permitted under this Agreement without PVS's prior written approval.

4. ALL OTHER RIGHTS RESERVED. FRANCHISEE is not receiving any exclusive territory or other territorial rights or protections under this Agreement. Except for the rights expressly granted to FRANCHISEE in Sections 2 and 3, PVS and its affiliates retain all rights with respect to the Marks, PETSMART stores, and the sale of products and services, anywhere in the world, including but not limited to: (a) the right to operate, and grant others the right to operate, PETSMART VETERINARY SERVICES hospitals ("PVS Hospitals") anywhere in the world (including virtually); (b) the right to operate, and grant others the right to operate, veterinary hospitals under other names at any location, whether or not using the PVS System, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate; and (c) the right to develop, manufacture, market, distribute and sell, and to grant others the right, to develop, manufacture, market, distribute and/or sell, products and services through any channel of distribution whatsoever, whether at wholesale, retail or otherwise, including but not limited to any means of e-commerce, under or in association with the Marks or any other marks, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate. PVS and its affiliates can engage in these or any other business activities regardless of the proximity to or effect on FRANCHISEE's Hospital. In addition, PVS and its affiliates can acquire, be acquired by, or merge with other businesses that have veterinary hospitals or other businesses at any location and convert those businesses to the Marks or to any other name.

5. TERM AND EXTENSION PERIODS.

5.1. Term. "Term" means, collectively, the Initial Term [and the Extension Period] (defined in Section 5.2). "Initial Term" means the period from the Commencement Date through [XXXXXXXXXXX] [XX], 20[XX]. "Commencement Date" means the earlier of the: (a) Outside Commencement Date; or (b) date the Hospital opens for business at the Premises. "Outside

Commencement Date" means forty-five (45) days following the Delivery Date. "Delivery Date" means the date on which PVS has delivered possession of the Hospital in the Delivery Condition (defined in Section 14.1). PVS agrees to deliver the Hospital in the Delivery Condition within [XXX] days from the Effective Date (the "Outside Delivery Date"). In the event PVS fails to deliver the Hospital by the Outside Delivery Date, as FRANCHISEE's sole remedy, FRANCHISE may elect to terminate this Agreement upon thirty (30) days' notice to PVS. If PVS delivers the Hospital within the 30-day period, FRANCHISEE's notice to terminate shall be deemed null and void. Notwithstanding anything to the contrary, in no event will the Commencement Date occur during the Blackout Periods. "Blackout Periods" means: (a) Thanksgiving Day and the two (2) days before and after Thanksgiving Day; (b) Christmas Day and the two (2) days before and after Christmas Day; and (c) New Year's Day and the one (1) day before New Year's Day. FRANCHISEE is prohibited from opening for business within 30 days following the Delivery Date or during the Blackout Periods except as permitted by PVS in its sole and absolute discretion. If the Outside Commencement Date occurs during a Blackout Period, the Commencement Date will be deemed to be the next day following the last day of the Blackout Period. "Franchise Year" means a period of 12 successive calendar months beginning on the Commencement Date; except, if the Commencement Date is a day other than the first day of a calendar month, the first Franchise Year will include the initial fractional month, together with the next succeeding 12 calendar months, and the first Franchise Year will expire at 11:59 p.m. on the last day of the calendar month in which the first anniversary of the Commencement Date occurs. All times set forth in this Agreement will be Premises local time.

5.2. Extension Period. FRANCHISEE will have [X] option[s] of [X] years in duration to extend the Term of this Agreement (the "Extension Period"), contingent on satisfaction of the conditions in this Section. FRANCHISEE will satisfy all of the following requirements as a condition of extending this Agreement, unless the requirement is expressly waived by PVS:

5.2.1. FRANCHISEE will provide PVS written notice no later than 12 months prior to the expiry of the Initial Term that it wishes to renew this Agreement. If FRANCHISEE fails to provide PVS with written notice of renewal, then the Agreement will expire at the end of the Initial Term.

5.2.2. FRANCHISEE will cooperate with PVS in completing any review process that PVS may establish to determine eligibility for the Extension Period, such as (but not limited to) furnishing all required information and participating in meetings;

5.2.3. FRANCHISEE is not in default of this Agreement or any other agreement with PVS, its affiliates, or vendors of the Hospital at the time FRANCHISEE gives the notice in Section 5.2.1 or during the remainder of the Initial Term;

5.2.4. All Hospital personnel required to hold licenses or accreditation have been in good standing (within all applicable cure periods) with licensing authorities throughout the Initial Term;

5.2.5. FRANCHISEE has a good record of customer service and of compliance with System Standards (as defined in Section 8.2) and FRANCHISEE's contractual obligations to PVS;

5.2.6. At PVS's request, FRANCHISEE signs an updated Franchise and Premises License Agreement on substantially the same terms and conditions that PVS is then offering to franchisees for new PVS Hospitals, as modified by PVS to reflect the fact that the agreement is for the renewal of a Hospital already in operation (the **"**Renewal Agreement**"**). PVS can treat FRANCHISEE's failure or refusal to sign the Renewal Agreement within 30 days after delivery as FRANCHISEE's final decision not to renew;

5.2.7. FRANCHISEE (and if FRANCHISEE is a business entity, all person(s) who hold an ownership or equity interest in Franchisee (the "Owners")) sign a general release, in a form PVS prescribes, of any and all claims against PVS, its affiliates, and their respective officers, directors, shareholders and employees through the date of signing the Renewal Agreement;

5.2.8. FRANCHISEE pays a renewal fee in an amount specified by PVS, not to exceed $5,000; and

5.2.9. Before the end of the Initial Term, the Hospital personnel designated by PVS successfully complete any additional or refresher training courses that PVS may require, at FRANCHISEE's expense.

Notwithstanding the foregoing, the exercise of any renewal option and the commencement of any Extension Period will be subject to PETSMART electing, in its sole discretion, to exercise any renewal or extension period it may have under the Lease. If PETSMART elects not to exercise such renewal or extension period, then this Agreement will expire at the end of the Initial Term. PVS agrees to provide FRANCHISEE notice of such election within a commercially reasonable time after PVS is notified of PETSMART's election. In addition, PVS can refuse to provide the Extension Period if, before the end of the Initial Term, PVS has announced a decision to stop franchising PVS Hospitals in the region of the U.S.A. where FRANCHISEE's Hospital is located. If PVS exercises that right, PVS will notify FRANCHISEE within 45 days after receipt of FRANCHISEE's notice of intention to renew and PVS will waive the post-term restriction on competition in Section 29.1. In the event that PVS, through PETSMART, obtains an additional renewal option, PVS may, in its sole and absolute discretion offer such additional renewal options to FRANCHISEE.

6. USE AND OCCUPANCY.

6.1. Opening Deadline. Subject to Section 5.1, FRANCHISEE will begin operation of the Hospital by the Outside Commencement Date.

6.2. Permitted Use. FRANCHISEE will use the Hospital for the limited purpose of providing Veterinary Services and the incidental retail sale of products related to Veterinary

Services approved by PVS under Section 8.14 ("Approved Products and Services") to the public, and for no other purpose without the written consent of PVS, which consent may be withheld in PVS's sole and absolute discretion. "Veterinary Services" means those services that may only be administered or provided by, or under the supervision, direction or control of, a currently licensed veterinarian or, if required by Applicable Laws, currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided.

6.3. Breakrooms; Restrooms. In addition to the Hospital GFA, FRANCHISEE and its employees and agents will be entitled, without additional charge, to use the break rooms, restrooms, and other employee amenities within the Premises as designated by PVS, and FRANCHISEE will be entitled to utilize the loading docks of the Premises with commercially reasonable coordination with PVS.

6.4. Unacceptable Activities. No "bankruptcy," "going out of business," or similar sale will be conducted at the Hospital; care will be taken to prevent any objectionable or unpleasant sounds, sights, or odors from emanating from the Hospital; no radio, television, loudspeaker or amplifier will be placed outside the Hospital or where the same may be seen or heard from outside the Hospital; no antenna, awning or other projection may be attached to or placed near the exterior of the Hospital; no action may be allowed to be taken at the Hospital which would constitute a nuisance or would disturb or endanger customers of the PETSMART store or interfere with their use of the Premises; no action may be taken which would tend to injure the reputation of PETSMART; and no action may be taken which PVS informs FRANCHISEE would cause a breach of the Lease or License. Notwithstanding the foregoing and subject to commercially reasonable restrictions, with the consent of PVS, which may be withheld in its sole discretion, FRANCHISEE may place one television in an area mutually agreed to by PVS and FRANCHISEE, for the sole purpose of advertising the Hospital or the products and services offered by the Hospital as permitted under this Agreement.

7. TRAINING

7.1. Initial Training. Before the Hospital opens, FRANCHISEE (or the Operating Partner as defined in Section 8.5, if FRANCHISEE is a company) and any other Hospital personnel that PVS designates must successfully complete initial training at a location PVS specifies. The training will focus on (a) operation of the technology systems and equipment provided by PVS and its designated vendors; and (b) policies and procedures relating to occupancy of the Hospital and coordination with the PETSMART store at the Premises. PVS has the right to reduce the duration and content of initial training if the trainee has prior experience with PVS Hospitals.

7.2. Additional Training. After the Hospital opens for business:

7.2.1. PVS may require that any new Hospital Veterinarian (as defined in Section 8.1) and any other new Hospital personnel designated by PVS, before starting his or her duties, successfully complete initial training;

7.2.2. Each Hospital Veterinarian and any other Hospital personnel PVS designates must attend and successfully complete any additional training programs PVS requires from time to time; and

7.2.3. PVS may offer optional training programs.

7.3. Successful Completion. PVS alone will have the right to judge whether a person has successfully completed a training program. If any person fails to complete a required training program to PVS's satisfaction, he or she may repeat the course or FRANCHISEE may send a substitute to the next available scheduled training session.

7.4. Training Methods. Except for the initial training, PVS has the right to provide training programs in person, by video (live or reply), via the Internet, or by other means, as PVS determines.

7.5. Training Fees. PVS may charge a training fee: (a) for additional trainees that FRANCHISEE requests in excess of the maximum number PVS designates for a training program; (b) if PVS requires additional training as a result of FRANCHISEE's failure to comply with PVS quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that PVS makes optional for franchisees.

7.6. Expenses. For all training, including initial training, FRANCHISEE is responsible for all travel expenses, living expenses, wages, and other expenses incurred by FRANCHISEE's trainees. If PVS conducts training at the Hospital, FRANCHISEE will pay, in addition to any applicable training fee, the reasonable travel, meal and lodging expenses of PVS's trainer(s).

7.7. Hospital Personnel. FRANCHISEE is responsible for ensuring that all Hospital personnel are properly trained to perform their duties.

8. HOSPITAL OPERATIONS.

8.1. Hospital Accreditation and Veterinary Licensing. FRANCHISEE must be qualified as a veterinary business and provide Veterinary Services in the Hospital either personally or through employees or independent contractors of the FRANCHISEE who are licensed and qualified to practice veterinary medicine in the state where the Hospital is located. FRANCHISEE must maintain accreditation of the Hospital by one or more veterinary accreditation associations as required by PVS, at FRANCHISEE's expense. FRANCHISEE must apply for and obtain accreditation within 18 months after the Commencement Date. In the event FRANCHISEE is unable to obtain accreditation due to limitations outside of FRANCHISEE's control, PVS and FRANCHISEE will work in good faith to determine appropriate exceptions to the accreditation standards. All veterinarians providing Veterinary Services in or through the Hospital for or on behalf of FRANCHISEE ("Hospital Veterinarians") will hold a valid veterinary license and accreditation to practice in the applicable state or will otherwise be qualified under the laws of the applicable state to practice veterinary medicine therein. Where applicable under the laws of a state or jurisdiction, all veterinary technicians and/or support personnel will hold appropriate licenses

and accreditations. FRANCHISEE will provide PVS, promptly upon request, evidence of all veterinary licenses and accreditations required under this Section.

8.2. System Standards. In order to protect the reputation and goodwill of PETSMART stores and the Marks, PVS has developed mandatory and recommended specifications, standards, policies and procedures for the operation of PVS Hospitals ("System Standards"), which are expressed in PVS's confidential manuals, other written materials, electronic files, videos, and audio recordings relating to the development and operation of the PVS Hospitals (collectively, the "Brand Standards Manual"). PVS has the right to modify, in its sole and absolute discretion, the Brand Standards Manual from time to time to reflect changes in the System Standards. PVS will furnish FRANCHISEE with electronic access to the Brand Standards Manual, as modified by PVS from time to time. FRANCHISEE acknowledges that PVS owns the copyright in the Brand Standards Manual and that any portions in FRANCHISEE's possession or control are on loan from PVS and remain PVS's property. The Brand Standards Manual and any digital identification necessary to access digital versions of the Brand Standards Manual are part of the Confidential Information and must be used and protected accordingly.

8.3. Compliance with System Standards. To protect the reputation and goodwill of PETSMART stores and the Marks and to maintain high standards of operation, FRANCHISEE will (a) comply with the mandatory System Standards, except as limited by Section 8.4; and (b) meet or exceed the standards for veterinary medical practices generally prevailing in the community in which the Hospital is located. FRANCHISEE acknowledges that the System Standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Hospital. Subject to Section 8.4, a material failure to comply with mandatory System Standards will constitute a material breach of this Agreement. PVS has the right to vary the System Standards, in PVS's reasonable judgment, to accommodate the individual circumstances of different PVS Hospitals.

8.4. Professional Judgment. PVS and FRANCHISEE acknowledge that veterinarians must exercise professional judgment in the care and treatment of patients. Hospital Veterinarians and other licensed professionals employed or contracted to practice in the Hospital may deviate from the System Standards in the specific instances in which the licensed professional determines, in his or her professional judgment and in compliance with the appropriate veterinary standards, that the System Standards would not satisfy statutory, regulatory, or professional ethical obligations applicable to the practice in the state where the Hospital is located. In these instances, the licensed professional may deviate from the System Standards: (i) only to the extent he or she reasonably deems necessary to satisfy the applicable statutory, regulatory, or professional ethical obligations; and (ii) with prior notice to PVS, if feasible, and if prior notice is not feasible, then with notice to PVS within thirty (30) days after the deviation. If FRANCHISEE wishes to deviate from the System Standards regarding any aspect of the Hospital that is not related to the practice of veterinary medicine, FRANCHISEE will apply for a formal variance and must obtain PVS's prior written consent.

8.5. Management of Practice. If FRANCHISEE is a company, following the Ramp-Up Period (as defined in Section 8.7), an Operating Partner must be the day-to-day operator of the Hospital. "Operating Partner" means a natural person designated by the FRANCHISEE (or an

entity controlled by that person) that: (a) owns at least 10% of equity interest (equity interest may include equity-like equivalents such as RSUs, phantom-equity, etc.); or (b) has at least 20% individual production, revenue, or profits interest; or (c) is otherwise approved by PVS in its sole and absolute discretion. PVS will have the right to rely on any statement, agreement, or representation made by the Operating Partner on behalf of FRANCHISEE and the Hospital. If the Operating Partner leaves FRANCHISEE's organization, FRANCHISEE must name a replacement within 60 days. If FRANCHISEE has not obtained approval of a new Operating Partner within 60 days, FRANCHISEE will be in material default of this Agreement.

8.6. Conduct of Business. FRANCHISEE will always conduct its business in accordance with the highest standards of honesty, integrity, competency, efficiency, conscientiousness, diligence, quality, confidentiality, professionalism, courtesy, humaneness, mercy, fair dealing and ethics. FRANCHISEE will do nothing which would tend to discredit, dishonor, reflect adversely upon, belittle, criticize or in any manner injure the reputation of PETSMART or PVS or otherwise cause prejudice to the goodwill associated with their businesses or the Marks.

8.7. Hours of Operation. During the first 90 days from the Commencement Date (the "Ramp-Up Period"), the Hospital is required to be open to the public and providing Veterinary Services at least two days each week for a minimum of 12 hours with the hours of operation falling within the business hours of the PETSMART store at the Premises. Following the Ramp-Up Period, the Hospital is required to be open to the public and providing Veterinary Services for a minimum of 40 hours per week, with the days and hours of operation falling within the business hours of the PETSMART store at the Premises. The scheduled hours and days of the Hospital, and any updates to the scheduled hours and days, must be communicated to PVS at least 14 days in advance. Notwithstanding the foregoing, the Parties understand and agree that the Hospital may close from time-to-time on a non-frequent basis due to weather, holidays, or emergencies.

8.8. After Hours Access. FRANCHISEE and PVS acknowledge that it is every veterinarian's ethical and legal responsibility to check on any patient under their care and to provide appropriate treatment whenever it is necessary, irrespective of the time of day, day of week, or holiday observance. Accordingly, for purposes of maintaining the standard of care and subject to such reasonable policies as PVS may institute for the purpose of security, PVS will allow FRANCHISEE to have access to the Hospital as reasonably needed during hours when the Premises are closed to the public. For greater clarity, such access does not authorize FRANCHISEE to open the Hospital to the public outside of the hours when the Premises are open to the public. FRANCHISEE will be responsible for any liabilities or losses suffered by FRANCHISEE or PVS associated with after-hours access to the Premises by FRANCHISEE or its personnel.

8.9. Staffing. FRANCHISEE will use best efforts to ensure that the Hospital is adequately staffed during its operating hours. FRANCHISEE will staff the Hospital with such veterinary medical personnel during and after the Ramp-Up Period as may be necessary to: (a) meet the minimum System Standards set out in the Brand Standards Manual; and (b) efficiently carry out the high-quality practice of veterinary medicine at the Hospital.

8.10. Employer Responsibilities. FRANCHISEE will be solely responsible for all employment decisions, functions and liabilities relating to the Hospital, including but not limited to decisions related to recruiting, screening, hiring, firing, training (other than training in System Standards under Section 7), scheduling, compensation, benefits, payroll taxes, wage and hour requirements, record keeping, supervision, safety, security, and discipline of employees. Any information PVS provides about employment matters, whether voluntarily or in response to FRANCHISEE's request, and whether directly or by means of any technology tools, is a recommendation only and not intended to exercise control over FRANCHISEE's employees, their wages, hours or working conditions, or the means and manner by which they carry out their duties. FRANCHISEE alone will direct and control all employees of the Hospital, subject only to applicable legal requirements, the terms of this Agreement, and the System Standards that PVS prescribes for the preservation of the goodwill associated with the Marks. FRANCHISEE will not use any of the Marks in connection with any employee documents (such as employment applications, paychecks, pay stubs, benefits materials, employee handbooks, and employment agreements) without a prominent notice on the document that FRANCHISEE is a franchisee of PVS and that neither PVS nor PETSMART is the employer, co-employer, or joint employer of anyone working in the Hospital. At PVS's request, made not more often than once every six months, FRANCHISEE will communicate to FRANCHISEE's current employees a reminder that neither PVS nor PETSMART is their employer, and that PVS and PETSMART do not assume and will not accept any employer, co-employer or joint employer obligations. FRANCHISEE agrees to indemnify PVS and PETSMART against any claims by FRANCHISEE's employees and independent contractors or arising from the acts or omissions of FRANCHISEE's employees and independent contractors, as provided in Section 18.

Subject to Applicable Laws, FRANCHISEE will conduct a background check on each employee or subcontractor who will regularly be physically present at the Premises or have access to PVS's information systems. The background check will include a criminal background check covering the past seven (7) years for all locations in which the individual has resided. Subject to Applicable Laws, FRANCHISEE will only allow access to the Premises by individuals who have no felony or animal abuse criminal convictions and whose background checks otherwise comport with information provided to FRANCHISEE by the individual. FRANCHISEE will provide evidence to PVS of FRANCHISEE's compliance with this requirement upon request. "Applicable Laws" mean, collectively, all applicable laws, codes, orders, statutes, ordinances, rules and regulations of federal, state, county and municipal authorities with appropriate jurisdiction (by way of example only, the Arizona State Veterinary Medical Examining Board), including any orders rendered by public officers with appropriate jurisdiction and authority.

8.11. Trade Dress. FRANCHISEE will make no changes to the trade dress provided by PVS for the Hospital (e.g., marks, logos, taglines, color palettes and icons) without the prior written approval of PVS.

8.12. Hospital Location Limitation. FRANCHISEE may not be a person or entity, or a subsidiary or affiliate of a person or entity, that owns or operates veterinary hospitals or other veterinary facilities at more than 50 locations within the United States and Puerto Rico (excluding vaccination clinics and other temporary facilities, such as mobile clinics). FRANCHISEE will, upon request by PVS, provide any information concerning all persons or entities, or subsidiaries

or affiliates of such persons or entities, associated with FRANCHISEE and whether such persons or entities, or subsidiaries or affiliates of such persons or entities, own or operate veterinary hospitals or other veterinary facilities at more than 50 locations within the United States and Puerto Rico (excluding vaccination clinics and other temporary facilities, such as mobile clinics). PVS, in its sole and absolute discretion, may waive the restrictions in this Section. Such waiver must be in writing and executed by an officer of PVS.

8.13. Equipment and Furnishings. The parties acknowledge that PVS will arrange for or provide certain veterinary medical equipment, technology systems, cages or kennels, and other equipment and furnishings to FRANCHISEE (the "Equipment") as detailed on **Exhibit B**. The Equipment will be licensed to FRANCHISEE to be used in the operation of the Hospital as part of the License. FRANCHISEE will acquire and install, at FRANCHISEE's expense, any additional or substitute fixtures, medical equipment, office equipment, furnishings, and décor items that PVS requires from time to time. FRANCHISEE will not install or use any fixtures, equipment, furnishings, signs, or décor items that PVS has not approved in writing. FRANCHISEE will be responsible for obtaining all repairs, maintenance and replacement of the Equipment through PVS or vendors and service providers approved by PVS, at FRANCHISEE's expense.

8.14. Approved Products and Services. FRANCHISEE will offer all Veterinary Services set forth on **Exhibit C** and all other veterinary medical and pet care services and related products and services that PVS designates from time to time as required items. FRANCHISEE may also offer any optional products and services that PVS has approved for sale in PVS Hospitals, but FRANCHISEE is prohibited from selling, directly or indirectly, either at the Hospital or elsewhere (including on-line), any unapproved products or services without PVS's prior written consent. FRANCHISEE agrees to discontinue selling or offering for sale any products or services that PVS disapproves at any time, in PVS's sole and absolute discretion. Without limiting the foregoing, FRANCHISEE acknowledges the following restrictions:

8.14.1. PETSMART Store Products and Services. FRANCHISEE and its affiliates or otherwise related entities may not, directly or indirectly, market, offer, or sell any product or service in the Hospital or elsewhere (including on-line or for home delivery) that is sold in PETSMART stores (or by PETSMART on-line or for home delivery), now or in the future, including, without limitation, grooming, pet day care, training, and overnight boarding services (except if such boarding is ancillary to or required by medical observation, diagnosis, vaccination, or treatment). FRANCHISEE will use best efforts to promote the products and services sold inside the PETSMART store and will not promote another retail business (including both on-line and brick and mortar retail businesses) or, directly or indirectly, create, operate, manage, or promote its own brick and mortar or on-line retail business.

8.14.2. Discount Fees or Wellness Plans. FRANCHISEE and its affiliates or otherwise related entities will not, directly or indirectly, market, offer, accept, or sell within the Premises any wellness or preventive program, arrangement or agreement similar to Banfield's "Wellness Plans" or a prepaid and discounted veterinary services program (collectively, "Wellness Plans"). For the avoidance of doubt, FRANCHISEE may not advertise, through any medium including flyers, handbills or posters, or otherwise

solicit or recommend that its customers purchase a Wellness Plan from FRANCHISEE at its other locations or from any third-party. The parties understand and agree that compliance with this provision is of utmost importance to PVS and FRANCHISEE agrees that upon notice from PVS of a violation of this provision, FRANCHISEE will immediately cease any actions or omissions which are alleged to violate this provision. PVS, in its sole and absolute discretion, may waive the restrictions in this Section 8.14.2. Such waiver must be in writing and executed by an officer of PVS.

8.14.3. Pet Insurance. FRANCHISEE and its affiliates or otherwise related entities will not market, broker, offer, or sell any pet-insurance product, either under its own brand or the brand of a third party (or co-branded in any manner) at the Premises. Notwithstanding the foregoing, FRANCHISEE may counsel customers on the benefits of pet-insurance products for the care of the customer's pet and the payment of veterinary expenses. PVS, in its sole and absolute discretion, may waive the restrictions in this Section 8.14.3. Such waiver must be in writing and executed by an officer of PVS.

8.14.4. Therapeutic Pet Foods. PVS and FRANCHISEE agree as follows concerning the sale of Therapeutic Pet Foods at the Hospital and the Premises. "Therapeutic Pet Foods" means pet foods which are or have been labeled or marketed as "prescription" or "therapeutic" products (e.g., Hill's Prescription Diet):

(a) FRANCHISEE will not sell, directly or indirectly, Therapeutic Pet Foods at the Hospital (or on-line or for home delivery), except to the extent (if any) expressly authorized by the Brand Standards Manual. FRANCHISEE acknowledges that (i) PETSMART will determine the brands of Therapeutic Pet Foods to be carried by the PETSMART store and will negotiate arrangements with the suppliers of those brands; and (ii) all Therapeutic Pet Foods will be checked out through the cash registers of the PETSMART store (except Therapeutic Pet Foods purchased online and picked-up at the Premises or orders shipped from and/or delivered by the Premises). PVS will coordinate with PETSMART regarding the ordering, purchasing, storage, stocking, facing, and handling of all Therapeutic Pet Foods at the Premises.

(b) FRANCHISEE agrees to provide, at no charge to PVS or PETSMART, a prescription card to all customers for Therapeutic Pet Food. PVS will arrange for PETSMART to verify and process only transactions that are supported by a valid prescription card or alternative electronic method which is agreeable to FRANCHISEE.

(c) PVS will coordinate with PETSMART regarding shelf and/or racking space for the Therapeutic Pet Foods in close proximity to the Hospital, so that it is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet.

(d) PVS reserves the right (but will have no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. PVS will give FRANCHISEE sixty (60) days written notice before the start of any such program.

8.15. Sourcing of Products and Services. To maintain high standards of quality, to promote uniformity and efficiency, and to reduce costs for all PVS Hospitals, PVS has the right to require that all current and future pharmaceuticals, medical equipment, information technology systems, software, SaaS, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that FRANCHISEE purchases for operation of or sale in the Hospital: (a) meet specifications that PVS establishes from time to time; (b) be purchased only from suppliers that PVS has expressly approved; and/or (c) be purchased only from a particular manufacturer, wholesaler, distributor or other source that PVS has designated for the particular product or service ("Designated Supplier"). FRANCHISEE acknowledges that PVS can name itself, an affiliate of PVS, or a PVS-organized buying cooperative as the Designated Supplier for any item. The purchasing specifications, approved supplier requirements, and/or Designated Suppliers for particular items will be set out in the Brand Standards Manual from time to time. PVS's ability to negotiate and maintain arrangements with Designated Suppliers may depend on the participation of as many PVS Hospitals as possible; accordingly, if PVS has named a Designated Supplier for a product or service, FRANCHISEE must obtain the product or service from that Designated Supplier. FRANCHISEE will comply with the terms and conditions included in the contract with a Designated Supplier, provided that the terms and conditions apply to all PVS Hospitals that receive the goods or services covered by the contract.

If FRANCHISEE desires to purchase any items from a source that has not been approved by PVS, and provided that PVS has not named a Designated Supplier for the item, FRANCHISEE must submit a written request for approval or request the proposed source itself to do so. PVS will have the right to, among other requirements in its sole discretion, require that: (a) its representatives be permitted to inspect the proposed source's facilities and that samples from the source be delivered, at PVS's option, either to PVS or to an independent laboratory designated by PVS for testing; and (b) the proposed supplier comply with certain standards required by PVS including, but not limited to, data protection and data breach requirements. FRANCHISEE will pay PVS a fee not to exceed the reasonable cost of the inspection and the actual cost of the test, whether or not PVS approves the proposed source.

8.16. Branded Products. PVS may make available, in its discretion, products bearing the Marks and/or prepared using ingredients, formulations, mixes and/or methods of preparation created, adapted or developed by or for PVS or its affiliates ("Branded Products"). PVS may modify, discontinue, substitute, and/or add items to the Branded Products at any time in its sole discretion. FRANCHISEE will purchase any such Branded Products only from PVS or an affiliate PVS designates.

8.17. No Product Diversion. FRANCHISEE will not resell to others any pharmaceuticals or products purchased for the Hospital or engage in any other buying or selling practices that may put FRANCHISEE's veterinary license at risk (e.g., grey market sales). If PVS

determines that FRANCHISEE has ordered an excess inventory of pharmaceuticals or products for the Hospital, PVS may investigate as PVS sees fit and exercise the right to conduct an inspection under Section 27.

8.18. No Liability for Unaffiliated Suppliers. PVS and its affiliates disclaim all express and implied warranties (including any warranties of merchantability, fitness for a particular purpose, availability, quality, pricing or profitability) concerning any products or services that FRANCHISEE obtains from any source other than PVS and its affiliates, even if PVS designated or approved the source under Section 8.15. FRANCHISEE agrees not to assert any claims against PVS (or any of PVS's officers, directors or affiliates) with respect to any products and services FRANCHISEE obtains from sources other than PVS and its affiliates. FRANCHISEE will assert any claims only against the supplier in question. FRANCHISEE agrees to provide PVS with written notice before taking any action on a claim against a Designated Supplier.

8.19. Supplier Payments. FRANCHISEE acknowledges and agrees that PVS and its affiliates will or may receive (a) profits from direct sales to FRANCHISEE; and/or (b) commissions, rebates, promotional allowances, volume discounts, and other payments or benefits based on FRANCHISEE's purchases from other vendors and suppliers. Except as limited by applicable law or by agreement with the supplier, PVS and its affiliates have the right to retain any payments or other economic benefits received from vendors and suppliers based on FRANCHISEE's purchases.

8.20. Inventory. FRANCHISEE will maintain a sufficient inventory of products and supplies, including Branded Products if applicable, to meet the System Standards (or to meet reasonably anticipated customer demand, if PVS has not prescribed specific standards).

8.21. Quality Assurance Program. FRANCHISEE will comply with PVS's quality assurance program, which may include, among other things, customer satisfaction surveys, random medical record reviews, peer review of selected cases, employee satisfaction and perception surveys, health and safety reviews, and review of FRANCHISEE's random drug testing requirements. PVS may use the Brand Fund (as defined in Section 12.3) to pay for the services of any independent third parties (e.g., AAHA, etc.) that PVS engages to conduct these activities. FRANCHISEE will bear any other expenses to carry out the quality assurance program for the Hospital. If FRANCHISEE fails to achieve the minimum score that PVS prescribes for a specific quality assurance category, PVS may require FRANCHISEE and/or designated personnel to complete additional training in the System Standards at the Hospital or a location that PVS designates, at the FRANCHISEE's expense. If FRANCHISEE fails to achieve the prescribed minimum score on two consecutive assessment occasions or on three or more assessment occasions in any three (3) year period, PVS will have the right to terminate this Agreement by written notice to FRANCHISEE, without opportunity to cure.

8.22. Minimum Performance Requirements. FRANCHISEE agrees that the Hospital must achieve minimum annual thresholds for Hospital Revenue (as defined in Section 13.4) as set forth in this Section (the "Minimum Performance Requirements"). The Minimum Performance Requirements are:

	Franchise Year 1	Franchise Year 2	Franchise Year 3	Franchise Year 4	Franchise Year 5 and each Remaining Franchise Year of the Term
Minimum Hospital Revenue	None	$675,000	$900,000	$945,000	$1,000,000

If the Hospital does not achieve the Minimum Performance Requirement in any Franchise Year, PVS will notify FRANCHISEE of default and PVS will have the right to: (i) require FRANCHISEE to implement a revenue improvement program approved by PVS, which may include, among other things, engaging in specified marketing activities; and (ii) terminate this Agreement if FRANCHISEE fails to comply with the terms of the revenue improvement program or fails to achieve, in the first six months of the succeeding Franchise Year, 50% of the Minimum Performance Requirement for the succeeding Franchise Year. FRANCHISEE acknowledges that the Minimum Performance Requirements do not predict or project the Hospital's revenue and are not a representation or guarantee of any financial results to FRANCHISEE from the exercise of the rights granted in this Agreement.

8.23. Off-Premises Operations. FRANCHISEE will obtain prior written approval from PVS before engaging in any Off-Premises Operations. "Off-Premises Operations" means the offering of any Approved Products and Services under the Marks at or from a location outside of the Premises, including, for example, in a mobile van, community event, or customer's home. All Off-Premises Operations will be subject to all applicable provisions of this Agreement, including (but not limited to) the Royalty Fee and Brand Fund contribution in Section 13, the operational requirements in this Section 8 (including use of the Hospital's practice information management system (PIMS) for all transactions), the limitations on use of the Marks in Section 24, and the obligation to indemnify PVS in Section 18. If PVS authorizes Off-Premises Operations, PVS may limit the geographic area and/or specific types of locations in which FRANCHISEE is permitted to provide Approved Products and Services. PVS may establish rules and policies to coordinate the Off-Premises Operations of PVS Hospitals to prevent customer confusion. FRANCHISEE will pay any fees and costs required to comply with such rules and policies.

8.24. Information Systems. PVS has the right to specify the point-of-sale (POS) system, practice information management system (PIMS), back-office system, software applications, audio/visual equipment and programs, electronic payment devices, and other hardware and software that FRANCHISEE must install and use in the operation of the Hospital. FRANCHISEE will accept the vendor's standard license agreement or user terms or as otherwise negotiated by PVS, if required to use a system that PVS specifies. FRANCHISEE will not install any unrelated software or connect any unauthorized devices to the PIMS or any other required information systems (e.g., computers provided by PVS). FRANCHISEE will maintain the information systems in good working order at all times and, if so directed by PVS, promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, and other information system components, at FRANCHISEE's expense. PVS will have independent access to FRANCHISEE's systems and FRANCHISEE will configure security settings and/or provide PVS with any usernames and passwords necessary for that purpose.

8.25. Data Security. FRANCHISEE will implement industry-standard administrative, physical, and technical security measures and devices to protect data from unauthorized access, acquisition, loss, destruction, disclosure or transfer. FRANCHISEE is required to use best efforts to secure the Hospital systems, including, but not limited to, use of firewalls, access code protection, anti-virus systems, and backup systems. If FRANCHISEE accepts payment from customers by credit and/or debit card, FRANCHISEE will comply with the then-current Payment Card Industry Data Security Standards (PCI-DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization and will complete PCI-DSS audits as and when required by the standards. FRANCHISEE acknowledges that compliance with PCI-DSS is not a guarantee that a security breach will not occur. FRANCHISEE waives any and all claims FRANCHISEE may have against PVS and its affiliates as the direct or indirect result of computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. In the event of a known or suspected security breach, FRANCHISEE will notify PVS promptly and comply with Applicable Laws and PVS's reasonable instructions regarding response to the breach. Any losses or expenses PVS and its affiliates incur as a result of an actual or suspected security breach of the Hospital will be subject to indemnification under Section 18. FRANCHISEE will participate in and cooperate with any security audit performed by or for PVS and notify PVS promptly of any harm to the information systems or violation of PVS policies relating to them.

8.26. Patient and Hospital Records. Subject to Applicable Laws, all patient records, reports, and information obtained, generated, or encountered relating to a patient visit, examination or diagnostics ("Hospital Records") will be the property of FRANCHISEE and/or the treating Hospital Veterinarian, as applicable. FRANCHISEE and/or the treating Hospital Veterinarian, and not PVS, will be responsible for securing and maintaining the privacy and confidentiality of the Hospital Records (whether or not stored within the Hospital), and FRANCHISEE will indemnify, defend, and hold harmless PVS and PETSMART for any liability, losses, damages, or judgments brought against PVS or PETSMART arising or resulting from, or in any way related to, the improper security or maintenance of Hospital Records or customer credit card information. FRANCHISEE and/or the treating Hospital Veterinarian shall utilize best efforts, in coordination with PVS, to gain written consent from the customer to share patient records, reports, and information described herein with PVS and its affiliates and to enable the treating Hospital Veterinarian, FRANCHISEE and PVS and/or its affiliates or designees to provide additional services and care for the patient, including but not limited to telehealth and telemedicine. Notwithstanding the foregoing, PVS will be liable and will indemnify FRANCHISEE for any liability, losses, damages, or judgments brought against FRANCHISEE arising or resulting from, or in any way related to the failure of PVS to maintain the confidentiality of any Hospital Records provided to PVS. To the extent permitted by Applicable Laws, PVS will have the right to receive copies of Hospital Records as part of its quality assurance program and/or to assist in any investigation concerning an injury to a pet. PVS will instruct its personnel to keep confidential any such information, as well as any financial, statistical, personnel, and patient information relating to the Hospital.

8.27. Customer Data. Subject to Applicable Laws, FRANCHISEE will regularly provide PVS, in a format acceptable to PVS, customer information collected by FRANCHISEE concerning pets and customers seeking Veterinary Services including, but not limited to, names, addresses, phone numbers, email addresses and pet information (name and type) (collectively "Customer Data"). PVS, FRANCHISEE, and the treating Hospital Veterinarian will use best efforts to develop any applicable forms, including consent forms, to comply with Applicable Laws and facilitate the collection and sharing of Customer Data by FRANCHISEE and the treating Hospital Veterinarian with PVS. FRANCHISEE and PVS acknowledge that each Party is an independent business or controller with respect to Customer Data and that each Party maintains separate and independent relationships with customers. Following the expiration or termination of this Agreement: (a) FRANCHISEE is permitted to solicit for Veterinary Services those customers who patronized the Hospital and obtained Veterinary Services for their pets, regardless of whether such customers were customers of the FRANCHISEE before or after the Effective Date; (b) FRANCHISEE is permitted to solicit for Veterinary Services any potential customers FRANCHISEE identified and sourced through its own efforts without the aid or assistance of PVS; and (c) FRANCHISEE is prohibited from soliciting, for any reason, those customers whose Customer Data was provided by PVS to FRANCHISEE and who did not obtain Veterinary Services from the Hospital for their pets. PVS is permitted to solicit, for any reason, those customers whose Customer Data was provided to PVS by FRANCHISEE.

8.28. Gift Cards and Loyalty Programs. FRANCHISEE will participate in any programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, and other electronic money programs PVS prescribes from time to time for PVS Hospitals. Participation includes both issuing program benefits or credits and accepting them for payment by customers and may require FRANCHISEE to purchase additional equipment. PVS will coordinate the crediting and debiting of funds among PVS Hospitals based on customer purchases and redemption of stored value. FRANCHISEE will also participate in any customer loyalty programs PVS prescribes from time to time. FRANCHISEE may not offer its own gift card, electronic money, or loyalty program.

8.29. Public Positions. FRANCHISEE will not make any public statements concerning PETSMART, PVS, FRANCHISEE's relationship with PVS, or FRANCHISEE's treatment of any PetSmart Pets (defined in Section 10.1) or pets injured at or around the Premises without the consent of PVS, which consent may be withheld in PVS's sole and absolute discretion. Notwithstanding the foregoing, PVS and FRANCHISEE agree that they will strive to make coordinated and consistent public statements on issues that are of concern to both Parties and, to that end, will consult with one another at the appropriate officer level with respect to such matters.

8.30. Compliance with Laws. FRANCHISEE will operate the Hospital in full compliance with all Applicable Laws. FRANCHISEE IS RESPONSIBLE FOR VERIFYING THAT THE SYSTEM STANDARDS COMPLY WITH THE VETERINARY LAWS AND REGULATIONS OF THE STATE AND LOCAL JURISDICTIONS IN WHICH THE HOSPITAL OPERATES, DESPITE ANY INFORMATION OR ADVICE THAT PVS OR ITS AFFILIATES MAY PROVIDE. IF FRANCHISEE RECEIVES NOTICE FROM ANY STATE OR LOCAL AUTHORITY CLAIMING THAT ANY SYSTEM STANDARDS CONFLICT WITH THE PROVISIONS OF ANY STATE OR LOCAL LAWS OR REGULATIONS,

FRANCHISEE WILL PROMPTLY PROVIDE A COPY OF THAT NOTICE TO PVS. FRANCHISEE will, at its sole cost, dispose of all medical waste in compliance with all Applicable Laws.

8.31. Attendance at Meetings, Seminars and Conferences. FRANCHISEE must attend all meetings, seminars and conferences that PVS reasonably designates as mandatory, including but not limited to annual conferences, marketing meetings for the marketing area in which the Hospital is located, and meetings related to new products, new business procedures or programs, financial management, sales or sales promotion, or similar topics. If the FRANCHISEE or Operating Partner is not able to attend the meeting, seminar or conference, FRANCHISEE will notify PVS before the meeting, seminar or conference and substitute another person from FRANCHISEE's organization to attend. If PVS holds a franchisee convention, PVS has the right to charge a reasonable registration fee, not to exceed $1,000 per person.

9. PHARMACY OPERATION.

9.1. Prescribing of Rx. FRANCHISEE will not sell, dispense, or prescribe any medication or pharmaceutical product (those products that may only be prescribed and dispensed by a licensed veterinarian) ("Pharmacy Products") to any customer for any pet other than for pets that are examined or treated as patients of the Hospital (the "Pet Patients"). Subject to this Article 9, FRANCHISEE may prescribe and fulfill Pharmacy Products to any Pet Patients through any internal pharmacy that is a part of the Hospital.

9.2. Pharmacy Referral. In the event PVS or its affiliate(s) can reasonably supply Pharmacy Products to customers of FRANCHISEE through an on-line pharmacy (the "On-Line Pharmacy"), FRANCHISEE and PVS or its affiliate(s) will negotiate, in good faith, the terms under which: (a) FRANCHISEE will refer its customers to the On-Line Pharmacy; (b) PVS or its affiliate(s) will supply Pharmacy Products to FRANCHISEE's customers; and (c) subject to Applicable Laws, the referral fee FRANCHISEE will receive from PVS or its affiliate(s) for such customer referrals.

10. CARE OF PETSMART PETS.

10.1. Use of Hospital for Services. PVS agrees that PETSMART will use the Hospital for all veterinary care of pets at the Premises ("PetSmart Pets"), including but not limited to those in the PetsHotel, day care or grooming, those held for sale, and those injured in the store or parking lot; provided, however, that PETSMART may obtain veterinary care for such pets from other providers on a case by case basis if: (a) the Hospital is closed when the services are needed; (b) the Hospital Veterinarian on duty is engaged in any urgent medical case(s) that require direct veterinarian supervision; or (c) there is no Hospital Veterinarian on duty who has been certified by FRANCHISEE to provide services with respect to the type of pet requiring the services. FRANCHISEE agrees to provide such services within a commercially reasonable timeframe and consistent with the System Standards. FRANCHISEE agrees to provide office visits and physical examinations for PetSmart Pets, free of charge. All other services, including medical waste fees, will be provided for PetSmart Pets at a discount of 35% off the Hospital's retail prices. All prescription medication, products or inventory items will be provided for PetSmart Pets at a

discount of 35% off the Hospital's retail prices.. Medical waste fees charged by FRANCHISEE will be provided for PetSmart Pets at a discount of 35% off the Hospital retail prices. . Further, FRANCHISEE will provide euthanasia services for PetSmart Pets and appropriate disposal, including cremation, of the remains of PetSmart Pets at cost of $2.00 per pet.

10.2. Payment for Services. Within 15 days from the close of each month during the Term, FRANCHISEE agrees to provide PVS: (a) a detailed breakdown of all services provided by the Hospital to PetSmart Pets under Section 10.1 for such month; (b) copies of invoices; and (c) any other information or copies of additional documents as may be reasonably required by PVS to verify the date, amount and purpose of all such services (collectively "the "Hospital Reconciliation Documents"). Within 45 days of PVS's receipt of the Hospital Reconciliation Documents, PVS or its designee will facilitate the payment to FRANCHISEE or issuance of a credit to FRANCHISEE, as determined by PVS, for the verified services.

11. EMPLOYEE DISCOUNTS. In order to promote the health and well-being of pets and to cross promote the services of the Hospital within the total PETSMART shopping experience, PVS reserves the right to establish a program under which employees of FRANCHISEE and employees of PETSMART will receive discounts on services and product offerings provided by the other. In no instance will PVS require a FRANCHISEE to provide more than a 15% discount to employees of PETSMART. PVS will have the right to terminate or modify the employee discount program at any time without prior notice to FRANCHISEE.

12. ADVERTISING AND PROMOTION.

12.1. Acknowledgments. FRANCHISEE acknowledges the importance of marketing and advertising programs to the goodwill and public image of all PVS Hospitals and the need for standardization of marketing and advertising to maintain a coherent brand image. Accordingly, FRANCHISEE agrees to fulfill the obligations in this Section 12 and to cooperate with PVS and other PVS Hospitals in promoting and enhancing the Marks.

12.2. Grand Opening. FRANCHISEE will conduct grand opening activities within 30 days following the expiration of the Ramp-Up Period. FRANCHISEE agrees to spend not less than $5,000 for grand opening marketing and promotions approved by PVS. At PVS's request, FRANCHISEE will provide all supporting documentation evidencing compliance with this Section.

12.3. Brand Fund. PVS has established a fund to support development and recognition of the Marks and the network of PVS Hospitals (the "Brand Fund"). FRANCHISEE will contribute to the Brand Fund as provided in Section 13.5. The Brand Fund will be administered as follows:

12.3.1. PVS will direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over strategic direction, creative concepts, materials, endorsements, and geographic, market and media allocation. PVS may use the Brand Fund to pay costs and expenses as PVS determines in its sole discretion, including but not limited to: preparation and production of video, audio, written, online, digital and mobile marketing materials;

search engine optimization; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other digital marketing; implementation of advertising programs and in-Hospital promotions, including purchasing direct mail and media advertising; employing advertising agencies; implementing quality assurance programs; conducting other public relations, marketing, consumer research, and promotional activities, including product or service testing and test marketing programs; the development, testing, and implementation of trade dress and design prototypes; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund, including reasonable salaries and expenses of employees, agents, representatives, and consultants working for or on behalf of the Brand Fund; reasonable fees and expenses of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims challenging our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund.

12.3.2. PVS is not obligated, in administering the Brand Fund, to make expenditures for FRANCHISEE that are equivalent or proportional to FRANCHISEE's contributions, or to ensure that any particular franchisee or PVS Hospital benefits directly or pro rata from expenditures by the Brand Fund. FRANCHISEE has no right to reduce or withhold contributions based on any alleged lack of benefits to the Hospital or based on failure by any other franchisee (with or without our permission) to make its contributions to the Brand Fund.

12.3.3. PVS will prepare an annual unaudited statement of contributions to and expenditures of the Brand Fund, which will be provided to FRANCHISEE on written request. PVS has no obligation to have the Brand Fund independently audited. Any expenditures for independent accounting services in connection with the annual statement will be charged to the Brand Fund. Any unspent contributions remaining in the Brand Fund at the end of the year will remain in the Brand Fund for use in subsequent periods. PVS may, but has no obligation to, loan money to the Brand Fund from time to time and may charge reasonable interest for any such loans.

12.3.4. Nothing in this Agreement is intended or may be construed to create a trust or give PVS a fiduciary obligation with respect to the Brand Fund. Other than as expressly provided in this Section 12.3, PVS assumes no direct or indirect liability or obligation to FRANCHISEE with respect to maintenance, direction, or administration of the Brand Fund.

12.4. **Joint Marketing Programs**. PVS has the right to establish, and thereafter modify: (1) co-marketing programs in which PVS and franchisees join with suppliers or other third parties to cross-promote products and services; (2) joint marketing efforts in which multiple franchisees contribute to a specific ad or event; and/or (3) local or regional marketing cooperatives that pool funds of franchisees on an ongoing basis to jointly promote the Marks and the Hospitals of the

members. FRANCHISEE will participate in each applicable joint marketing program and comply with the rules of the program.

12.5. Approval. FRANCHISEE will request prior written approval from PVS for all advertising and promotional materials FRANCHISEE intends to use. FRANCHISEE will submit all proposed advertising and promotional materials to PVS at least thirty (30) days before their intended use, except that FRANCHISEE is not required to submit materials that were prepared by PVS or that PVS has approved within the prior six (6) months. All proposed advertising should align with the Marks. Proposed advertising materials are deemed to be disapproved unless PVS has approved them in writing within fifteen (15) days after submission. Neither the approval of FRANCHISEE's advertising and promotional material nor the provision of any such materials by PVS will, directly or indirectly, require PVS to pay for any such advertising or promotion. PVS will not be responsible for confirming compliance with Applicable Laws for any advertising and promotional materials proposed or submitted by FRANCHISEE.

12.6. Digital Marketing. Unless PVS has agreed to it in writing, FRANCHISEE will not create, use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Marks (or any derivative thereof) or any other marks or that promotes any products or services of the Hospital or FRANCHISEE. FRANCHISEE acknowledges that the use of any electronic medium constitutes advertising and promotion subject to PVS's approval under Section 12.5. FRANCHISEE will not post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with PVS's brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that PVS prescribes. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Hospital must be requested through PVS. PVS will register them in PVS's name and provide FRANCHISEE with administrative access only, retaining ownership and ultimate control for PVS. PVS may offer to provide, or may require that FRANCHISEE have, a website for the Hospital (which may be structured as a separate page of a consumer website(s) supported by the Brand Fund) and PVS may charge FRANCHISEE a reasonable fee for development and/or support of the Hospital-specific site.

13. FEES.

13.1. License Fee. From and after the Ramp-Up Period, and continuing throughout the Term of this Agreement, FRANCHISEE will pay PVS, as consideration for the License, the following amounts (the "License Fee"):

	Annual License Fee		**Monthly License Fee**
Franchise Year(s)	/Sq. Ft.	Total	Total
Initial Term	$	$	$

Commencement Date through [INSERT]			
[1st Extension Period] [INSERT] through [INSERT]	$	$	$

If the first day following the Ramp-Up Period falls on a day other than the first day of a calendar month, the License Fee payable for such partial month will be prorated based on the actual number of days in that month and be paid together with the License Fee for the following month. PVS reserves the right to change the billing period and payment date for the License Fee.

13.2. Hospital Occupancy Costs. From and after the Ramp-Up Period, FRANCHISEE will pay to PVS the Hospital Occupancy Costs on a monthly basis. "Hospital Occupancy Costs" means the Hospital's share, based on square footage, of the total occupancy-related costs, plus any administrative fees, in connection with the use and occupancy of the Premises (including the Hospital). Occupancy-related costs include, but are not limited to, property insurance, liability insurance, common area expenses, electric and water/sewer charges and real property taxes. The Hospital Occupancy Costs from the Commencement Date through the end of the first partial calendar year of the Initial Term will be $[X.XX] multiplied by the Hospital GFA, prorated based on the number of days in the first partial calendar year of the Initial Term. For each calendar year of the Term after the first partial calendar year of the Initial Term, the Hospital Occupancy Costs will be increased by 4% (or by the annual increase in the U.S. Consumer Price Index – All Urban Consumers, if higher) over the immediately preceding calendar year. At the same time and in the same manner FRANCHISEE pays the License Fee, FRANCHISEE will pay PVS 1/12th of the amount of the Hospital Occupancy Costs for the applicable calendar year. PVS reserves the right to change the billing period and payment date for the Hospital Occupancy Costs.

13.3. Occupancy Payments. The License Fee and Hospital Occupancy Costs will be collectively referred to as the "Occupancy Payments."

13.4. Franchise Royalty. In addition to the Occupancy Payments, FRANCHISEE will pay an ongoing royalty fee ("Royalty Fee") calculated as follows:

• 7% of the first $1 Million of Hospital Revenue in the Fiscal Year; then
• 6% of Hospital Revenue above $1 Million and up to $1.5 Million in the Fiscal Year; then
• 5% of Hospital Revenue in excess of $1.5 Million in the Fiscal Year.

The royalty rate reverts to 7% at the start of the next Fiscal Year. "Fiscal Year" means the 52- or 53-week period ending on the Sunday closest to January 31st, and "Fiscal Month" means each 4-week or 5-week accounting period in PVS's retail calendar. PVS will provide its fiscal calendar to FRANCHISEE prior to the start of each Fiscal Year. Unless PVS designates a different

period, the Royalty Fee will be paid monthly based on Hospital Revenue for the preceding Fiscal Month.

"Hospital Revenue" means all revenues generated and collected from services and products sold by or through FRANCHISEE and all other income of every kind related to the Hospital or FRANCHISEE, net of any discounts or refunds to customers. If FRANCHISEE makes a claim for business interruption insurance, "Hospital Revenue" includes the amount of revenue used to determine FRANCHISEE's loss. "Hospital Revenue" does not include any sales taxes or other taxes FRANCHISEE collects from customers and pays directly to the appropriate taxing authority. PVS may determine Hospital Revenue from data in the practice information management system (PIMS). PVS reserves the right to modify this definition consistent with industry practices regarding revenue recognition and revenue reporting as circumstances, business practices, and technology change.

13.5. Brand Fund Contribution. FRANCHISEE will pay an ongoing fee in an amount designated by PVS, up to 1.5% of Hospital Revenue in the Fiscal Year, as a contribution to the Brand Fund. The Brand Fund contribution will be calculated for the same period and paid in the same manner as the Royalty Fee and will be used as described in Section 12.3.

13.6. Local Marketing Spend. FRANCHISEE will spend, on an annual basis, an amount designated by PVS, up to 0.5% of Hospital Revenue in the Fiscal Year, for local marketing that targets customers within the local geographic area of the Hospital (the "Local Marketing Spend"). Materials developed and methods of distribution, including media and vendors, for the Local Marketing Spend, must be approved by PVS under Section 12.5. At PVS' request, FRANCHISEE will provide all supporting documentation evidencing compliance with this Section.

13.7. Technology Fee. FRANCHISEE will pay a periodic fee to PVS for the IT services and infrastructure related to equipment provided by PVS (the "Technology Fee") as specified in the Brand Standards Manual. Unless PVS designates a different period, the Technology Fee will be paid on the same schedule and manner as the Royalty Fee. PVS may also charge separately for support calls as provided in the Brand Standards Manual. PVS may revise the Technology Fee at any time on reasonable notice to FRANCHISEE, which need not be more than thirty (30) days.

13.8. Business Tax and Licenses. FRANCHISEE will promptly pay: (i) all costs and expenses relating to the operation of the Hospital; and (ii) all business or other applicable taxes in respect of the business carried on by FRANCHISEE in or by reason of its occupancy or use of the Hospital including, but not limited to, all federal, state and local tax payments (excluding real property taxes as such are paid pursuant to Section 13.2), fees, penalties and assessments arising out of FRANCHISEE's business activities, business licenses, sign licenses, and occupancy licenses (including the obtaining of such licenses and/or permits). PVS will have no obligation to obtain any such licenses or permit or pay any such costs and expenses.

13.9. Payment Method. For all amounts payable to PVS and affiliates (including but not limited to amounts due for purchases of goods and services, Occupancy Payments, Royalty Fees, Brand Fund contributions, and Technology Fees), FRANCHISEE will use one or more payment

method(s) that PVS designates from time to time. If PVS requires payment by electronic funds transfer (EFT), such as by automated clearing house transfer (ACH), FRANCHISEE will designate an account at a commercial bank of its choice (the "Account") and furnish the bank with authorizations as necessary to permit PVS to make direct debit withdrawals from the Account. FRANCHISEE will maintain sufficient funds in the Account to cover the amounts payable to PVS and its affiliates. If funds in the Account are insufficient to cover the amounts payable at the time PVS makes a direct debit withdrawal, the amount of the shortfall will be deemed overdue. PVS shall not be responsible for any fees costs, liabilities, or expenses relating to or in connection with FRANCHISEE being overdrawn on its Account or otherwise having insufficient funds.

13.10. No Set-off; Application of Payments. FRANCHISEE's obligations for the full and timely payment of the fees described in this Agreement are absolute and unconditional. FRANCHISEE will not set off, deduct, delay, escrow or withhold any payment based on alleged non-performance of obligations by PVS or any other claims that FRANCHISEE believes it has against PVS or its affiliates. PVS may apply any payments received from FRANCHISEE to Occupancy Payments, Royalty Fees, Brand Fund contributions, Technology Fees, purchases from PVS or its affiliates, interest, late charges or any other obligation in the order PVS chooses, regardless of any designation FRANCHISEE makes.

13.11. Estimated Payments. If PVS does not receive Hospital Revenue data from the Hospital's information systems or from FRANCHISEE as provided in Section 30.2, PVS will have the right to estimate Hospital Revenue for the period and to withdraw by direct debit from the Account the estimated amount due for any charges that are calculated based on Hospital Revenue. When PVS receives the delinquent Hospital Revenue data, PVS will reconcile any difference between the estimated amount and the actual charges due for the period.

13.12. Late Fee and Interest. If any payment due PVS is not received within 10 days after the due date, in addition to the payment due, FRANCHISEE will pay PVS a late fee of the greater of $150.00, plus Interest (as defined below) for each day that payment is not made as required by this Agreement. As used herein, the term "Interest" means interest at the rate of: (a) 4% per annum over the prime rate of interest announced from time to time by JP Morgan Chase & Co. (or if such bank ceases to exist or to regularly announce a prime rate, by the largest bank headquartered in the U.S. that announces a prime rate); or (b) the maximum rate allowed by Applicable Laws, whichever is less. Interest will be due and owing from the payment due date until such payment is made in full.

13.13. Withholding Taxes. If FRANCHISEE is obligated by law to withhold any non-resident income taxes that are assessed against PVS by taxing authorities in the jurisdiction where the Premises are located ("Withholding Taxes"), and FRANCHISEE fails to withhold or to pay any Withholding Taxes on time to the appropriate government authority, FRANCHISEE will indemnify PVS and its affiliates for any penalties, interest, and expenses (including legal and accounting fees) that they incur because of FRANCHISEE's failure to withhold or to pay the taxes as required by law.

14. CONDITION OF PREMISES; ALTERATIONS; SIGNAGE.

14.1. Condition of Premises. Subject to Applicable Laws and any required approvals required from PETSMART and the landlord, PVS will construct the Hospital, including interior and exterior signage, in the manner consistent with the Brand Standards Manual unless otherwise agreed by PVS and FRANCHISEE**.** Subject to the obligations in this Section, PVS will have no obligation whatsoever to make additions or alterations to the Hospital, and, on the Delivery Date, FRANCHISEE agrees to accept the Hospital in its "AS-IS" condition, with all faults, and without warranty, express or implied (the "Delivery Condition"). Other than signage provided by PVS, FRANCHISEE will have no right to any additional signage at the shopping center in which the Premises are located (the "Shopping Center").

14.2. Alterations. All Alterations will require, in addition to all consents required under the Lease, the prior written consent of PVS, which may be withheld in PVS's sole discretion. "Alterations" means any alterations, additions, restorations, changes, replacements, or installations in, of, or to the Hospital or Premises. All Alterations will be performed: (i) diligently; (ii) in a good and workmanlike manner; (iii) by vendors approved by PVS; and (iv) in compliance with the System Standards and Applicable Laws. During the Blackout Period, FRANCHISEE is prohibited from making any Alterations to the exterior of the Hospital or undertaking any Alterations which may disrupt the operation of the Premises.

15. MAINTENANCE AND SECURITY.

15.1. Hospital Maintenance. FRANCHISEE will maintain the Hospital in a clean, safe, and modern condition, oriented towards providing friendly, high-quality veterinary and customer service, free from dirt, rubbish, or waste at all times, and in good order and repair. FRANCHISEE will, at its sole cost and expense, provide the Hospital with all services and personnel necessary to provide for the proper security, maintenance, and cleanliness of the Hospital. The hiring of any such personnel, including any security agency or sanitary service, will be subject to the prior written approval of PVS.

15.2. Hospital Maintenance Services. Responsibility for maintenance and repairs will be allocated between PVS and FRANCHISEE as provided in the Brand Standards Manual. PVS will provide, at its cost, the maintenance and repair services allocated to PVS. FRANCHISEE will be responsible for all other repair and maintenance services including the costs of performing the same. For maintenance and repair services allocated to FRANCHISEE, FRANCHISEE will follow the procedures set forth in the Brand Standards Manual to schedule the maintenance and repair services using vendors approved by PVS. Each party agrees to promptly perform, or have performed, such maintenance and repairs as are its responsibility. FRANCHISEE will permit PVS or its designated maintenance contractor to enter the Hospital to make any necessary repairs or replacements for which PVS is responsible under this Agreement, and in so doing PVS will use commercially reasonable efforts to minimize interruption of FRANCHISEE's business. In any situation of a sudden and urgent nature requiring immediate action to avoid serious or severe personal injury or property damage ("Emergency"), PVS may enter the Hospital to remedy such Emergency, in which event PVS will give FRANCHISEE notice as soon as reasonably practicable under the circumstances of the reason for and time of entry and of the actions taken by PVS. If

PVS takes action to remedy the Emergency and the Emergency was caused by a circumstance other than PVS's failure to provide maintenance and repair services specifically set out in the Brand Standards Manual, FRANCHISEE will reimburse PVS for the reasonable and actual costs incurred by PVS. Notwithstanding the foregoing, if any repairs required for which PVS is responsible under this Agreement are necessitated by the negligence or willful misconduct of FRANCHISEE (or its agents, contractors or employees), PVS will complete such repairs and FRANCHISEE will reimburse PVS for the reasonable and actual costs incurred by PVS.

15.3. Payment for Maintenance Services. For maintenance and repair services allocated to FRANCHISEE, unless PVS designates a different period, the costs and expenses incurred for maintenance and repair services will be charged to FRANCHISEE and paid in accordance with Section 13.9.

16. UTILITIES. PVS agrees to cause to be available to the Hospital water, electricity, sewer, and trash service (other than for hazardous materials and medical wastes which FRANCHISEE will dispose of at its sole cost and expense in accordance with Applicable Laws) ("Utilities"). PVS will not be liable for any interruption whatsoever in Utility services or other services provided to FRANCHISEE unless such interruption is due to PVS's gross negligence or intentional misconduct. The cost of the Utilities is included in the Hospital Occupancy Costs.

17. INSURANCE REQUIREMENTS. From and after the Delivery Date, FRANCHISEE will maintain, at its sole cost and expense, through the end of the Term and for at least 2 years thereafter, the following insurance coverage with reputable insurance companies authorized by law to conduct business in the United States with the financial rating of at least A-VII status, as rated in the most recent edition of Best's Insurance Reports:

(a) a commercial general liability insurance policy with full limits, achieved either by primary or excess/umbrella insurance, for bodily injury and property damage of not less than $1,000,000 per occurrence, with an aggregate limit of not less than $2,000,000, such policies to include products liability and contractual liability and contain no exclusion related to FRANCHISEE's compliance with mandatory or voluntary safety standards of the United States;

(b) if automobiles are used in connection with FRANCHISEE's business operations, an automobile liability insurance policy with limits of not less than $1,000,000 combined single limit;

(c) workers' compensation insurance, including coverage for occupational disease, in the benefit amounts required by Applicable Laws, and employer's liability insurance, with limits of bodily injury by accident of not less than $1,000,000 each accident, bodily injury by disease of not less than $1,000,000 policy limit, and bodily injury by disease of not less than $1,000,000 each employee; coverage must also include coverage for temporary and contingent workers;

(d) property insurance coverage in an amount equal to the full replacement value of FRANCHISEE's property, including but not limited to fixtures, furniture, equipment, machinery, goods, supplies, wares, or merchandise in the Premises;

(e) veterinary malpractice insurance for FRANCHISEE, the Hospital Veterinarians, employees, agents, and staff in an amount not less than $1,000,000 per incident with a $3,000,000 annual aggregate; and

(f) a crime insurance bond with policy coverage limits of not less than $250,000 per Occurrence. "Occurrence" will mean each criminal act giving rise to an event of coverage and not to each individual claim based on such criminal act.

Any retention or deductible under the above coverages will not exceed $25,000. The amount of retention or deductible must be shown on the certificate of insurance, and any retention or deductible in excess of $25,000 must be approved by PVS in writing at its sole discretion. Additionally, should FRANCHISEE's commercial general liability, umbrella, or excess liability policy annual aggregate limit applicable to any policy year become exhausted, FRANCHISEE agrees to immediately replace the coverage and liability limits for that policy year.

The insurance policies will be provided on a primary and noncontributory basis and, with the exception of the worker's compensation and employers Liability coverage, will name "PetSmart Veterinary Services, LLC.," "PetSmart LLC," and any others PVS designates to FRANCHISEE (including their parents, subsidiaries, affiliates, officers, directors, employees, agents, and other representatives) as additional insureds (the "Additional Insureds"). The insurance policies must also include: (i) separation of insureds (otherwise known as a cross-liability clause); (ii) a waiver of subrogation in favor of the Additional Insureds; and (iii) for the general liability policy, cover for PVS's property that is in the care, custody or control of FRANCHISEE. FRANCHISEE will provide to PVS a certificate of insurance or similar binder for each policy evidencing compliance with this Agreement, and on each anniversary thereafter, and upon 10 days of written request from PVS. FRANCHISEE will send such certificates or binders to riskmanagement@petsmart.com. Should any of the above policies be canceled before the expiration date thereof, notice will be delivered in accordance with the applicable policy provisions. The insurance coverage provided for in this Agreement will not act to limit FRANCHISEE's liability under this Agreement. PVS reserves the right to adjust coverage limits depending on the risks inherent in FRANCHISEE's business operation.

18. **INDEMNIFICATION**. FRANCHISEE agrees to hold harmless, defend, and indemnify PVS, its affiliates, the landlord under the Lease, and their respective past, present, and future officers, directors, members, shareholders, employees, and agents against any claims, losses, costs, expenses, liabilities, and damages (collectively, **"**Claims**"**) arising directly or indirectly from, as a result of, or in connection with FRANCHISEE's use, occupancy, management or control of the Hospital or FRANCHISEE's conduct or activities in the Shopping Center or under this Agreement, as well as the costs of defending against such Claims (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs, and interest). To the extent permitted by Applicable Law, this indemnity includes Claims alleged to be caused by PVS's negligence, unless (and then only to the extent that) the Claim is finally determined by a court to have been caused by PVS's gross negligence or willful misconduct. With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect any of the indemnitees, the indemnitees will have the right, but no obligation, to: (i) choose counsel; (ii) direct, manage, and control the handling of the matter; and (iii) settle, on behalf of the indemnitees, any claim against the indemnitees. FRANCHISEE's obligation under this Section is not limited by the amount of

FRANCHISEE's insurance coverage. This Section will survive the expiration or termination of this Agreement.

19. FRANCHISEE'S DEFAULT.

19.1. Default, Notice and Cure Period. If FRANCHISEE defaults in the performance of any of its obligations or covenants under this Agreement, PVS may give notice to FRANCHISEE, which notice will specify the nature of such default. If FRANCHISEE does not cure the default within 10 days (as to a default in payment), or within 30 days in all other cases of default, PVS will be entitled to all remedies set forth in Section 19. Any other provisions of this Agreement expressly providing for a specific cure period or providing for a remedy without expressly requiring a cure period, will supersede any cure period set forth in this Section 19.1. For the sake of clarity, in addition to FRANCHISEE's other obligations or covenants under this Agreement, the following will also constitute an event of default by FRANCHISEE:

(a) failure to operate waste disposal equipment to minimize insect or other vermin infestation and to prevent odor and disease hazards or other nuisance conditions;
(b) failure to have sanitary and aesthetic disposal of dead animals and other wastes which complies with Applicable Laws;
(c) failure to store supplies, including food and bedding, in a manner which adequately protects against infestation, contamination, or deterioration;
(d) failure to adequately refrigerate supplies that are of a perishable nature, including foods, drugs, and biologicals;
(e) failure to provide examination and surgery tables with impervious surfaces;
(f) failure to maintain cages, pens, exercise areas, or stalls for confinement of animals in a comfortable, sanitary, and safe manner;
(g) failure to maintain the Hospital in a clean, orderly, and sanitary condition; or
(h) failure to store, maintain, administer, dispense, and prescribe controlled substances in compliance with Applicable Laws.

19.2. PVS's Remedies. If FRANCHISEE fails to cure any default within the applicable cure period, PVS will be entitled to all Available Remedies including, but not limited to, termination of this Agreement, terminating FRANCHISEE's right to enter the Hospital, re-entering the Hospital, dispossessing FRANCHISEE (and any other permitted occupants thereof) and holding the Hospital free of this Agreement. Upon dispossession from the Hospital, FRANCHISEE will be entitled to remove its Trade Fixtures (defined in Section 32.3) and property (including any live animals). PVS's Available Remedies will include the right to incur any expense reasonably necessary to perform the obligations of FRANCHISEE arising from its default and the right to receive reimbursement from FRANCHISEE for such costs. "Available Remedies" means, collectively, all rights and remedies available to the applicable party under this Agreement, at law or in equity.

19.3. Immediate Termination. PVS may terminate this Agreement by written notice to FRANCHISEE, without opportunity to cure, in the event:

(a) the Lease expires or is sooner terminated for any reason;

(b) FRANCHISEE violates Section 8.12;

(c) FRANCHISEE or any Owner appears on any government list of "blocked" persons or FRANCHISEE's assets, property, or interests are "blocked" under any anti-terrorism law or similar law that prohibits PVS from doing business with FRANCHISEE or the Owner;

(d) FRANCHISEE receives three (3) or more notices of default under Section 19.1 within any twelve (12) month period, whether the defaults are of a similar or different nature and whether or not any of them is cured after notice;

(e) the filing of a bill in equity or other proceeding for the appointment of a receiver or trustee for all or a substantial part of the assets or properties of FRANCHISEE or the Hospital;

(f) FRANCHISEE is adjudicated bankrupt or judged to be insolvent;

(g) any advertisement for the bulk liquidation of FRANCHISEE's assets or property under bankruptcy, insolvency or similar Applicable Laws, or if the bulk assets or property of FRANCHISEE are attached or levied upon; or

(h) any purported transfer or assignment of this Agreement, of any ownership interest in FRANCHISEE, or in the assets of the Hospital that is contrary to Section 26.

In the event of termination under this Section 19.3, PVS will be entitled to all Available Remedies.

19.4. Store Lease Default. If PVS is in default under the License or PETSMART is in default under the Lease because of an act or omission of FRANCHISEE which is not cured by FRANCHISEE within a reasonable period of time after receipt of written notice from PVS, PVS: (a) may take such action as is reasonably necessary to cure the default; and (b) FRANCHISEE will pay for all reasonable costs incurred and reimburse PVS for all reasonable costs previously paid in connection with the default and/or the cure. If the default is not capable of being cured through reasonable efforts of PVS, then PVS will have the right to immediately terminate this Agreement. If Landlord is in default under the Lease and, as a result, PETSMART elects to terminate the Lease or PVS elects to terminate the License, PVS shall not be liable to FRANCHISEE and FRANCHISEE shall not be liable to PVS. If PETSMART elects to terminate the Lease or PVS elects to terminate the License due to a default of Landlord, this Agreement will terminate on the date the Lease or License terminates.

19.5. Store Lease Termination. In the event that the Lease expires during the Term of this Agreement, subject to Section 19.3(a), the Parties will use good faith efforts to identify another PETSMART store location where PVS has, or is able to, license space for the operation of a PVS Hospital and relocate FRANCHISEE, at PVS's commercially reasonable cost, to that location upon terms consistent with this Agreement. If the Parties have not agreed to a specific site for relocation within thirty (30) days after the Lease expires, either Party may terminate this Agreement.

19.6. Termination Based on Court Order. In the event a court or other legal authority rules that PVS or its affiliates are prohibited from engaging in the PETSMART VETERINARY SERVICES franchise program, PVS will have the right to terminate this Agreement by written notice to FRANCHISEE, without liability to FRANCHISEE or PVS, and FRANCHISEE will have the

option to (i) terminate this Agreement and wind down the operation of the Hospital and vacate the Hospital on a schedule to be agreed between PVS and FRANCHISEE; or (ii) convert the Hospital to a different name and continue to operate the Hospital under the terms and conditions of PETSMART's standard Independent Veterinary Operator Agreement.

19.7. Step In Rights. In addition to PVS's right to terminate this Agreement, and not in lieu of that right or any other rights PVS may have, upon FRANCHISEE's failure to cure any default within the applicable cure period (if any), PVS will have the right, but not the obligation, to appoint a management company (the "Manager") to enter the Hospital premises and to exercise complete authority with respect to the operation of the Hospital until such time as PVS determines that the default has been cured and FRANCHISEE is otherwise in compliance with this Agreement. If PVS exercises the right described in this Section, FRANCHISEE will pay the Manager a management fee equal to the greater of 10% of Hospital Revenue or $500 per day, and FRANCHISEE will reimburse the Manager for all costs and overhead, if any, incurred in connection with the operation of the Hospital. If PVS appoints a Manager pursuant to this Section, FRANCHISEE agrees to indemnify and hold PVS (and its designees and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of the Manager's operation of the Hospital.

20. PVS'S DEFAULT.

20.1. Default, Notice and Cure Period. If PVS defaults in the performance of any of its obligations or covenants under this Agreement, FRANCHISEE may give notice to PVS, which notice will specify the nature of such default and indicate the action needed to cure such default. If PVS does not cure such default within 30 days after receipt of such notice (or if such default is of a nature that cannot be reasonably cured within such 30-day period, then within such longer period as is reasonably required to cure such default, provided PVS commences such cure within said 30-day period and thereafter pursues the completion thereof with reasonable diligence), FRANCHISEE will be entitled to all remedies set forth in Section 20.2, except there will be no duplication of remedies. Any other provisions of this Agreement expressly providing for a specific cure period, or providing for a remedy without expressly requiring a cure period, will supersede any cure period set forth in this Article 20.

20.2. FRANCHISEE's Remedies. Subject to Section 20.3, if PVS fails to cure any default within the applicable cure period, then, except as set forth in this Section 20.2, FRANCHISEE's sole remedy will be to pursue an action for money damages or equitable relief against PVS, and FRANCHISEE will not be entitled to terminate this Agreement as a result of the default unless such default was material and a willful and intentional act of PVS.

20.3. Limitation of Liability. Notwithstanding any contrary provision of this Agreement, PVS will not be liable to FRANCHISEE or any of the FRANCHISEE PARTIES (as defined in Section 22.1) for any consequential, special, indirect, exemplary or punitive damages of any kind or nature, whether arising as a result of a PVS default under this Agreement or otherwise. In the event FRANCHISEE is successful in an action against PVS for monetary damages pursuant to Section 20.2, FRANCHISEE agrees, to the fullest extent permitted by law, to limit the liability of PVS, whether arising from breach of contract, negligence, or other common

law or statutory theory of recovery, or claims and/or expenses from any cause or causes, including attorney's fees and costs and expert witness fees and costs, so that the total aggregate liability of PVS shall not exceed the total monetary value of: (a) the Royalty Fee and Occupancy Payments for the prior 12 months; plus (b) the unamortized balance of the cost of the improvements made by FRANCHISEE to the Hospital as of the date immediately prior to FRANCHISEE's cessation of business in the Hospital, as determined in accordance with generally accepted accounting principles (but in no event will the useful life of such improvements be deemed to be greater than 15 years); plus (c) if FRANCHISEE terminates this Agreement and vacates the Hospital, the commercially reasonable costs for moving FRANCHISEE's property from the Hospital to a location within 10 miles of the Hospital, not to exceed $15,000. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law, including but not limited to negligence, breach of contract, or any other claim whether in tort, contract or equity.

21. OBLIGATIONS ON TERMINATION OR EXPIRATION

21.1. De-branding. Unless PVS directs otherwise, upon termination or expiration of this Agreement under any circumstances, FRANCHISEE will:

21.1.1. Cease to operate the Hospital;

21.1.2. Peaceably and quietly quit and surrender the Hospital (including all Alterations), broom-clean, in good order and condition, reasonable wear and tear excepted;

21.1.3. Remove all branded presence of the Hospital online and in any mobile network or other electronic marketing or communications channel, whether authorized or unauthorized by PVS, including but not limited to any social media, blog, messaging system, email account, user name, text address, directory, or smart phone application, and transfer to PVS all domain name registrations and other accounts, profiles, pages, user names, and registrations for such media. If FRANCHISEE does not voluntarily transfer any domain names, accounts, profiles, pages, user names, and registrations, the registrars and hosts of any such electronic marketing or communications channels may accept this Agreement as evidence of PVS's exclusive rights in the domain names, accounts, profiles, pages, user names, and registrations and of our authority to direct their transfer on FRANCHISEE's behalf. FRANCHISEE acknowledges that when the domain names, accounts, profiles, pages, user names, and registrations are transferred, all hosted content will also be transferred to PVS, including all data housed on the electronic marketing and communications channels as well as all members, friends, contacts and customers who are linked to the accounts or sites;

21.1.4. Cease to use all Confidential Information of PVS and its affiliates (including the Brand Standards Manual), the Marks, and all other distinctive elements associated with the PVS System, and return to PVS all materials in FRANCHISEE's possession or control, in any medium, that contain Confidential Information or bear any of the Marks;

21.1.5. Leave in place at the Hospital all Equipment provided by PVS;

21.1.6. Provide PVS with all Hospital Records and Customer Data as permitted by Sections 8.26 and 8.27;

21.1.7. Withdraw all advertising that can be canceled and remove all letterhead and other items that display the Marks;

21.1.8. Cancel any assumed name registration or equivalent registration that contains "PetSmart Veterinary Services" or any variation thereof or any other Marks, and furnish evidence satisfactory to PVS of compliance with this obligation within five (5) days after termination or expiration of this Agreement;

21.1.9. Not directly or indirectly represent FRANCHISEE to the public or hold yourself out as a present or former franchisee of a PVS Hospital; and

21.1.10. Not use any reproduction, counterfeit, copy, or colorable imitation of the Marks in connection with any other business that, in PVS's opinion, is likely to cause confusion, mistake, or deception or to dilute PVS's its affiliates' rights in and to the Marks.

21.2. Continuing Obligations. All obligations which expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment and continue beyond the term and termination of this Agreement. For greater certainty, the surviving obligations include, without limitation, the following obligations for which FRANCHISEE will remain liable to PVS:

21.2.1. Prompt payment of all sums owing to PVS and its affiliates;

21.2.2. Permitting PVS access to and examination of books and records as provided in Section 30;

21.2.3. Not using or disclosing any Confidential Information of PVS or its affiliates;

21.2.4. Not making any statements about PVS or its affiliates that may constitute trade disparagement;

21.2.5. Complying with the post term restrictions on competition in Section 29.1; and

21.2.6. Indemnifying PVS with respect to the period through the effective date of expiration, termination or transfer as provided in Section 18.

22. ENVIRONMENTAL RESPONSIBILITIES.

22.1. FRANCHISEE's Responsibilities. FRANCHISEE will not (and FRANCHISEE will cause the FRANCHISEE PARTIES to not) sell, use, store, or release in or around the Shopping Center any Hazardous Substances in violation of Applicable Laws. FRANCHISEE will

defend, indemnify (including, but not limited to, causing the remediation and removal of same at FRANCHISEE's sole cost and expense) and hold harmless PVS and the Additional Insureds (as defined in Section 17) from and against any claims, demands, losses, costs, or liabilities caused by any breach by FRANCHISEE of this obligation. This indemnification will survive and continue after the expiration or termination of this Agreement. "Hazardous Substances" means, collectively, any flammable explosives, radioactive materials, petroleum, natural gas liquids, underground or aboveground storage tanks, any PCB-contaminated items, mold, asbestos, lead paint, hazardous materials or wastes, or any other hazardous or toxic substance defined as such under any Applicable Laws. "FRANCHISEE PARTIES" means FRANCHISEE's parents, subsidiaries, affiliates, officers, directors, shareholders, members, employees, agents, services providers, and other representatives.

22.2. PVS's Responsibilities. PVS will not sell, use, store, or release in or around the Shopping Center any Hazardous Substances in violation of Applicable Laws. PVS will defend, indemnify (including, but not limited to, causing the remediation and removal of same at PVS's cost) and hold harmless FRANCHISEE and the FRANCHISEE PARTIES from and against any claims, demands, losses, costs, or liabilities caused by any breach by PVS of this obligation. This indemnification will survive and continue after the expiration or termination of this Agreement. However, with respect to the presence of any Hazardous Substances at the Shopping Center occurring after the Delivery Date and not attributable to PVS or its affiliates, PVS will use commercially reasonable efforts to enforce its rights pursuant to the terms of the Lease, but PVS will have no liability, exposure, defense, or indemnification obligations to or in favor of FRANCHISEE.

23. CASUALTY AND CONDEMNATION. FRANCHISEE will give written notice to PVS of any material damage caused to the Hospital or Premises by fire or other casualty promptly upon learning thereof. In the event:

(a) the Hospital is destroyed and untenantable to an extent in excess of 50% percent of the Hospital GFA by a casualty; or

(b) if more than 50% percent of the Hospital GFA will be taken for any public or quasi-public use under government law;

then PVS may, in its sole discretion, elect either to terminate this Agreement or to proceed to rebuild, repair or reapportion the Hospital. PVS will give written notice to FRANCHISEE of such election within 30 days after the occurrence of such casualty or taking, and, if it elects to rebuild, repair, or reapportion, will proceed to do so with reasonable diligence.

In the event the Hospital should be damaged by casualty or taken for public or quasi-public use in a manner so as to impair the ability of FRANCHISEE to conduct FRANCHISEE's Business in accordance with Applicable Laws in the Hospital and PVS does not terminate this Agreement in accordance with the preceding paragraph and such damage or destruction is not repaired and restored, or the Hospital is not reapportioned due to such taking, within 180 days after the date of such casualty or taking, FRANCHISEE will have the right, at its option, to terminate this Agreement by giving written notice to PVS specifying the date of such termination. PVS's obligation to rebuild, repair, or reapportion under this Article 23 will in any event be limited to

restoring the Hospital to substantially the condition in which the same existed prior to the casualty or taking.

During any period of reconstruction, repair, or reapportionment of the Hospital, FRANCHISEE will continue the operation of its business within the Hospital, to the extent practicable. During the period from the occurrence of the casualty or taking until PVS's reconstruction, repair, or reapportionment is completed, the Occupancy Payments due from FRANCHISEE to PVS hereunder will be equitably abated to such extent as may be fair and reasonable under the circumstances. In the event it is impracticable for FRANCHISEE during any period of reconstruction, repair, or reappointment to operate its business in the Hospital and FRANCHISEE ceases operations, then the entire Occupancy Payments due from the FRANCHISEE to PVS hereunder will abate in its entirety until such time as the reconstruction, repair, or reapportionment is completed.

24. INTELLECTUAL PROPERTY.

24.1. IP License. PVS grants to FRANCHISEE a limited, revocable, non-exclusive, non-transferable license to use the Marks subject to the terms and conditions of this Agreement.

24.2. Ownership. Notwithstanding anything contained in this Agreement, FRANCHISEE acknowledges that it does not, and will not at any time, acquire any ownership interest in any of the Marks and will not apply for any intellectual property rights related to this Agreement. FRANCHISEE acknowledges that the ownership of the Marks is and will at all times remain PetSmart Home Office, Inc.'s property, and that any use of the Marks or goodwill associated with the Marks shall inure to the exclusive benefit of PetSmart Home Office, Inc. and its affiliates, and that nothing in this Agreement will confer on FRANCHISEE any right, title to, or interest in, to or under any of PetSmart Home Office, Inc.'s intellectual property, including without limitation the Marks. FRANCHISEE and its employees and agents will not contest or assist a third-party in contesting the validity of PetSmart Home Office, Inc.'s intellectual property worldwide. In the event FRANCHISEE at any time obtains or claims any rights in or to the intellectual property, FRANCHISEE will promptly notify PVS of such event and immediately transfer such rights to PetSmart Home Office, Inc., or its affiliates, as directed by PVS, and provide all required assistance and documentation related to such transfer. For such purposes, FRANCHISEE hereby appoints PVS as its attorney-in-fact for the transfer of such rights.

24.3. Use. FRANCHISEE will not use any Mark or portion of any Mark as part of any corporate name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols or in any modified form. FRANCHISEE will not use any Mark in connection with the sale of any products or services or in any other manner not expressly authorized in writing by PVS. FRANCHISEE will cooperate with PVS in maintaining PVS's rights with respect to the Marks and will execute all such documents as PVS may reasonably request to confirm, perfect, or continue such rights.

24.4. Modification. FRANCHISEE recognizes that from time to time after the Effective Date, PVS may change or modify the Marks, including, without limitation, the adoption and use of new or modified trade names, trademarks, service marks, logos, or copyrighted materials.

FRANCHISEE acknowledges that any such changes in the Marks will be deemed to be part of the Marks at the time of the Effective Date. In the event PVS modifies any of the Marks, PVS will be responsible for all reasonable costs associated with implementing the changes at the Hospital.

24.5. Improvements. FRANCHISEE will not introduce any Improvement into the Hospital or PVS System without the prior written consent of PVS. "Improvement" means any change, idea, innovation, concept (including any advertising slogan or idea), product, process, or improvement that may enhance or improve the PVS System. Any Improvement developed by FRANCHISEE or any Owner, employee or agent of FRANCHISEE is the property of PVS. At PVS's request, FRANCHISEE will provide PVS with information about the Improvement and sign any documents necessary to verify assignment of the Improvement to PVS, without compensation. PVS will have the right to use, disclose, and/or license the Improvement for use by others.

25. CONFIDENTIAL INFORMATION.

25.1. Definition. In this Agreement, "Confidential Information" means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that PVS and its affiliates disclose to FRANCHISEE PARTIES or that any of them obtain by virtue of this Agreement or any activities under this Agreement, including but not limited to: (i) the System Standards and contents of the Brand Standards Manual; (ii) development and marketing plans for PVS Hospitals; (iii) PVS's business methods and sales systems; (iv) non-public techniques, specifications, standards, policies, and procedures relating to the operation of PVS Hospitals; (v) Hospital Records and Customer Data; (vi) the financial performance of and other operating data about PVS Hospitals; (vii) vendor lists, terms of purchase, and other information concerning the selection and sourcing of products, services, technology, equipment and supplies for PVS Hospitals; (viii) the results of any surveys, feasibility studies, marketing studies, or cost studies conducted by or for PVS; and (ix) any other business plans and non-public information about PVS and its affiliates that would have commercial value to competitors of PVS and its affiliates.

25.2. Nondisclosure. FRANCHISEE is prohibited, both during and after the term of this Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for FRANCHISEE's own benefit or for the benefit of any other person, other than for operation of the Hospital. FRANCHISEE may divulge Confidential Information only to FRANCHISEE's employees, agents and contractors who must have access in order to carry out their duties relating to the Hospital. All information that PVS designates as confidential will be deemed to be Confidential Information for purposes of this Agreement.

25.3. Individuals Affiliated with FRANCHISEE. At PVS's request, the FRANCHISEE PARTIES and any persons PVS designates are required to sign a separate Confidentiality and Non-Compete Agreement in a form acceptable to PVS. At our request, you are required to use best efforts to obtain signed confidentiality agreements from your landlord, contractors, and any other person outside of your organization to whom you wish to disclose any of our Confidential Information. The confidentiality agreements are required to be in a form

satisfactory to us and identify us as a third party beneficiary with the independent right to enforce the agreement.

26. ASSIGNMENT OR CHANGE OF OWNERSHIP.

26.1. By FRANCHISEE or Owner. PVS has entered into this Agreement in reliance on the business skill, financial capacity, and personal character of FRANCHISEE and its Owners. Accordingly, neither FRANCHISEE nor the Owners may, directly or indirectly, sell, assign, transfer, convey, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) (collectively, "Transfer") any direct or indirect interest in this Agreement, in FRANCHISEE, or in the assets of FRANCHISEE related to the Hospital without PVS's prior written consent. If FRANCHISEE is a corporation, limited liability company or other business entity, this Section also applies to the direct or indirect transfer of an ownership interest in FRANCHISEE. FRANCHISEE shall notify PVS in writing of any proposed Transfer at least sixty (60) days before the Transfer is to take place, and provide information and documentation relating to the proposed Transfer as PVS requests. FRANCHISEE and the Owners agree that the conditions of Transfer in Sections 26.3 through 26.6 below are reasonable and that they do not preclude other reasonable conditions that PVS may impose. PVS has the right to communicate with and counsel FRANCHISEE, the Owners, and the proposed transferee on any aspect of a proposed Transfer. If PVS has not responded within 60 days after PVS receives all requested information, PVS will be deemed to have refused consent. Unless otherwise agreed, PVS does not waive any claims against the transferring party if PVS approves the Transfer. If PVS does not approve the Transfer, FRANCHISEE must continue to operate the Hospital in accordance with this Agreement.

26.2. Right of First Refusal. PVS has the right, exercisable within 45 days after receipt of the notice required by Section 26.1, to send written notice to FRANCHISEE that PVS intends to purchase the interest proposed to be transferred. The request for approval of Transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, description of financing or other contingencies, and any other documents reasonably necessary to support a prudent business decision by PVS on whether to exercise the right of first refusal. PVS can assign its right of first refusal to someone else either before or after PVS exercises it. However, PVS's right of first refusal will not apply to a Transfer under Section 26.5 or to a Transfer to a spouse or adult son or daughter (including Transfers to a spouse, son, or daughter as a result of death or incapacity as described in Section 26.6)**.**

26.2.1. If the proposed Transfer is a sale, PVS or its designee may purchase on the same economic terms and conditions offered by the third party. Closing on the purchase must occur within sixty (60) days after the date of PVS's notice to the seller electing to purchase the interest. If PVS cannot reasonably be expected to furnish the same type of consideration as the third party, then PVS may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, FRANCHISEE and PVS will jointly designate and pay the cost of an independent appraiser, and the appraiser's determination will be final. PVS or its designee will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. Any material change in the third party's

offer after PVS has elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as for the third party's initial offer.

26.2.2. If a Transfer is proposed to be made by gift, FRANCHISEE and PVS will jointly designate, at PVS's expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. PVS or its designee will have thirty (30) days after receipt of the appraiser's determination to decide whether to purchase the interest at the fair market value determined by the appraiser. If PVS or its designee decides to purchase, closing on the purchase will occur within 45 days after notice to the transferor of that decision.

If PVS elects not to exercise its rights under this Section, the transferor may complete the proposed Transfer after complying with Sections 26.3 through 26.6, provided that the final sale price is not less than the price at which PVS was entitled to purchase. If PVS determines that the final sale price is less than the price at which PVS was entitled to purchase, PVS may refuse consent to the Transfer. Closing of the Transfer must occur within 60 calendar days of PVS's election not to exercise its rights. If closing does not occur within the 60-day period, the third party's offer will be treated as a new offer subject to PVS's right of first refusal.

26.3. Transfer of Entire Business. The conditions set forth in this Section apply to a proposed transfer of this Agreement and/or substantially all of FRANCHISEE's assets related to the Hospital, as well as to a proposed transfer of any direct or indirect ownership interest in FRANCHISEE that would result in a change of control of FRANCHISEE. Unless waived by PVS, the conditions are:

26.3.1. FRANCHISEE and the Owners must be in compliance with all obligations to PVS and its affiliates under this Agreement and any other agreements FRANCHISEE and the Owners have with PVS and its affiliates as of the date of the request for approval of the Transfer, or must make arrangements satisfactory to PVS to come into compliance by the date of the Transfer.

26.3.2. The proposed transferee must:

(a) Demonstrate to PVS's satisfaction that the proposed transferee and its owners and managers meet all of PVS's then-current qualifications to become the operator of the Hospital, which may include educational, managerial, and business standards; absence of involvement with Competing Businesses (as defined in Section 29); good moral character, business reputation, and credit rating; and aptitude and ability to operate the Hospital. If the proposed transferee is already a franchisee of PVS, that fact does not guarantee approval of the Transfer. PVS will have no less discretion with respect to a proposed transferee than PVS has with a new franchisee;

(b) Make arrangements to modernize and upgrade the Hospital, at the transferee's expense, to comply with PVS's then-current System Standards;

(c) Complete any training programs PVS then requires; and

(d) If the proposed transferee is an existing franchisee of PVS, the proposed transferee must not have any outstanding notice of default under any agreements with PVS and must sign a general release in a form acceptable to PVS.

26.3.3. FRANCHISEE must pay PVS a Transfer fee in an amount PVS designates, not to exceed $5,000.

26.3.4. At PVS's request, FRANCHISEE must sign PVS's then-current standard form of Franchise Agreement (or the standard form most recently offered to new franchisees). There is no limitation on the extent to which the terms of the new Franchise Agreement may differ from the terms of this Agreement.

26.3.5. FRANCHISEE and all Owners must sign a general release, in a form satisfactory to PVS, of all claims against PVS and its past, present and future affiliates, officers, directors, shareholders, agents and employees. FRANCHISEE and the Owners will remain liable to PVS for all obligations arising before the effective date of the Transfer.

26.3.6. The price and other proposed terms of the Transfer must not, in PVS's reasonable business judgment, have the effect of negatively impacting the proposed transferee's ability to operate the Hospital.

26.3.7. Any financing incurred in connection with the Transfer must be expressly subordinated to the proposed transferee's obligations to PVS and its affiliates.

26.4. **Transfer of Minority Ownership Interest**. For any proposal to admit a new Owner, to remove an existing Owner, or to change the existing distribution of ownership interests among the Owners, or for any other transaction that amounts to the Transfer of a minority equity interest in FRANCHISEE or this Agreement, FRANCHISEE must give PVS advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that PVS may request. PVS will have a reasonable time (not less than 45 days) after receiving all requested information to evaluate the proposed Transfer. PVS may withhold consent or give its consent subject to the conditions of Section 26.3 that PVS deems to be applicable. Each proposed new Owner must submit a personal application.

26.5. **Transfer to a Business Entity**. PVS will consent to the assignment of this Agreement to and assumption of this Agreement by a corporation or limited liability company that FRANCHISEE forms solely for the convenience of ownership (a **"Company"**), without payment of a Transfer fee, provided that FRANCHISEE complies with all of the following:

26.5.1. FRANCHISEE must provide PVS with proof that the Company is in existence and in good standing in the state where it was organized. The Company must have no other business besides the development and operation of Hospitals. The legal name of the Company must not contain any words or phrases similar to the Marks.

26.5.2. The Owners must hold equity interests in the Company in the same proportion as prior to the Transfer.

26.5.3. The Company must designate an Operating Partner, as defined in Section 8.5.

26.5.4. FRANCHISEE must reimburse PVS for the reasonable costs and expenses PVS incurs in connection with the assignment, including legal fees.

26.6. Transfer on Death, Incapacity or Bankruptcy. If FRANCHISEE or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to PVS in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 26.2 through 26.4, as applicable. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the applicable conditions, the executor may transfer the decedent's interest to another successor that PVS has approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 26.6 within one year after the date of death or appointment of a personal representative or trustee, PVS will have the right to terminate this Agreement by written notice to FRANCHISEE.

26.7. Non-Conforming Transfers. Any purported Transfer that is not in compliance with this Section 26 is null and void and constitutes a material breach of this Agreement, for which PVS may terminate this Agreement without opportunity to cure.

26.8. Transfer By PVS. PVS may freely assign this Agreement: (a) to PVS's parent, subsidiary or affiliated entity; (b) for collateral or security purposes; or (c) in connection with any merger, acquisition, initial public offering, or consolidation involving PVS or its parents, subsidiaries, and/or affiliates.

27. ACCESS. FRANCHISEE will provide PVS full and complete access to the Hospital, to the extent permitted by Applicable Laws, for the purpose of allowing PVS to: (a) confirm FRANCHISEE's compliance of its obligations under this Agreement; and (b) perform its obligations under this Agreement. PVS acknowledges that it will not exercise its right unreasonably.

28. RELATIONSHIP. Nothing contained in this Agreement is intended or will be construed to make PVS or any of its affiliates and FRANCHISEE partners, joint venturers, or any similar arrangement or to render either party liable for any debts or the obligations of the other. FRANCHISEE is an arms-length independent contractor and nothing in this Agreement is intended or will be construed as creating an employment, agency or fiduciary relationship between the parties. FRANCHISEE will not hold itself out as an agent or employee of PVS or any of its affiliates. Each employee of FRANCHISEE, and any employee of a permitted subcontractor of the FRANCHISEE under this Agreement, will be instructed to identify themselves as an employee of FRANCHISEE or such subcontractor, as the case may be, and not as an agent or employee of PVS

or PETSMART. At PVS's request, FRANCHISEE will post a conspicuous notice in the Hospital stating that it is not affiliated with PETSMART or Banfield Pet Hospital. At PVS's option, such notice may be combined with other similar or relevant information.

29. RESTRICTIONS ON COMPETITION.

29.1. Non-Competition. During the term of this Agreement and for the 1 year following its expiry or termination, FRANCHISEE and its affiliates will not, on their own behalf or on behalf of or in connection with any person, directly or indirectly: (a) engage in any activity relating to the ownership, operation or support of (including providing Veterinary Services at) any retail business which is in the business of selling pet food, pet supplies, pet services, and/or pet products (including both on-line or brick and mortar); or (b) own, operate or support any hospital or clinic providing Veterinary Services within a 5-mile radius of the Premises.

29.2. Non-Solicitation. Subject to Applicable Laws, during the term of this Agreement and for the 1 year following its expiry or termination, FRANCHISEE will not, on FRANCHISEE's own behalf or on behalf of or in connection with any other person, directly or indirectly, in any capacity whatsoever, solicit or entice away from the employment of PVS, PETSMART, or Medical Management International, Inc. d/b/a Banfield, The Pet Hospital (or any operator of a Banfield hospital) ("MMI") any individual who is employed by PVS, PETSMART, or MMI whether or not such individual would commit any breach of their contract or terms of employment by leaving the employ of PVS, PETSMART, or MMI. Notwithstanding the foregoing, FRANCHISEE will not have violated the terms set forth in this Section if an employee of PVS, PETSMART, or MMI responds to a general, non-targeted solicitation for employment issued by FRANCHISEE, such as a newspaper or online advertisement. The restriction on solicitation of MMI's employees will cease at the earlier of the time set forth above or the time that PVS and/or PETSMART is no longer restricted from soliciting MMI's employees.

29.3. Reasonableness. FRANCHISEE expressly acknowledges that this Agreement is reasonable and valid in all respects and irrevocably waives (and irrevocably agrees not to raise) as a defense any issue of reasonableness (including the reasonableness of the territory or the duration and scope of this Agreement) in any proceeding to enforce any provision of this Agreement, the intention of the parties being to provide for the legitimate and reasonable protection of the interests of PVS and its affiliates by providing, without limitation, for the broadest scope, the longest duration and the widest territory allowable by Applicable Laws.

30. REPORTS AND FINANCIAL STATEMENTS; AUDIT RIGHTS.

30.1. Maintaining Accurate Books and Records. FRANCHISEE shall maintain and preserve, for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and the manner prescribed by PVS from time-to-time in the Brand Standards Manual or otherwise in writing. These records shall include, without limitation, Hospital Revenue, expenditures relating to Grand Opening, Local Marketing Spend, expenditures with vendors and/or suppliers, and all other business transactions.

30.2. Revenue Reporting. PVS will have the right to pull Hospital Revenue data automatically from the Hospital's information systems and/or to require FRANCHISEE to provide to PVS periodic reports of Hospital Revenue in a format prescribed by PVS, in either case on a schedule specified by PVS. PVS may provide copies of any Hospital Revenue report received from FRANCHISEE to PETSMART, landlord, lenders, purchasers and prospective lenders and purchasers of the portion of the Shopping Center containing the Premises. PVS may also disclose such Hospital Revenue information to any financing companies, franchisees, prospective franchisees, or if affirmatively compelled to do so by Applicable Law.

30.3. Quarterly Financial Statements. Within thirty days after the end of each quarter of the Fiscal Year, FRANCHISEE will submit a statement of financial condition (a balance sheet) as of the end of the fiscal quarter and a statement of income and expenses relating to the Hospital for the fiscal quarter and for the Fiscal Year-to-date, prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). For consistency of reporting across Hospitals, PVS will have the right to prescribe the chart of accounts that FRANCHISEE must use and/or the format of the required periodic financial statements.

30.4. Annual Financial Statements. FRANCHISEE will provide FRANCHISEE's annual Financial Statements to PVS within 90 days following the end of each Fiscal Year. "Financial Statements" means, collectively, FRANCHISEE's balance sheet and income statement (i.e. profit and loss statement) pertaining to the most recently ended Fiscal Year, prepared in accordance with US GAAP, certified as being true and correct by an officer of FRANCHISEE.

30.5. Right to Examine or Audit. PVS is entitled, upon 72 hours' notice, to examine or audit FRANCHISEE's books and records relating to the Hospital, using any combination of PVS's own personnel and/or outside service providers. In any such examination or audit, all books, records, accounts, correspondence, data, financial statements required by this Agreement and all tax returns related to the Hospital must be made available for inspection. FRANCHISEE agrees to cooperate with the persons making the examination or audit on behalf of PVS. If FRANCHISEE or PVS discovers at any time, by means of an audit or otherwise, that there has been an underpayment of royalty fees or other amounts due, FRANCHISEE will promptly pay the amount due, together with applicable late fees and interest under Section 13.12. Payment and acceptance of the overdue amounts will not constitute a waiver of or prejudice PVS's right to exercise any other remedy in this Agreement, including termination in accordance with Section 19.1 of this Agreement.

30.6. Cost of Examination or Audit. If PVS performs an examination or audit due to: (i) FRANCHISEE's failure to submit reports of Hospital Revenue or financial statements, (ii) FRANCHISEE's failure to maintain books and records as required; or (iii) if the cumulative Hospital Revenue reported for any Fiscal Year is more than 2% below the actual Hospital Revenue for the period as determined by the examination or audit, then FRANCHISEE will pay PVS the reasonable and customary cost of the examination or audit, including travel and lodging expenses for the examiners or auditors. For purposes of calculating the reasonable and customary cost, PVS will use hourly rates for its own personnel that are commensurate with the rates of mid-level professionals of independent accounting firms.

31. NOTICES. Any notices, consents, approvals, disapprovals, waivers, elections, submissions, requests, or demands required or permitted to be given under this Agreement or pursuant to any Applicable Laws by either party to the other will be in writing (whether or not herein expressly so provided) and will be deemed received and effective: (a) three Business Days after being sent by certified mail, return receipt requested, postage prepaid; or (b) one Business Day after being sent prepaid by overnight express mail or nationally recognized courier service (e.g., United Parcel Service, Federal Express, DHL, etc.) to PVS or FRANCHISEE, at their respective addresses set forth below or such other addresses as either party may designate by notice to the other from time to time, except that neither party will use a P.O. Box for a notice address. "Business Day" means any day other than Saturday, Sunday or a legal holiday in the jurisdiction where the Premises is located. The notice addresses for PVS and FRANCHISEE are as follows:

PVS's Address for Notices:

PetSmart Veterinary Services, LLC
19601 N. 27th Avenue
Phoenix, AZ 85027
Attn: SVP – Vet Health Services

With copies to: PetSmart LLC
19601 N. 27th Avenue
Phoenix, AZ 85027
Attn: General Counsel

FRANCHISEE's Address for Notices:

[XXXX]
[XXXX]
[XXXX]

Changes to the Brand Standards Manual and/or any written instructions that PVS furnishes to FRANCHISEE relating to operational matters do not require formal notice under this Section and may be given by email, by posting the change in the franchisee portal or other online forum, or by other reasonable notice method.

32. GENERAL.

32.1. Entire Agreement. This Agreement, including all exhibits attached hereto, contains the entire agreement of the parties and supersedes all prior or contemporaneous agreements between the parties with respect to the subject matter hereof, except that nothing in this Agreement is intended to disclaim any representations made in any Franchise Disclosure Document that you received from us in connection with this Agreement.

32.2. End of Term and Trespass. Upon expiration or termination of this Agreement, FRANCHISEE will peaceably and quietly quit and surrender the Hospital (including all Alterations), broom-clean, in good order and condition, reasonable wear and tear excepted. In the

event FRANCHISEE remains in possession of the Hospital after the expiration of this Agreement and without the execution of a new Agreement, it will be deemed to be occupying the Hospital as a trespasser at a fee equal to 150% of the Occupancy Payment and 150% of the Royalty Fee herein provided and the Hospital will remain subject to all other conditions, provisions, and obligations of this Agreement insofar as the same are applicable. Should FRANCHISEE remain in possession of the Hospital after the expiration of this Agreement, such holding over will not be deemed to extend the Term of or constitute an election to renew this Agreement and such holding over period may be terminated by PVS at any time.

32.3. Trade Fixtures. All trade fixtures, furniture, equipment and other personalty furnished or installed by FRANCHISEE in the Premises (including fixtures leased to FRANCHISEE), regardless of the manner or mode of attachment, including veterinarian equipment and fixtures, compactors, scales and registers (all of which are referred to herein as "Trade Fixtures"), will be and remain the property of FRANCHISEE and may be removed by FRANCHISEE at any time during the Term of this Agreement (including any period of holdover). Any Trade Fixtures remaining in the Premises after the expiration of such period will be deemed abandoned by FRANCHISEE and will become the property of PVS without payment therefor. FRANCHISEE agrees to repair any damage done to the Premises resulting from FRANCHISEE's removal of such Trade Fixtures. This provision will survive the expiration or termination of this Agreement.

32.4. Estoppel Certificates. Upon reasonable request of the other party, PVS and FRANCHISEE agree to execute and deliver to the other within 5 days after such request a certificate in a form reasonably satisfactory to both parties and: (a) certifying that this Agreement has not been modified except as set forth in such certificate and is in full force and effect as modified; (b) specifying the date to which Occupancy Payments, Royalty Fees, and other fees have been paid; (c) stating whether or not, to the actual knowledge of the party executing such certificate, the other party thereto is in default and, if so, stating the nature of such default; (d) stating the Commencement Date; and (e) stating which Extension Periods have been exercised, if any. The requesting party will pay to the non-requesting party a processing fee of $250 for the second and any subsequent such certificate requested by the requesting party during any 365-day period.

32.5. Commissions. FRANCHISEE warrants that it has not dealt with a broker in connection with this Agreement who will be entitled to claim a commission.

32.6. Waiver. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term or provision will be deemed binding or effective unless in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement will constitute or be deemed a waiver of any other provision, nor will any waiver be a continuing waiver.

32.7. Counterparts; Facsimile or Electronic Signature. This Agreement may be executed in one or more counterparts by facsimile or by a scanned signature transmitted electronically, for the convenience of the parties, and any such counterpart will be deemed to

constitute one and the same instrument, and each of said counterparts will be deemed an original hereof.

32.8. Headings. All paragraph, section and subsection headings herein are inserted for convenience of reference only and will not modify or affect the construction or interpretation of any provision of this Agreement.

32.9. Governing Law. This Agreement and the relationship between PVS and FRANCHISEE and the Owners is governed by the laws of the State of Arizona, except that if any provision of this Agreement would not be enforceable under the laws of Arizona, and if the provision would be enforceable under the laws of the state in which the Hospital is located, then that provision will be governed by the laws of the state in which the Hospital is located. In the event of any conflict of law question, the laws of Arizona will prevail, without regard to the application of Arizona conflict of law rules. This Section is not intended to subject this Agreement or PVS's relationship with FRANCHISEE you to any Arizona statute or regulation that would not apply by its own terms without considering this Section.

32.10. Submission to Mediation. Except as provided in Section 32.13, before filing litigation, any dispute between PVS and FRANCHISEE and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. Participants in the mediation must sign a confidentiality agreement before participating in the proceeding. The mediation will take place in the city where PVS's principal offices are located at the time the demand for mediation is filed. Once a party has submitted a dispute to mediation, the obligation to attend will be binding on all parties. PVS and FRANCHISEE will each bear one-half of the expenses for the mediation service and mediator.

32.11. Venue for Litigation. FRANCHISEE and the Owners must file any lawsuit against PVS only in the federal or state court for the district in which our principal office is located at the time the suit is filed. PVS may file a lawsuit against Developer or the Owners in the federal or state court where our principal office is located or where Developer's principal office is located at the time the suit is filed. The parties waive all objections to personal jurisdiction and venue for purposes of carrying out this provision.

32.12. Provisional or Declaratory Relief. Nothing in this Agreement prohibits either Party's right to seek a restraining order, preliminary injunction, or declaratory relief in court under the applicable court rules.

32.13. Time Limit on Filing. Any lawsuit arising out of or relating to this Agreement must be filed and served within two (2) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

32.14. Jury Waiver. PVS AND FRANCHISEE HEREBY WAIVE TRIAL BY JURY IN ANY COURT ACTION, PROCEEDING, OR COUNTERCLAIM, INCLUDING ANY CLAIM OF INJURY OR DAMAGE AND ANY PROVISIONAL REMEDY. THIS WAIVER WILL EXPRESSLY SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

32.15. Class Action Waiver. TO THE EXTENT PERMITTED BY APPLICABLE LAWS, FRANCHISEE AND THE OWNERS WAIVE THE RIGHT TO SEEK CERTIFICATION OF A CLASS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM AGAINST PVS.

32.16. Attorneys' Fees. In any trial, dispute resolution or other proceeding, including appeal, the Prevailing Party will receive from the other all costs, including reasonable attorneys' fees and expenses, the amount of which will be determined by the court. Notwithstanding any contrary provision of this Agreement, to the extent this Agreement imposes an obligation on either party to pay for the other party's attorneys' fees, such obligation will extend only to reasonable attorneys' fees charged by third-party attorneys and will exclude, by way of example and not limitation, fees for any work performed by a party's employed attorneys or so-called "in-house counsel." "Prevailing Party" means the party whose positions and arguments substantially prevail, even if some of such party's positions or arguments that are not material to the court's overall findings of fact and conclusions of law do not prevail.

32.17. Interpretations and Definitions. The parties agree that each party and such party's counsel have reviewed and revised this Agreement (or have had the opportunity to do so) and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement.

32.18. Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of any other provisions hereof. If any provision of this Agreement or the application thereof to any person or circumstance is rendered invalid or unenforceable in a court of law or by another legal authority, a suitable and equitable provision will be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of any such invalid or unenforceable provision and the remainder of this Agreement will be not be affected by such invalidity or unenforceability.

32.19. Exhibits. All exhibits attached to this Agreement are incorporated into this Agreement by this reference.

32.20. Consent. Whenever the consent of either party is required under this Agreement, such consent will, unless expressly provided otherwise in this Agreement, not be unreasonably withheld, conditioned, or delayed.

32.21. PVS's Business Judgment. Unless otherwise expressly provided in this Agreement, whenever PVS exercises a right and/or discretion to take or withhold an action, PVS can make its decision or exercise its discretion based on PVS's judgment of what is in the best interests of the PETSMART VETERINARY SERVICES brand at the time, even though (a) there may have been alternative decisions or actions that could have been taken; (b) PVS's decision or the action taken promotes PVS's own financial interest; or (c) PVS's decision or the action may apply differently to different franchisees, multi-unit developers, or Hospitals. In the absence of an applicable statute, PVS will have no liability to FRANCHISEE for any such decision or action. If Applicable Laws imply a duty of good faith and fair dealing in this Agreement, PVS and FRANCHISEE agree that the duty does not encompass any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

32.22. Time for Performance. Whenever the time for performance under this Agreement is measured in days, such measurement means calendar days, unless expressly provided to be measured in Business Days. Notwithstanding the foregoing, if the last day to perform an obligation under this Agreement falls on a non-Business Day, the obligated party has until the next Business Day to complete such performance.

32.23. Time of the Essence. Time is of the essence in each and every provision hereof.

32.24. Subordination and Attornment. FRANCHISEE accepts this Agreement subject and subordinate to any mortgage, lease, deed of trust, or other lien presently existing or hereafter and to any renewals and extensions thereof. FRANCHISEE agrees that any such mortgagee or lessor shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Agreement; provided, however, that, notwithstanding that this Agreement may be (or made to be) superior to such mortgage, deed of trust, lease, or other lien, the provisions of such mortgage, deed of trust, lease, or other lien relative to the rights of the mortgagee with respect to proceeds arising from an eminent domain taking (including a voluntary conveyance by PVS) and/or arising from insurance payable by reason of damage to or destruction of the Hospital shall be prior and superior to any contrary provisions contained in this instrument with respect to the payment or usage thereof. PVS is hereby irrevocably vested with full power and authority to subordinate FRANCHISEE to any mortgage, deed of trust, lease, or other lien hereafter placed and FRANCHISEE agrees upon demand to execute such further instruments subordinating this Agreement as PVS may request.

At any time when the holder of an outstanding mortgage, deed of trust, lease, or other lien covering PVS's interest in the Hospital has given FRANCHISEE written notice of its interest in this Agreement, FRANCHISEE may not exercise any remedies for default by PVS hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust, lease, or other lien shall have received written notice of such default.

Each of the parties agrees that it will from time to time upon request by the other execute and deliver a written statement addressed to the requesting party (or to a party designated by such requesting party), which statement shall identify this Agreement, shall certify that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that the requesting party is not in default as to any obligations under this Agreement (or if the requesting party is in default, specifying any default), shall confirm the agreements contained above in this Section, and shall contain such other information or confirmations as the requesting party may reasonably require.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, PVS and FRANCHISEE have caused this Agreement to be executed as of the Effective Date.

FRANCHISEE: [NAME OF FRANCHISEE]

By: _____
Name: _____
Title: _____
Date: _____

PETSMART VETERINARY SERVICES, LLC

By: _____
Name: John Bork
Title: SVP, Vet Health Services
Date: _____

ACKNOWLEDGMENTS

STATE OF _____)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____, as _____ of **[NAME OF FRANCHISEE]** on behalf of FRANCHISEE.

_____
Notary Public

My Commission expires:
_____

STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by John Bork, as SVP Vet Health Services of **PETSMART VETERINARY SERVICES, LLC** on behalf of PetSmart Veterinary Services, LLC.

_____
Notary Public

My Commission expires:
_____

EXHIBIT A

PREMISES AND HOSPITAL GFA

EXHIBIT B

EQUIPMENT SCHEDULE

EXHIBIT C

MINIMUM HOSPITAL SERVICES

Veterinary Services shall, at minimum, include the following:

1. All patients checked into the Hospital must receive a physical examination and assessment of the presenting complaint;

2. All patients must have updated and accurate medical records – including medical record keeping for each visit – that are in alignment with the veterinary practice act of the state where the Hospital is located;

3. Wellness care should be provided for all life stages;

4. All emergencies are to be triaged. If the emergency can be treated at the Hospital, then that is the preferred option. Emergencies may be referred to a designated referral center as determined by the veterinarian;

5. Elective and general surgeries must only be provided utilizing the accepted means of anesthesia, including the use of monitoring equipment to observe vital parameters;

6. Sick and ill patients are to be assessed, diagnosed and treated according to the veterinary practice act of the state where the Hospital is located;

7. If performed, dental procedures must be performed under general anesthesia;

8. Digital radiology must be provided; ultrasounds are not required;

9. A suite of in-house diagnostic laboratory tests must be provided and is the preferred method for diagnostic work up; and

10. Humane Euthanasia will be offered at the discretion of the FRANCHISEE.

FRANCHISEE acknowledges and agrees that it is the intent of the parties that the Hospital be operated as a full-service or urgent/emergency care veterinary hospital rather than a "wellness clinic" or "shot clinic" and FRANCHISEE agrees to operate the Hospital as a full-service or urgent/emergency care veterinary hospital.

EXHIBIT D

FRANCHISEE OWNERS

The names and address of all Owners of the Franchisee as of the Effective Date are as follows:

[XXXX]
[XXXX]
[XXXX]

[XXXX]
[XXXX]
[XXXX]

[XXXX]
[XXXX]
[XXXX]

EXHIBIT B

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

Agreement Date: _____

Name of Developer Company: _____

Business Address: _____

_____

State in which organized: _____

Employer Identification #: _____

Owner Name(s):	Ownership Percentage:
_____	_____%
_____	_____%
_____	_____%

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APPENDIX A – DEVELOPMENT SITES AND DEVELOPMENT SCHEDULE

APPENDIX B – CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

DEVELOPMENT AGREEMENT

This Agreement is entered into as of the Agreement Date shown on the cover page between PetSmart Veterinary Services, LLC (**"we", "us"** or **"PVS"**) and the business entity identified on the cover page (**"you"** or **"Developer"**).

As used in this Agreement, **"Owners"** means the person(s) identified on the cover page as the owners of Developer and all other persons whom we may subsequently approve to acquire an interest in Developer.

BACKGROUND

A. PVS is in the business of franchising others to operate PETSMART VETERINARY SERVICES veterinary hospitals (**"Hospitals"**) in PETSMART stores.

B. The Hospitals operate under a distinctive format, appearance, and set of specifications and procedures developed by PVS (the **"PVS System"**).

C. Developer wishes to obtain the right to develop Hospitals at multiple PETSMART store locations specified in this Agreement.

AGREEMENT

1. DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1. Rights Granted. PVS grants you the right, and you undertake the obligation, to develop the number of Hospitals shown in **Appendix A** to this Agreement, solely at the PETSMART store locations listed in Appendix A (the **"Development Sites"**). Your right to develop Hospitals is contingent on satisfaction of the requirements in Section 1.2 below.

1.2. Development Obligations. You must open Hospitals in accordance with the deadlines set forth in **Appendix A** to this Agreement (the **"Development Schedule"**). For each new Hospital, you must:

1.2.1 Sign a separate Franchise and Premises License Agreement (**"Franchise Agreement"**) in the form that we are then offering for new Hospitals; and

1.2.2 At the time you sign the Franchise Agreement: (a) demonstrate satisfaction of our then-current financial, licensing and operational criteria for a new Hospital; and (b) not be in default of any other Franchise Agreement with PVS.

1.3. Failure to Satisfy Development Schedule. If you do not meet the deadline specified for each required Hospital in the Development Schedule, we will have the right to modify or terminate this Agreement by written notice to you. Termination pursuant to this Section 1.3 will end your rights for the Development Sites, but will not affect your right or your obligation to operate each Hospital for which we have already signed a Franchise Agreement.

1.4. Disclaimer of Other Rights. This Agreement is not a franchise and does not grant you any right to use the PVS System or any of our names or marks (collectively, the **"Marks"**). The rights to use the PVS System and Marks are granted only under the Franchise Agreement. You have no right or power under this Agreement or under any Franchise Agreement: (i) to sublicense or sub-franchise any other person or legal entity to use the Marks or the System; or (ii) to subdivide or partition the Development Sites or any development rights granted in Section 1.1.

1.5. Site Protection. While this Agreement is in effect, we will not establish a Hospital or franchise or license others to establish a Hospital at the Development Sites, except as permitted by Section 1.6 below.

1.6. Rights Reserved. Except for the rights expressly granted to Developer in Section 1.5, PVS and its affiliates retain all rights with respect to the Marks, PETSMART stores, and the sale of products and services, anywhere in the world, including but not limited to: (a) the right to operate, and grant others the right to operate, PETSMART VETERINARY SERVICES hospitals ("PVS Hospitals") anywhere in the world (including virtually); (b) the right to operate, and grant others the right to operate, veterinary hospitals under other names at any location, whether or not using the PVS System, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate; and (c) the right to develop, manufacture, market, distribute and sell, and to grant others the right, to develop, manufacture, market, distribute and/or sell, products and services through any channel of distribution whatsoever, whether at wholesale, retail or otherwise, including but not limited to any means of e-commerce, under or in association with the Marks or any other marks, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate. PVS and its affiliates can engage in these or any other business activities regardless of the proximity to or effect on Developer's Hospitals. In addition, PVS and its affiliates can acquire, be acquired by, or merge with other businesses that have veterinary hospitals or other businesses at any location and convert those businesses to the Marks or to any other name.

1.7. End of Site Protection. Your rights to the Development Sites will expire and cease to exist at the earliest of: (i) expiration of the Agreement term; (ii) when you complete the Development Schedule, or (iii) termination of this Agreement for any reason, including your failure to meet a deadline in the Development Schedule.

2. TERM

This Agreement will expire on the last deadline date specified in the Development Schedule, unless terminated sooner under Section 1.3 or Section 8.

3. CONFIDENTIAL INFORMATION

3.1. Nondisclosure. You are prohibited, both during and after the term of this Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for your benefit or the benefit of any other person, other than for the development of Hospitals. **"Confidential Information"** means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that we disclose to you and/or the Owners or that you obtain by virtue of this Agreement or any activities under this Agreement, including but not limited to: (i) our plans and specifications for construction of a Hospital, including exterior and interior design and layout plans, and including samples, prototypes, and site-specific drafts; (ii) methods, techniques, specifications, standards, policies, and procedures relating to the operation of Hospitals; (iii) data relating to customers of the Hospitals; (iv) recipes, formulations, and/or methods of preparation for any proprietary products developed by us or our affiliates; (v) mailing lists, marketing studies, and marketing and promotional techniques; (vi) operating results, financial performance and other financial data of any Hospital; (vii) the contents of our Brand Standards Manual and our franchisee training programs and materials; (viii) equipment and inventory requirements and specifications; (ix) supplier lists, terms of purchase, and other information concerning the selection and sourcing of equipment, products and supplies; (x) research and development, test results, and feasibility studies; and (xi) business plans and non-public financial information about us and our affiliates. You may divulge Confidential Information only to your employees, agents and contractors who must have access to it in order to carry out their duties relating to your development of Hospitals. All Confidential Information and other data which we designate as confidential will be deemed to be Confidential Information for purposes of this Agreement, except information which you can demonstrate came to your attention by lawful means before we disclosed it to you, or which, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by others.

3.2. Individuals Affiliated with Developer. At our request, the Owners and any other person to whom Developer wishes to disclose any of our Confidential Information must sign a separate Confidentiality and Non-Competition Agreement in the form of **Appendix B** to this Agreement.

4. RESTRICTIONS ON COMPETITION

4.1. Scope of Restriction. You acknowledge that the relationship established by this Agreement will provide access to valuable Confidential Information and business opportunities that you and the Owners did not have before entering into this Agreement. Accordingly, during the term of this Agreement and for one (1) year following the expiration or termination of this Agreement or the approved transfer of this Agreement to a new developer, Developer and its affiliates will not, on their own behalf or on behalf of or in connection with any person, directly or indirectly: (a) engage in any activity relating to the ownership, operation or support of (including providing Veterinary Services at) any retail business which is in the business of selling pet food, pet supplies, pet services, and/or pet products (including both on-line or brick and mortar); or (b) own, operate or support any hospital or clinic providing Veterinary Services within a 5-mile radius of a Development Site. "Veterinary Services" means those services that may only be administered or provided by, or under the supervision, direction or control of, a currently licensed veterinarian or currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided. [Notwithstanding the foregoing, PVS and Developer acknowledge that before entering into this Agreement, Developer (or an affiliate of Developer or otherwise related party) owned and operated one or more non-PVS veterinary clinic[s] within a 5-mile radius of a Development Site (the "Existing Clinic[s]"). PVS agrees that the restrictions contained in this Section 4.1 shall not restrict the operation of the Existing Clinic[s]. Developer, in operating the Existing Clinic[s], shall not usurp the opportunities of a Hospital at a Development Site by directing pet parents to patronize the Existing Clinic[s] rather than the Hospital or marketing the products and services of the Existing Clinic[s] at the Hospital. Notwithstanding the forgoing, Developer may direct pet parents to patronize the Existing Clinic[s] for emergency, after-hour Veterinary Services or for major or specialty (i.e. oncology) Veterinary Services not offered at the Hospital. Developer (or an affiliate of Developer or otherwise related party) may open additional independent (non-PVS) hospitals ("New Clinics") without violating this Section 4.1, provided the New Clinics are located at least 5 miles away from any Development Site.]

4.2. Enforcement.

4.2.1 You acknowledge that a violation of Section 4.1 would result in irreparable injury for which no adequate remedy at law may be available. You consent to the issuance of an injunction, without the need for us to post bond, prohibiting any violation of Section 4.1. Injunctive relief is in addition to any other remedies we may have. The existence of any claim that you or any of the Owners may have against us will not constitute a defense to our enforcement of Section 4.1 or any separate confidentiality or non-competition agreement.

4.2.2 Neither Developer nor any person bound by the restrictions of Section 4.1 may circumvent the restrictions by engaging in prohibited activity indirectly through any other person or entity.

4.2.3 For the individuals who are bound personally by the restrictions in this Section 4 or by a separate non-competition agreement with you or us, the time period in Section 4.1 will run from the expiration, termination, or transfer of this Agreement or from the end of the individual's relationship with Developer, whichever occurs first.

4.2.4 We have the right to reduce the scope of any restriction in Section 4.1, effective immediately upon written notice to Developer.

4.2.5 The restrictions in this section are in addition to any restrictions on competition under any other agreements you have with us.

5. SALE OR ASSIGNMENT

5.1. No Assignment or Ownership Change without Consent. We have entered into this Agreement in reliance on the business skill, financial capacity, and personal character of Developer and its Owners. Accordingly, neither Developer nor the Owners may, directly or indirectly, sell, assign, transfer, convey, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) (collectively, **"Transfer"**) any direct or indirect interest in this Agreement, in Developer, or in the development rights granted by this Agreement without our prior written consent. If Developer is a corporation, limited liability

company or other business entity, this Section also applies to the direct or indirect transfer of an ownership interest in Developer. Developer must notify us in writing of any proposed Transfer at least sixty (60) days before the Transfer is to take place, and provide information and documentation relating to the proposed Transfer as we request. Developer and the Owners agree that the conditions of Transfer in Sections 5.3 through 5.6 below are reasonable and that they do not preclude other reasonable conditions that we may impose. We have the right to communicate with and counsel Developer, the Owners, and the proposed transferee on any aspect of a proposed Transfer. If we have not responded within 60 days after we receive all requested information, we will be deemed to have refused consent. Unless otherwise agreed, we do not waive any claims against the transferring party if we approve the Transfer. If we do not approve the Transfer, Developer must continue to develop Hospitals in accordance with this Agreement.

5.2. Right of First Refusal. We have the right, exercisable within 45 days after receipt of the notice required by Section 5.1, to send written notice to you that we intend to purchase the interest proposed to be transferred. The request for approval of transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, description of financing or other contingencies, and any other documents reasonably necessary to support a prudent business decision on whether to exercise the right of first refusal. We can assign our right of first refusal to someone else either before or after we exercise it. However, our right of first refusal will not apply to a Transfer under Section 5.5 or to a Transfer to a spouse or adult son or daughter (including Transfers to a spouse, son, or daughter as a result of death or incapacity as described in Section 5.6).

5.2.1 If the proposed Transfer is a sale, we or our designee may purchase on the same economic terms and conditions offered by the third party. Closing on our purchase must occur within sixty (60) days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same type of consideration as the third party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, you and we will jointly designate and pay the cost of an independent appraiser, and the appraiser's determination will be final. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. Any material change in the third party's offer after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as for the third party's initial offer.

5.2.2 If a Transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to purchase the interest at the fair market value determined by the appraiser. If we decide to purchase, closing on the purchase will occur within 45 days after our notice to the transferor of our decision.

5.2.3 If we elect not to exercise our rights under this Section, the transferor may complete the proposed Transfer after complying with Sections 5.3 through 5.6, provided that the final sale price is not less than the price at which we were entitled to purchase. If we determine that the final sale price is less than the price at which we were entitled to purchase, we may refuse to give our consent to the Transfer. Closing of the Transfer must occur within 60 calendar days of our election not to exercise our rights. If closing does not occur within the 60-day period, the third party's offer will be treated as a new offer subject to our right of first refusal.

5.3. Transfer of Entire Business. The conditions set forth in this Section apply to a proposed transfer of this Agreement and/or substantially all of the assets of Developer, as well as to a proposed transfer of any direct or indirect ownership interest in Developer that would result in a change of control of Developer. Unless waived by PVS, the conditions are:

5.3.1 Developer and the Owners must be in compliance with all obligations to us under this Agreement and any other agreement you have with us and our affiliates as of the date of the request for our approval of the Transfer, or must make arrangements satisfactory to us to come into compliance by the date of the Transfer.

5.3.2 The proposed transferee must:

(a) Demonstrate to our satisfaction that the proposed transferee and its owners and managers meet all of our then-current qualifications to become a multi-unit developer of Hospitals, which may include educational, managerial, and business standards; absence of involvement with Competing Businesses; good moral character, business reputation, and credit rating; and aptitude and ability to develop Hospitals. If the proposed transferee is already a franchisee of PVS, that fact does not guarantee approval to become a multi-unit developer. We have no less discretion with respect to a proposed transferee than we have with a new multi-unit developer of Hospitals.

(b) Demonstrate that the proposed transferee has adequate financial resources and capital to complete the Development Schedule in a timely manner.

(c) Complete any training programs that we then require for multi-unit developers.

(d) If the proposed transferee is an existing franchisee of PVS, the proposed transferee must not have any outstanding notice of default under any agreements with us and must sign a general release in a form acceptable to us.

(e) If the transferee is a business entity, all owners of a beneficial interest in the transferee must sign our then-current form of Personal Guarantee.

5.3.3 You must pay us a Transfer fee in the amount we designate, not to exceed $5,000.

5.3.4 Because we believe it is important to our brand integrity to keep markets intact, you must Transfer all Hospitals that have been developed under this Agreement to the same transferee in the same transaction. We may charge a transfer fee for each Hospital as provided in the Franchise Agreement for the Hospital.

5.3.5 Developer and all Owners must sign a general release, in a form satisfactory to us, of all claims against us and our past, present and future affiliates, officers, directors, shareholders, agents and employees. You and the Owners will remain liable to us for all obligations arising before the effective date of the Transfer.

5.3.6 The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the proposed transferee's ability to complete the Development Schedule.

5.3.7 Any financing incurred in connection with the Transfer must be expressly subordinated to the proposed transferee's obligations to us.

5.4. Transfer of Minority Ownership Interest. For any proposal to admit a new Owner, to remove an existing Owner, or to change the distribution of ownership shown on the cover page of this Agreement, or for any other transaction that amounts to the Transfer of a minority equity interest in Developer or this Agreement, Developer must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that we may request. We will have a reasonable time (not less than 45 days) after we have received all requested information to evaluate the proposed Transfer. We may withhold our consent or give our consent subject to the conditions of Section 5.3 that we deem to be applicable. Each proposed new owner must submit a personal application.

5.5. Transfer to a Business Entity. We will consent to the assignment of this Agreement to and assumption of this Agreement by a corporation or limited liability company that Developer forms solely for the convenience of ownership (a **"Company"**), without payment of a Transfer fee, provided that you comply with all of the following:

5.5.1 You must provide us with proof that the Company is in existence and in good standing in the state where it was organized. The Company must have no other business besides the development and

operation of Hospitals. The legal name of the Company must not contain any words or phrases similar to the Marks.

5.5.2 The Owners must hold equity interests in the Company in the same proportion shown on the cover page of this Agreement.

5.5.3 The Company must designate an Operating Partner, as defined in Section 7.3.

5.5.4 You must reimburse us for the reasonable costs and expenses we incur in connection with the assignment, including legal fees.

5.5.5 You and the Company must comply with the requirements in Section 7 for the remaining term of this Agreement.

5.6. Transfer on Death, Incapacity or Bankruptcy. If Developer or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 5.2 through 5.4, as applicable. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the applicable conditions, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 5.6 within one year after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 6.2.

5.7. Non-Conforming Transfers. Any purported Transfer that is not in compliance with this Section 5 is null and void and constitutes a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure.

5.8. Sale or Assignment by PVS. We have the right to transfer or assign all or any portion of our rights or obligations under this Agreement to any person or legal entity. The assignee will become solely responsible for the obligations from the effective date of the assignment. We can sell our assets, sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company, or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

6. DEFAULT AND TERMINATION

6.1. Termination without Cure Period. If any of the following events of default occurs, we will have the right to terminate this Agreement without giving you an opportunity to cure the default, effective immediately upon delivery of written notice to you:

6.1.1 If Developer is insolvent or makes an assignment for the benefit of creditors; if a receiver is appointed for your business; if execution is levied against your business assets; if a suit to foreclose any lien or mortgage is filed against you and not dismissed within 60 days; or if your business entity is dissolved;

6.1.2 If you do not have in operation the minimum number of Hospitals required at each deadline specified in the Development Schedule;

6.1.3 If we terminate any Franchise Agreement based on your default;

6.1.4 If any Transfer occurs that does not comply with Section 5;

6.1.5 If you misuse or disclose Confidential Information to any unauthorized person;

6.1.6 If you knowingly maintain false or misleading books or records or knowingly submit any false or misleading information to us;

6.1.7 If Developer or any Owner is convicted of, pleads guilty to, or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is likely to have an adverse effect on the PVS System, the Marks, or the goodwill associated with them. Once you or the Owner has been arrested for or formally charged with a serious criminal offense, we will have the right to require that the individual(s) charged be removed from any active role in Developer's business pending final disposition of the charges; or

6.1.8 If Developer or any Owner appears on any government list of "blocked" persons or its assets, property, or interests are "blocked" under any anti-terrorism law or similar law that prohibits us from doing business with Developer or the Owner.

6.2. Termination Following Expiration of Cure Period. If you fail to cure a default of any other provision of this Agreement within thirty (30) days after receiving written notice of default from us, this Agreement will terminate at the end of the 30-day period without further notice from us.

7. BUSINESS ENTITY REQUIREMENTS

7.1. Ownership Information. Developer and each of the Owners represents and warrants that the ownership information for Developer on the cover page is correct and complete as of the Agreement Date. Developer must maintain a current list of all stockholders, general partners, limited partners, members, or other direct and indirect beneficial owners (as applicable) and furnish the list to us upon request. If any Owner is a business entity, you must provide all information we request concerning that business entity and its owners.

7.2. Operating Partners. **"Operating Partner"** means a natural person designated by Developer (or an entity controlled by that person) that: (a) owns at least 10% of equity interest (equity interest may include equity-like equivalents such as RSUs, phantom-equity, etc.), or (b) has at least 20% individual production, revenue, or profits interest; or (c) is otherwise approved by PVS in its sole and absolute discretion. The Operating Partner is designated in Appendix A. We have the right to rely on any statement, agreement, or representation by the Operating Partner. If the Operating Partner leaves the Developer's organization, you must nominate a new Operating Partner within 60 days thereafter. If you have not obtained our approval of a new Operating Partner within 60 days, you will be in material default of this Agreement.

7.3. Governing Documents. At our request, you must promptly furnish us with copies of Developer's articles of incorporation, bylaws, partnership agreement, certificate of formation, limited liability company operating agreement, or other governing documents, as applicable. You must give us at least thirty (30) days prior written notice of any proposed amendments to your governing documents. Your governing documents must provide at all times that your activities are confined exclusively to developing and operating Hospitals. If any controlling Owner is a business entity, you must provide similar information concerning that business entity as we may request.

7.4. Control Arrangements. Any voting trust, management agreement, or other arrangement affecting the power to direct and control the affairs of Developer requires our prior written consent. You must furnish any information and documentation that we may request concerning a proposed control arrangement.

8. NOTICES

All notices related to this Agreement must be in writing and must be delivered in person or sent by certified mail, by national commercial delivery service, or by other written or electronic means which affords the sender reliable evidence of delivery or attempted delivery, to the addresses following our respective signature blocks, unless and until a different address has been designated by written notice to the other party.

9. INSURANCE AND INDEMNIFICATION

9.1. Insurance. You must buy and maintain the types and minimum amounts of insurance coverage that we specify from time to time for multi-unit developers. All insurance policies must be written by a carrier with an industry rating acceptable to us; must name PVS, our affiliates, and their respective officers, directors, shareholders, and employees as additional insureds as we direct; and must not have deductibles, exclusions or co-insurance that are unacceptable to us. Each insurance policy must contain a waiver by the insurance company of subrogation rights against us, our affiliates, and their successors and assigns. Upon signing this Agreement, you must provide us with evidence of insurance coverage and payment of premiums. Thereafter, before each insurance policy expires, you must furnish us with a copy of each renewal or replacement insurance policy and evidence of payment of the premium. If you do not maintain the insurance required by this Agreement, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you agree to reimburse us for the cost of insurance, plus a reasonable fee for our services. We may increase the amounts of coverage required and/or require different or additional kinds of insurance, including excess liability insurance, at any time on reasonable notice to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Your obligation to obtain coverage is not limited in any way by insurance that we maintain.

9.2. Indemnification. You agree to hold harmless, defend, and indemnify PVS, its affiliates, and their respective past, present, and future officers, directors, shareholders, employees, and agents (collectively, **"Protected Parties"**) against: (i) any claims arising directly or indirectly from, as a result of, or in connection with your activities under this Agreement (collectively, **"Claims"**); and (ii) any liabilities, damages, losses, and expenses the Protected Parties incur as a result of such Claims, including but not limited to reasonable attorneys' fees, costs of investigation, settlement costs, and interest charges (collectively, **"Expenses"**). To the extent permitted by law, this indemnity includes Claims and Expenses alleged to be caused by the negligence of the Protected Parties, unless (and then only to the extent that) the Claim or Expense is finally determined by a court to have been caused solely by gross negligence or willful misconduct of the Protected Parties. With respect to any threatened or actual litigation, proceeding, or dispute which could directly or indirectly affect any of the Protected Parties, the Protected Parties will have the right, but no obligation, to: (i) choose counsel; (ii) direct, manage, and control the handling of the matter; and (iii) settle any Claim on behalf of the Protected Parties. Your obligations under this Section are not limited by the amount of your insurance coverage. This Section will survive the expiration or termination of this Agreement.

10. GENERAL PROVISIONS

10.1. Notice of Suit. You must immediately notify us of any legal proceeding or any order of a court or government agency that may adversely affect your financial condition or your development or operation of Hospitals.

10.2. Independent Contractor. Nothing in this Agreement is intended to make us or you an agent, legal representative, subsidiary, joint venturer, partner, or employee of the other for any purpose. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not assume liability for, or be deemed liable as a result of, any such action, nor will we be liable for your acts or omissions or any claim or judgment arising therefrom against you or us. You must hold yourself out to the public as an independent contractor operating under this Agreement. This Agreement does not create a fiduciary relationship between you and us.

10.3. Public Notice of Independent Status. Developer must conspicuously identify itself by its own company name in all dealings with contractors, suppliers, public officials, and employees and on all business cards, stationery, advertising, payroll forms, purchase orders and other materials. No such materials may give the third party the impression that the third party is dealing with PVS or PETSMART rather than you, or that you are acting on our behalf.

10.4. Severability. If a court or government agency determines that any provision of this Agreement is invalid or contrary to applicable law, the invalidity will not impair the operation of any other provision of this

Agreement. The latter will continue to be given full force and effect and the invalid provision(s) will be deemed not to be a part of this Agreement.

10.5. No Implied Waiver. No failure to exercise any right reserved to us in this Agreement or to insist on your strict compliance with any obligation or condition in this Agreement, and no custom or practice of the parties, will constitute a waiver of our right to exercise any right or to demand your compliance with this Agreement. Our waiver of any particular default will not affect or impair our rights with respect to any subsequent default.

10.6. No Implied Third Party Beneficiaries. Nothing in this Agreement is intended to confer any rights or remedies on any person or legal entity other than Developer, the Owners, and us.

10.7. No Implied Consent. Whenever this Agreement requires our prior approval or consent, Developer must make a timely written request, and the approval or consent must be obtained in writing and signed by one of our officers. We make no warranties or guarantees on which you may rely and we assume no liability or obligation to you by providing any waiver, approval, consent or suggestion in connection with this Agreement.

10.8. Survival of Obligations. All obligations which expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive expiration, termination, or Transfer.

10.9. Our Business Judgment. Unless otherwise expressly provided in this Agreement, whenever we exercise a right and/or discretion to take or withhold an action, we can make our decision or exercise our discretion based on our judgment of what is in the best interests of the PETSMART VETERINARY SERVICES brand at the time, even though (a) there may have been alternative decisions or actions that could have been taken; (b) our decision or the action taken promotes our own financial interest; or (c) our decision or the action may apply differently to different franchisees, multi-unit developers, or Hospitals. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a duty of good faith and fair dealing in this Agreement, we and you agree that the duty does not encompass any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

10.10. Entire Agreement. This Agreement and its Appendices constitute the entire agreement between PVS and Developer and the Owners concerning the development rights and obligations for Hospitals at the Development Sites. This Agreement supersedes all prior agreements, negotiations, representations, and correspondence concerning the same subject matter, except that nothing in this Agreement is intended to disclaim any representations made in any Franchise Disclosure Document that you received from us in connection with this Agreement. No amendment, change, or variance from this Agreement will be binding unless agreed to in writing and signed by authorized representatives of each party.

11. DISPUTES

11.1. Governing Law. This Agreement and the relationship between PVS and Developer and the Owners is governed by the laws of the State of Arizona, except that if any provision of this Agreement would not be enforceable under the laws of Arizona, and if the provision would be enforceable under the laws of the state in which Developer is located, then that provision will be governed by the laws of the state in which Developer is located. In the event of any conflict of law question, the laws of Arizona will prevail, without regard to the application of Arizona conflict-of-law rules. This Section is not intended to subject this Agreement or our relationship with you to any Arizona statute or regulation that would not apply by its own terms without considering this Section.

11.2. Submission to Mediation. Except as provided in Section 11.4, before filing litigation, any dispute between PVS and Developer and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. Participants in the mediation must sign a confidentiality agreement before participating in the proceeding. The mediation will take place in the city where PVS's principal offices are located at the time the demand for mediation is filed. Once a party has submitted a dispute to mediation, the obligation to attend will be binding on all parties. PVS and Developer will each bear one-half of the expenses for the mediation service and mediator.

11.3. Venue for Litigation. Developer and the Owners must file any lawsuit against PVS only in the federal or state court for the district in which our principal office is located at the time the suit is filed. PVS may file a lawsuit against Developer or the Owners in the federal or state court where our principal office is located or where Developer's principal office is located at the time the suit is filed. The parties waive all objections to personal jurisdiction and venue for purposes of carrying out this provision.

11.4. Provisional or Declaratory Relief. Nothing in this Agreement prohibits either party's right to seek a restraining order, preliminary injunction, or declaratory relief in court under the applicable court rules.

11.5. Time Limit on Filing. Any lawsuit arising out of or relating to this Agreement must be filed and served within two (2) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

11.6. Waiver of Jury Trial. We, you and the Owners irrevocably waive trial by jury in any action, proceeding, or counterclaim.

11.7. Waiver of Exemplary Damages. You and the Owners, on the one hand, and PVS on the other, waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, multiple, or consequential damages against the other, except that we do not waive our right to seek indemnification from you under Section 9.2 for any such damages claimed or awarded against Protected Parties.

11.8. Class Action Waiver. TO THE EXTENT PERMITTED BY LAW, DEVELOPER AND THE OWNERS WAIVE THE RIGHT TO SEEK CERTIFICATION OF A CLASS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM AGAINST US.

11.9. Attorney's Fees and Costs. The court or presiding decision-maker in any lawsuit or other formal legal proceedings relating to this Agreement may award to the prevailing party (as determined by the court or presiding decision-maker) reimbursement of expenses reasonably incurred in the proceeding (including reasonable attorneys' fees).

11.10. Remedies are Cumulative. Except as otherwise provided in this Section 11, no right or remedy under this Agreement is exclusive of any other right or remedy.

[Signature page follows]

The parties are signing this Agreement by their duly authorized representatives:

PETSMART VETERINARY SERVICES, LLC

By:_____

Title: _____

Address for Notices:

_____

_____

_____

DEVELOPER: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

_____

By:_____

Print Name:_____

Title:_____

Address for Notices:

_____

_____

_____

APPENDIX A TO DEVELOPMENT AGREEMENT

DEVELOPMENT SITES (Section 1.1)

[LIST RESERVED PETSMART STORES]

DEVELOPMENT SCHEDULE (Section 1.2)

Hospital #	Deadline for signing Franchise Agreement:	Deadline for opening Hospital:
1		
2		
3		
Etc.		

OPERATING PARTNER (Section 7.2)

The initial Operating Partner is _____

APPENDIX B TO DEVELOPMENT AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

[company name of Developer] (**"Developer"**) has entered into a Multi-Unit Development Agreement (the **"Development Agreement"**) with PETSMART VETERINARY SERVICES, LLC (**"PVS"**) to develop PETSMART VETERINARY SERVICES hospitals at specified PETSMART stores (the **"Development Sites"**). Under the Development Agreement, PVS can require that certain individuals affiliated with Developer bind themselves personally to the confidentiality obligations and restrictions on competition contained in the Development Agreement. You therefore agree as follows:

1. You are signing this Agreement for the benefit of both Developer and PVS, as a condition of your employment by, ownership interest in, or other role with Developer. PVS has the right to enforce this Agreement directly against you.

2. You will or might gain access to Confidential Information (as defined in the Development Agreement) as a result of your role with Developer. You agree that you will: (a) not use the Confidential Information in any other business or capacity; (b) exert best efforts to maintain the confidentiality of the Confidential Information; and (c) not make unauthorized copies of any Confidential Information. If your affiliation with Developer ends, you must deliver to PVS any Confidential Information in your possession or control.

3. While the Development Agreement is in effect and you continue in your role with Developer, you will not, without PVS's consent (which may be withheld at PVS's discretion), on your own behalf or on behalf of or in connection with any person, directly or indirectly: (a) engage in any activity relating to the ownership, operation or support of (including providing Veterinary Services at) any retail establishment which is in the business of selling pet food, supplies, and products (e.g. Petco, Pet Supplies Plus, Walmart, Target); or (b) own, operate or support any hospital or clinic providing Veterinary Services within a 5-mile radius of a Development Site. "Veterinary Services" means those services that may only be administered or provided by, or under the supervision, direction or control of, a currently licensed veterinarian or currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided. This restriction does not apply to any Hospitals that Developer or the Owners operate under other agreements with PVS.

4. The restriction in Paragraph 3 will continue for one (1) year after (i) your relationship with Developer ends; (ii).the expiration or termination of the Development Agreement; or (iii) the approved transfer of the Development Agreement to a new developer, whichever comes first. If you violate Paragraph 3, the one-year period will be extended for a period of time equal to the period you are in violation..

5. You acknowledge that enforcement of the restrictions contained in Paragraphs 3 and 4 will not deprive you of the ability to earn a living. If a court rules that any of these restrictions is unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited, and/or length of time, you agree to comply with any lesser restriction deemed enforceable by the court. If Developer or PVS initiates a legal proceeding to enforce this Agreement and prevails in the proceeding, you agree to reimburse Developer or PVS for its enforcement costs and expenses, including reasonable attorneys' fees.

DEVELOPER **YOU**

EXHIBIT C

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BRAND STANDARDS MANUAL
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Developing Your Clinic/Hospital (B-9)

- Design Specifications
- Construction Specifications
- Build-Out of the Clinic/Hospital

Required List of Equipment (B-11)

Initial Inventory (B-12)

Contracting with Required Utilities and Services (B-13)

- Clinical Diagnostic and Pharmaceutical Systems

Obtaining Required Licenses, Certifications, Permits, and Accreditation (B-14)

Setting Up Bank Accounts (B-16)

Procuring Required Insurance Policies (B-18)

Meeting Your Tax Obligations (B-20)

Conducting a Grand Opening (B-22)

- Grand Opening Planning
- “Soft” and “Hard” Opening

C. PEOPLE DEVELOPMENT (63 Pages)

Introduction (C-1)

EEOC Guidelines in Hiring Employees (C-2)

Wage and Labor Laws (C-5)

Immigration Reform Act (C-8)

- I-9 Form Requirement

Profile of the Ideal Employee (C-10)

C. People Development (continued)

Job Descriptions (C-13)

- Business Manager
- Doctor of Veterinary Medicine
- Administrator
- Reception/Front Desk
- Vet Tech

Recruiting Employees (C-20)

- Recruiting Tactics and Best Practices
- Getting the Word Out

The Interview Process (C-24)

- Sample Interview Questions
- Completing the Interview Report
- License Check
- Reference Checks
- Making the Job Offer

Hiring on a Trial Period (C-31)

Orientation of New Employees (C-32)

- Employee Orientation
- New Hire Paperwork

Personnel Policies (C-35)

Training Employees (C-41)

- Initial Training
- Ongoing Training

Time-Tracking Procedures (C-49)

Uniform and Dress Code (C-50)

Conducting Performance Evaluations (C-51)

Progressive Discipline Procedures (C-57)

Separation/Termination Procedures (C-60)

D. CUSTOMER ENGAGEMENT (23 Pages)

Introduction (D-2)

Service Knowledge (D-2)

- Physical Examination and Assessment
- Elective and General-Routine Surgery
- Anesthesia
- Dental Procedures
- Digital X-rays
- Ultrasound (optional)
- Routine Pet Health (e.g., Vaccinations, Infections, Illness, Wounds, etc.)
- Emergency Services
- In-house Lab Diagnostic Testing
- Pharmacy
- Hospitalization and Overnight Care
- Urgent Care (as applicable)
- Euthanasia
- Advising Pet Parents on Nutrition, Behavior, Breeding, etc.
- Specialty Services (e.g., Acupuncture, Physical Therapy, Chiropractic Care, Telemedicine, High-Level Surgical Procedures)

Receiving Incoming Calls (D-10)

The PetSmart Veterinary Services Presentation (D-14)

- Pet Care Philosophy/General Expectations of Veterinary Care
- Sales Presentation for Veterinary Medicine
- Presenting the Cost
- Overcoming Typical Objections
- Securing Pet Parent Approval/Consent

Promoting Complementary Services (e.g., Grooming and Boarding (at PetSmart), Dog Training, Day Camps, etc.) (D-18)

Promoting Therapeutic Products (e.g., Therapeutic Foods, Therapeutic Shampoo) (D-20)

- Features and Benefits
- Competitive Advantages

E. OPERATING PROCEDURES (60 Pages)

Introduction (E-1)

Suggested Hours of Operation (E-2)

Communicating with the PetSmart Home Office (How to Have a “Good on the Ball Meeting”) (E-3)

- Franchisee/Store Resolution

E. Operating Procedures (continued)

Daily Procedures (E-5)

- Opening Procedures
- Use of the Daily Checklist
- Ongoing Procedures
- Closing Procedures

Pet Parent Service Procedures (E-9)

- Pet Parent Experience
- Obtaining Pet Parent Feedback (Voice of the Customer)
- Handling Complaints
- Refund Requests
- Mystery Shopper Program

Software Programs (E-14)

- IDEXX Veterinary Software
- CUBEX

Pet Parent Communications (E-16)

- Phone Calls (Inbound and Outbound)
- Emailing
- Reminders (Vaccine, Appointment, etc.)

Front Desk Procedures (E-19)

- Scheduling Procedures
- Cancelling Appointments
- Check-In Procedures for Veterinary Services
  - Greeting Procedures
  - First-Time Visits
  - Return Visits
  - Walk-Ins and Emergencies
- Check-Out Procedures for Veterinary Services

Accepting Payments/Transacting Sales (E-25)

- Types of Payments
- Processing Refunds

E. Operating Procedures (continued)

Veterinary Care (E-28)

- Philosophy
- Care at your PetSmart Veterinary Services Clinic/Hospital
- Animal Safety Procedures
- Exam Room Standards
- Surgical Preparation
- Hospitalized Patients
- In-House Laboratory Services
- Outsourced Laboratory Services
- Dental Care
- Surgery Exit Procedure
- PetSmart Store Animal Care (PetSmart Pets For Sale & Clients (Grooming/Boarding)

Boarding Procedures (Veterinary Services) (E-29)

- Accommodations
- Required Paperwork
- Setting Expectations
- Check-In Procedures
- Care of Boarding Animals
- Check-Out Procedures

Feeding Pets (E-33)

- Products
- Timing Feedings
- Feeding the Right Proportions
- Handling Food Allergies
- Handling Prescription Diets

Transporting Pets (E-37)

Emergency/First Aid Procedures (E-39)

- Sick Animals
- Administering Medication

Required Cleaning and Maintenance (E-44)

- Daily Tasks
- Weekly Tasks
- Monthly Tasks
- Quarterly Tasks
- Facility Repairs (Facility Request Procedures and Alterations)

E. Operating Procedures (continued)

Safety and Security Procedures (E-50)

- Hazard Communication Program
- Pet Safety (e.g., Animal Abuse, Death of a Pet While in Care)
- Emergency Procedures
- Blood-borne Pathogen Program
- Animal Bites
- Robbery
- Burglary
- Active Shooter
- IT/Payment Security
- Fraud
- Weather Emergencies
- Regulatory and Non-Regulatory Inspections
- Incident Reporting (Customer and Pet Incident)

F. ADMINISTRATIVE PROCEDURES (32 Pages)

Introduction (F-1)

Managing the Pet Parents Experience (F-2)

Managing Employees (F-5)

Generating Reports (F-11)

- End-of-Day Processing Procedures
- Daily Reports
- Weekly Reports
- Monthly Reports

Cash Control (F-18)

- Reconciling Cash Drawers
- Managing Petty Cash
- Loss Prevention

Billing Procedures (F-21)

- Generating Invoices
- Payment Terms
- Collection Procedures

F. Administrative Procedures (continued)

Inventory Management (F-25)

- Using Designated and Approved Sources of Supply
- Ordering Procedures
- Store Purchases (Medcard Process)
- Receiving Procedures
- Conducting Physical Inventory

Franchise Reporting Requirements (F-29)

- Royalty Payment
- Making Your Marketing Contribution
- Financial Statements

G. MARKETING AND PROMOTION (25 Pages)

Introduction (G-1)

Developing the Marketing Plan (G-2)

Promoting PetSmart Veterinary Services in Your Area (G-7)

- Use of Traditional Media
- Use of Electronic Media
- Store Marketing
- Use of Social Media
- Use of Events
- Using the Referral Program to Build Business

Guidelines for Using PetSmart Veterinary Services Marks (G-15)

Signage and Logo Specifications (G-16)

Required Advertising Expenditures (G-18)

- System Marketing Contribution
- Local Advertising Requirement
- Grand Opening Advertising Requirement

Public Relations (G-20)

Community Involvement (G-22)

Obtaining Advertising Approval (G-24)

EXHIBIT D

STATE FRANCHISE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. 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 these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT E

ADDITIONAL STATE-REQUIRED INFORMATION AND STATE-REQUIRED CONTRACT ADDENDA

We may register our franchise offering in some or all of the states listed on the State Effective Dates page at the front of this disclosure document. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in any of these states, we will include appropriate state-specific disclosures and/or addenda to our contracts, as required by state law.

INFORMATION REQUIRED
BY THE STATE OF CALIFORNIA

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.

OUR WEBSITE, HTTPS://WWW.PETSMART.COM/VETERINARY-OWNERSHIP.HTML. HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

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

IN REGISTERING THIS FRANCHISE, THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION HAS NOT REVIEWED, AND MAKES NO STATEMENTS CONCERNING, THE FRANCHISOR'S COMPLIANCE WITH STATE AND FEDERAL ACCREDITATION, LICENSING AND REGULATORY REQUIREMENTS RELATING TO THE PRACTICE OF VETERINARY HOSPITALS AND MEDICINE. YOU SHOULD CONSULT WITH YOUR ATTORNEY CONCERNING THESE LAWS, REGULATIONS, AND ORDINANCES THAT MAY AFFECT THE OPERATION OF YOUR BUSINESS. IF THE CALIFONRIA VETERINARY MEDICAL BOARD, AAHA (AMERICAN ANIMAL HOSPITAL ASSOCATION), USDA APHIS/NATIONAL VETERINARY ACCREDITATION PROGRAM, OR ANY OTHER AGENCY OVERSEEING THE PRACTICE OF VETERINARY HOSPITALS AND MEDICINE IN THIS STATE, DETERMINES THAT THE OPERATION OF THE FRANCHISE FAILS TO COMPLY WITH STATE LAW, THE FRANCHISOR MAY BE REQUIRED TO CEASE OPERATIONS OF THE FRANCHISED BUSINESS IN CALIFORNIA. THIS MAY RESULT IN THE TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

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.

NO DISCLAIMER, QUESTIONNAIRE, CLAUSE, OR STATEMENT SIGNED BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL BE CONSTRUED OR INTERPRETED AS WAIVING ANY CLAIM OF FRAUD IN THE INDUCEMENT, WHETHER COMMON LAW OR STATUTORY, OR AS DISCLAIMING RELIANCE ON OR THE RIGHT TO RELY UPON ANY STATEMENT MADE OR INFORMATION PROVIDED BY ANY FRANCHISOR, BROKER OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR THAT WAS A MATERIAL INDUCEMENT TO A FRANCHISEE'S INVESTMENT. ANY STATEMENTS OR REPRESENTATIONS SIGNED BY A FRANCHISEE PURPORTING TO UNDERSTAND ANY FACT OR ITS LEGAL EFFECT SHALL BE DEEMED MADE ONLY BASED UPON THE FRANCHISEE'S UNDERSTANDING OF THE LAW AND FACTS AS OF THE TIME OF THE FRANCHISEE'S INVESTMENT DECISION. THIS PROVISION SUPERSEDES ANY OTHER OR INCONSISTENT TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

Item 3, Additional Disclosure.

Neither we nor any person identified in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

Item 17, Additional Disclosures.

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 and/or Multi-Unit Development Agreement includes a provision that is inconsistent with the law, the law will control.

The Franchise Agreement and the Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, et seq.).

The Franchise Agreement and Multi-Unit Development Agreement contain a covenant not to complete which extends beyond the termination of the agreements. This provision may not be enforceable under California law.

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

The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of the State of Arizona. This provision may not be enforceable under California law.

The Franchise Agreement and Multi-Unit Development Agreement contain a venue provision for litigation. This provision may not be enforceable under California law.

You must sign a general release if you transfer your development rights or renew or transfer the franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the California Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professional Code Section 20010 voids a waiver of your rights under the California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

INFORMATION REQUIRED
BY THE STATE OF HAWAII

This Addendum relates to franchises sold in the State of Hawaii and is intended to comply with Hawaii statutes and regulations.

THE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONTITUTE APPROVAL, RECOMMENTATION 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 THE 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.

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

The name and address of our agent in this state authorized to receive service of process is Commissioner of Securities, Department of Commerce and Consumer Affairs, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

INFORMATION REQUIRED
BY THE STATE OF ILLINOIS

Cover Page, Additional Disclosures.

THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND THE DEVELOPMENT AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT.

Item 17, Additional Disclosures.

The conditions under which the Franchise Agreement or Multi-Unit Development Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement or Multi-Unit Development Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void.

The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

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

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.

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Illinois Franchise Disclosure Act of 1987 (the "Act"), Illinois Compiled Statutes, Chapter 815, Sections 705/1 to 705/44, the parties agree to modify the Franchise Agreement as follows:

1. Term and Successor Franchise Agreement. Section 5.2 is amended by adding the following:

> If anything in this Section concerning non-renewal is inconsistent with Section 20 of the Act, then the Act shall apply.

2. Default and Termination. Section 19 is amended by adding the following:

> If anything in this Section concerning termination is inconsistent with Section 19 of the Act, then the Act shall apply.

3. Governing Law. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois. Accordingly, Section 32.9 of the Franchise Agreement is deleted and replaced with the following:

> This Agreement is governed by and will be construed in accordance with the law of the State of Illinois.

4. Jurisdiction and Venue. Section 32.11 is amended by adding the following:

> Section 4 of the Act states that any provision in a franchise agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

5. Time Limit on Filing. Section 32.13 is amended by adding the following:

> Any claims arising under the Act shall be commenced within the period of limitation established in Section 27 of the Act.

6. Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

7. 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.

8. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

ILLINOIS ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the Illinois Franchise Disclosure Act of 1987 (the "Act"), Illinois Compiled Statutes, Chapter 815, Sections 705/1 to 705/44, the parties agree to modify the Multi-Unit Development Agreement as follows:

1. Term. Section 2 is amended by adding the following:

   If anything in this Section concerning non-renewal is inconsistent with Section 20 of the Act, then the Act shall apply.

2. Default and Termination. Section 6 is amended by adding the following:

   If anything in this Section concerning termination is inconsistent with Section 19 of the Act, then the Act shall apply.

3. Governing Law. Section 11.1 is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

4. Jurisdiction and Venue. Section 11.3 is amended by adding the following:

   Section 4 of the Act states that any provision in a franchise agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

5. Time Limit on Filing. Section 11.5 is amended by adding the following:

   Any claims arising under the Act shall be commenced within the period of limitation established in Section 27 of the Act.

6. Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

7. This Addendum will have effect only if the Multi-Unit Development Agreement and/or the relationship between you and PVS satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Multi-Unit Development Agreement remains unmodified and in full force and effect.

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

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

DEVELOPER [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Indiana and is intended to comply with Indiana statutes and regulations. The parties agree to supplement the Franchise Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

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

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

(3) 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.

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

(5) 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.

(6) 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 this chapter 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 subdivision does not apply to arbitration before an independent arbitrator.

(7) 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 subdivision.

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

(9) 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.

(10) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) 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.

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

(12) 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.

2. If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Agreement.

3. This Addendum will have effect only if the Franchise Agreement and/or the relationship between FRANCHISOR and FRANCHISEE satisfy all of the jurisdictional requirements of the Indiana Code, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF MARYLAND

Item 5, Additional Disclosures.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the Multi-Unit Development Agreement opens.

Item 17, Additional Disclosures.

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

The Franchise Agreement requires you to sign a general release as a condition of renewal or transfer of the franchise. The Multi-Unit Development Agreement requires you to sign a general release as a condition of transfer of the development rights. These releases will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

A limitation on the period of time within which arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

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

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement as follows:

1. Releases. The following is added to Section 5.2.7 and Section 26.3.5 of the Franchise Agreement:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Fee Deferral. The following is added to Section 13 of the Franchise Agreement:

   Section 13.14. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. Entire Agreement. Section 32.1 is amended by adding the following:

   Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to PVS's prior representations.

4. Governing Law. Section 32.9 is amended by adding the following:

   Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

5. Jurisdiction and Venue. Section 32.11 is amended by adding the following:

   Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

6. Time Limit on Filing. Section 32.13 is amended by adding the following:

   The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising 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.

7. General. Section 32 is further amended by adding the following:

   Section 32.25. 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.

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

9. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and Franchisee satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

MARYLAND ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Multi-Unit Development Agreement as follows:

1. Fee Deferral. Section 1 is amended by adding the following:

   Section 1.8. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Releases. Section 5.3.5 is amended by adding the following:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Entire Agreement. Section 10.10 is amended by adding the following:

   Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to PVS's prior representations.

4. Governing Law. Section 11.1 is amended by adding the following:

   Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

5. Jurisdiction and Venue. Section 11.3 is amended by adding the following:

   Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

6. Time Limit on Filing. Section 11.5 is amended by adding the following:

   The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising 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.

7. General Provisions. Section 10 is amended by adding the following:

   Section 10.11. 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

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

9. This Addendum will have effect only if the Multi-Unit Development Agreement and/or the relationship between you and PVS satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as expressly modified by this Addendum, the Multi-Unit Development Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

DEVELOPER [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF MICHIGAN

Cover Page, Additional Disclosures.

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. 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 franchises 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. **[Note: PVS reserves the right to challenge the restriction on the location of arbitration under the Federal Arbitration Act.]**

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

THE 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 shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

INFORMATION REQUIRED
BY THE STATE OF MINNESOTA

Item 13, Additional Disclosure.

PVS will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party, provided that your use of the Marks is in accordance with the requirements of the Franchise Agreement and the PVS System.

Item 17, Additional Disclosures.

PVS will comply with Minnesota Statutes Section 80C.14, subdivisions 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring you to waive your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes §§ 80C.01 - 80C.22.

Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes. This rule does not bar a voluntary arbitration of any matter.

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.

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement as follows:

1. Releases. The following sentence is added to Section 5.2.7 and Section 26.3.5:

   Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Renewal and Termination. Section 5.2 and Section 19 are each amended by adding the following:

   Notwithstanding anything to the contrary in Sections 5.2 and 19, PVS will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Marks. Section 24 is amended by adding the following:

   PVS will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party, provided that your use is in accordance with the requirements of the Franchise Agreement and the PVS System.

4. Jurisdiction and Venue. Section 32.11 is amended to add the following:

   Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit LMFC from requiring litigation to be conducted outside Minnesota.

5. Time Limit on Filing. Section 32.13 is amended to add the following:

   Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

6. Entire Agreement. Section 32.1 is amended by adding the following:

   Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

7. 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.

8. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

MINNESOTA ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Multi-Unit Development Agreement as follows:

1. Releases. The following sentence is added to Section 5.3.5:

   Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Term; Default and Termination. Section 2 and Section 6 are each amended by adding the following:

   Notwithstanding anything to the contrary in Sections 2 and 6, PVS will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Jurisdiction and Venue. Section 11.3 is amended to add the following:

   Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit LMFC from requiring litigation to be conducted outside Minnesota.

4. Time Limit on Filing. Section 11.5 is amended to add the following:

   Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

5. Entire Agreement. Section 10.10 is amended by adding the following:

   Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

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

7. This Addendum will have effect only if the Multi-Unit Development Agreement and/or the relationship between you and PVS satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Addendum, the Multi-Unit Development Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

INFORMATION REQUIRED
BY THE STATE OF NEW YORK

Cover page, Additional Disclosures.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

PVS REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

Item 3, Additional Disclosures.

Other than as disclosed in Item 3, neither PVS nor any person listed in Item 2:

1. Has any administrative, criminal or material 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. There are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the System or its business operations.

2. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, 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.

3. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling such person from

membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, Additional Disclosure.

Except as described in this Item, neither PVS, its affiliates, its predecessors, officers, nor general partners, during the ten-year period immediately before the date of the disclosure document: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws; or (c) was a principal officer of a company or general partner of 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 any foreign bankruptcy laws, or that obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws during or within one year after the officer or general partner of LMFC held this position in the company or partnership.

Item 17, Revised Disclosures.

1. *In the Item 17 Table, the following sentence is added to item "d":*

You may also terminate the Franchise Agreement or Multi-Unit Development Agreement on any grounds available by law.

2. *In the Item 17 Table, the following sentence is added to item "j":*

However, no assignment will be made by PVS except to an assignee who, in PVS's good faith judgment, is willing and able to assume PVS's obligations under the Franchise Agreement or Multi-Unit Development Agreement.

3. *In the Item 17 Table, the following sentence is added to item "w":*

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

Item 17, Additional Disclosures.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement or Multi-Unit Development Agreement inconsistent with that law.

You must sign a general release when you renew or transfer a franchise. This provision may not be enforceable under New York 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.

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Section 5.2.7 and Section 26.3.5 are each amended to add the following:

The foregoing release of claims does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by PVS. Section 26.8 is amended by adding the following:

PVS will not assign its rights under the Franchise Agreement except to an assignee who in PVS's good faith judgment is willing and able to assume PVS's obligations under the Franchise Agreement.

4. Termination by Franchisee. Section 20 is amended by adding the following:

You may also terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law. Section 32.9 is amended by adding the following:

Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

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

7. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

NEW YORK ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Multi-Unit Development Agreement as follows:

1. Any provision in the Multi-Unit Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Section 5.3.5 is amended to add the following:

   The foregoing release of claims does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by PVS. Section 5.8 is amended by adding the following:

   PVS will not assign its rights under the Multi-Unit Development Agreement except to an assignee who in PVS's good faith judgment is willing and able to assume PVS's obligations under the Multi-Unit Development Agreement.

4. Governing Law. Section 11.1 is amended by adding the following:

   Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

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

6. This Addendum will have effect only if the Multi-Unit Development Agreement and/or the relationship between you and PVS satisfies all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Multi-Unit Development Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

DEVELOPER [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees 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.

K. 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.

NORTH DAKOTA ADDENDUM TO THE
FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Agreement and Multi-Unit Development Agreement are amended as follows:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

   A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

   B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

   C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

   D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

   E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

   F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

   G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

   H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

   I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

   J. Enforcement of Agreement: Requiring that North Dakota franchisees 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.

2. 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. This Addendum will have effect only if the Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of the North Dakota Franchise Investment Law, without considering this Addendum. Except as expressly modified by this Addendum, the Agreement remain unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement as follows:

1. Governing Law. Section 32.9 is amended by adding the following:

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. Section 32.11 is amended by adding the following:

Notwithstanding the foregoing, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. 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.

4. This Addendum will have effect only if the Franchise Agreement and/or the relationship between FRANCHISEE and PVS satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

RHODE ISLAND ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Multi-Unit Development Agreement as follows:

1. Governing Law. Section 11.1 is amended by adding the following:

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. Section 11.3 is amended by adding the following:

Notwithstanding the foregoing, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. 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.

4. This Addendum will have effect only if the Multi-Unit Development Agreement and/or the relationship between you and PVS satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Multi-Unit Development Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

DEVELOPER [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Item 17, Additional Disclosure.

Pursuant to 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 or Multi-Unit Development Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

According to 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 or Multi-Unit Development Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision 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.

INFORMATION REQUIRED
BY THE STATE OF WASHINGTON

Item 17, Additional Disclosures.

1. You have the right to terminate the Franchise Agreement upon any grounds permitted by law.

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

3. 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.

4. 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.

5. 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.

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

7. 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.

8. 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.

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

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties agree to modify the Franchise Agreement and Multi-Unit Development Agreement as follows:

1. The state of Washington has a statute, the Washington Franchise Investment Protection Act (the "Act"), Section 19.100.180 of which may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

2. In the event of a conflict of laws, the provisions of the Act shall prevail.

3. You may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

4. A release or waiver of rights executed by you may not include rights under the 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.

5. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of yours, 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 yours 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.

7. RCW 49.62.060 prohibits us from restricting, restraining, or prohibiting you from (i) soliciting or hiring any employee of a franchisee of ours or (ii) soliciting or hiring any employee of ours. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

8. Securities offering fees shall be limited to our reasonable costs and expenses in reviewing your security offering documents.

9. 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.

10. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of the Washington Franchise Investment Protection Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

EXHIBIT F

FRANCHISEES AS OF DECEMBER 31, 2021; FRANCHISEES WHO EXITED AN OUTLET IN 2021

PETSMART VETERINARY SERVICES franchises as of December 31, 2021:

NONE

PETSMART VETERINARY SERVICES franchisees who exited an outlet during 2021:

NONE

EXHIBIT G

FINANCIAL STATEMENTS

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

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PetSmart Veterinary Services, LLC

Financial Statements as of and for the
period ended May 2, 2022

(Unaudited)

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(Unaudited)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Member of

PETSMART VETERINARY SERVICES, LLC

We have reviewed the accompanying financial statements of **PetSmart Veterinary Services, LLC**, which comprise the balance sheet as of May 2, 2022, and the related statements of operations and cash flows for the period from the formation date (March 25, 2022) through May 2, 2022, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **PetSmart Veterinary Services, LLC** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Mayer Hoffman McCann P.C.

May 26, 2022

PetSmart Veterinary Services, LLC
Balance Sheet
(In thousands)
(Unaudited)

	May 2, 2022
ASSETS	
Cash and cash equivalents	$ 5,000
Total current assets	5,000
Total assets	$ 5,000
LIABILITIES AND MEMBER'S EQUITY	
Total liabilities	$ —
Member's equity:	
Member contributions	5,000
Accumulated earnings	—
Total member's equity	5,000
Total liabilities and member's equity	$ 5,000

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

PetSmart Veterinary Services, LLC
Statement of Operations
(In thousands)
(Unaudited)

	Formation Date through May 2, 2022
Royalties	$ —
Sublease income	—
Marketing fund income	—
Other revenue	—
Total revenue	—
Sublease expense	—
Marketing fund expense	—
Cost of other revenue	—
Other expenses	—
Total expenses	—
Operating income	—
Interest expense, net	—
Income before income tax expense	—
Income tax expense	—
Net income	$ —

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

PetSmart Veterinary Services, LLC
Statement of Cash Flows
(In thousands)
(Unaudited)

	Formation Date through May 2, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ —
Adjustments to reconcile net income to net cash provided by operating activities:	—
Net cash provided by (used in) operating activities	—
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net cash provided by (used in) investing activities	—
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contribution from parent	5,000
Net cash provided by financing activities	5,000
Increase in cash and cash equivalents	5,000
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	$ 5,000

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

PetSmart Veterinary Services, LLC
Notes to the Financial Statements
(Unaudited)

Note 1 — The Company and Basis of Presentation

Business

PetSmart LLC ("PetSmart") is a leading specialty provider of products, services and solutions for the lifetime needs of pets. PetSmart operates approximately 1,650 pet retail stores throughout the United States, Canada, and Puerto Rico and has full-service veterinary hospitals, owned and operated by third-parties, in approximately 750 of its stores.

On March 25, 2022 ("Formation Date"), PetSmart formed PetSmart Veterinary Services, LLC ("PVS") to ensure that certain of its stores not already serviced by third-party veterinary practices will be able to provide in-store access to reputable, licensed and full-service veterinarian preventative care, general pet health management and treatment for pets to PetSmart's customers. PetSmart, as tenant of it stores, will license space in a portion of certain stores to PVS, and PVS will sublicense that space to third-party veterinary franchisees ("Franchisees") under a Franchise and Premise License Agreement ("Franchisee Agreement"). Franchisees will operate and manage the space within PetSmart stores under the trademarks, service marks, logos and commercial symbols of PVS that PVS licenses from PetSmart or PetSmart's affiliates. Franchisees will be entitled to earnings from their managed PVS location(s). In return, Franchisees will pay PVS certain royalty and marketing fees, license fees and related occupancy costs such as property taxes, utilities, common area maintenance and insurance, and other fees and cost reimbursements. As of and from the Formation Date through May 2, 2022, PVS did not have any executed Franchisee Agreements.

PVS was formed as a limited liability company and its the sole member is PetSmart. On May 2, 2022, PetSmart contributed $5.0 million to PVS in the form of a member contribution. PVS had no operating activity as of or for the period from the Formation Date through May 2, 2022.

PVS is referred to as the "Company," "we," "our," or " us" unless the context requires or discloses otherwise.

Basis of Presentation

Our accompanying financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim reporting as set forth in the Financial Accounting Standards Board's Accounting Standards Codification.

Fiscal Year

Our fiscal years will consist of 52 or 53 weeks and will end on the Sunday nearest to January 31st. Our fiscal year 2022, the first year since formation of PVS, will consist of the stub period from the Formation Date through January 29, 2023.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the reporting period. Management bases their estimates on historical experience and on various other assumptions that they believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Under different assumptions or conditions, actual results could differ from these estimates.

Financial Instruments

Our short-term financial instruments consist of cash and cash equivalents. This balance, as presented in the financial statements as of May 2, 2022, approximates fair value because of its short-term nature.

Cash and Cash Equivalents

We consider any liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents as of May 2, 2022 were fully liquid funds held in an institutional bank account.

PetSmart Veterinary Service, LLC
Notes to the Financial Statements (continued)
(Unaudited)

Note 2 — Recently Issued Accounting Pronouncements

There were no recently issued accounting pronouncements that have not yet been adopted that we believe will have a material impact on our financial statements.

Note 3 — Commitments and Contingencies

In the normal course of our business, we may be subject to actual or threatened legal actions and proceedings, including those related to alleged violations of labor and employment laws, intellectual property rights, consumer protection laws, franchise laws, premises liability, contract disputes, and other laws and regulations.

Note 4 — Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through May 26, 2022, the date at which the financial statements were available to be issued, and determined that there were no additional items to disclose.

EXHIBIT H

SAMPLE RELEASE

SAMPLE OF RELEASE TO BE SIGNED WHEN YOU RENEW OR TRANSFER THE FRANCHISE

Note: Where required by state law, this Release will be modified so that it does not apply to your rights under the state law. Please see Exhibit C to the disclosure document.

GENERAL RELEASE

THIS GENERAL RELEASE is signed by the franchisee named at the end of the document (**"Franchisee"**) and by Franchisee's owners (the **"Owners"**) as an express condition of renewing or transferring a PETSMART VETERINARY SERVICES franchise between Franchisee and PetSmart Veterinary Services, LLC (**"PVS"**).

1. Release. Franchisee and each of the Owners, on behalf of themselves and all past, present and future parents, subsidiaries, shareholders, members, partners, managers, directors, officers, employees, successors, assigns, agents and legal representatives, and their respective heirs, executors, administrators or personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the **"Franchisee Parties"**), hereby release and forever discharge PVS, its affiliates, and their respective past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, **"Claims"**) that the Franchisee Parties ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this General Release.

2. Risk of changed facts. Franchisee and the Owners understand that the facts in respect of which the release in Paragraph 1 is given may turn out to be different from the facts that Franchisee and the Owners now know or believe to be true. Franchisee and the Owners, on behalf of themselves and all other Franchisee Parties, hereby accept the risk of the facts turning out to be different and agree that the release will nevertheless be effective and not subject to termination or rescission by virtue of any such difference in facts.

3. No prior assignment. Franchisee and the Owners, for themselves and on behalf of all other Franchisee Parties, represent and warrant that the Franchisee Parties have not assigned or transferred, or purported to assign or transfer, any Claim released under Paragraph 1 to any person or business entity that is not a Franchisee Party.

4. Covenant not to sue. Franchisee and the Owners, for themselves and on behalf of all other Franchisee Parties, promise 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 against any person or entity released under Paragraph 1 with respect to any Claim released under Paragraph 1.

5. Complete defense. Franchisee and each of the Owners: (i) acknowledges that this General Release will be a complete defense to any Claim released under Paragraph 1; and (ii) consents to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Authorization. Franchisee and the Owners represent and warrant that: (a) the person signing this General Release on behalf of Franchisee is authorized to do so; and (b) Franchisee and the Owners have the authority to enter into this General Release on behalf of the other Franchisee Parties.

7. Governing Law. This Release is governed by and will be interpreted under Arizona law, without reference to Arizona conflict of law rules.

8. California Acknowledgment. If, notwithstanding Paragraph 6, Section 1542 of the Civil Code of the State of California is deemed to apply to this Release, Franchisee and the Owners expressly waive all rights under Section 1542, which reads as follows:

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

PETSMART VETERINARY SERVICES, LLC

By:_____

Print Name:_____

Title:_____

FRANCHISEE:

_____
(Print name of corporation, partnership, limited liability company or other legal entity)

By:_____

Print Name:_____

Title:_____

OWNERS:

_____

_____

_____

EXHIBIT I

PROMISSORY NOTE AND GUARANTY

PROMISSORY NOTE

$[●] [●], 202_

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [*Insert Legal Entity Name*] ("Maker") hereby promises to pay to the order of **PETSMART LLC** ("PetSmart"), at 19601 N. 27th Ave., Phoenix, AZ 85027, or at such other place as PetSmart may designate, [●] Dollars ($[●]) in lawful money of the United States of America, together with interest thereon from the date of this Note until paid, at the rate of 7.99% per annum during the first thirty (30) months of the loan, and at a rate of 12.99% per annum thereafter through the fifth year anniversary of this Note (the "Maturity Date"). Additionally, an origination fee equal to $[●] [*equal to the lesser of 5% or $5,000*] shall be added to the principal balance of the Note (the "Origination Fee").

Maker shall pay PetSmart monthly installment payments of One Hundred and No/100 Dollars $100.00 beginning on the first day of the month following the date of this Note through the first day of the sixth month following entry into this Note. Beginning with the first day of the seventh month following the date of this Note, Maker shall pay PetSmart monthly installment payments of [●] $[●] through the first day of the 12th month following entry into this Note. Beginning with the first day of the 13th month following the date of this Note, Maker shall pay PetSmart monthly installment payments of [●] $[●] through the Maturity Date, subject only to early repayment as set forth herein. A payment schedule is attached hereto as **Exhibit A**. If the first day of the month when payment becomes due under this Note is a weekend or Federal holiday, payment shall be due on the first business day of the month. Payment shall be made via ACH to the account designated by PetSmart. All payments shall be applied first to any fees or expenses due to PetSmart, then to accrued interest, and finally to principal.

If any payment is not received in full within fifteen (15) days after the due date, Maker shall pay to PetSmart, in addition to interest, a late fee equal to five percent (5%) of the delinquent amount.

Maker may prepay the Note without penalty at any time in whole, but not in part, including principal and unpaid interest through the date of repayment. If such prepayment is made within thirty (30) months of the date of this loan, the Origination Fee will be forgiven and waived by PetSmart and shall not be required to be repaid in full satisfaction of the loan amount.

Maker understands and agrees that funds provided by PetSmart hereunder are for commercial purposes only and shall be used to finance any franchise fees, equipment, inventory, payroll and other working capital needs for Maker's franchise veterinary practice only.

Nothing contained in this Note shall be deemed to establish or require the payment of interest at a rate in excess of the maximum rate permitted at any time by applicable law. In the event that the rate of interest required to be paid under this Note at any time exceeds the maximum rate permitted by applicable law, the rate of interest required to be paid hereunder shall be automatically reduced to the maximum rate permitted by law.

Time is of the essence of this Note and each provision herein. At the election of PetSmart, the entire principal sum of this Note remaining unpaid, together with all accrued interest and all other sums owing hereunder, shall become immediately due and collectable,

without notice or demand (subject only to any cure periods required by law), on the happening of any one or more of the following events, each of which shall constitute an event of default:

(a) The failure of Maker to pay in full any sum when due under this Note;

(b) Any default by Maker under Maker's Franchise and Premises License Agreement with PetSmart Veterinary Services, LLC;

(c) Any representation or warranty made to induce PetSmart to extend credit to Maker, or made in connection with any other agreement between Maker and PetSmart or PetSmart's subsidiaries, is discovered to be false in any material respect when made;

(d) Any execution, attachment or levy against or upon any assets or property of Maker or any guarantor of Maker's obligations to PetSmart (a "Guarantor") which is not stayed or discharged within thirty (30) days;

(e) Any Guarantor repudiates or attempts to terminate or limit the Guarantor's obligations to PetSmart;

(f) The calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or an offering of a composition or extension to creditors by, for or of Maker or any Guarantor;

(g) The appointment of a receiver, trustee or liquidator of or for any substantial part of the property of Maker or any Guarantor;

(h) An assignment for the benefit of creditors by Maker or any Guarantor;

(i) The filing of a petition in bankruptcy or the commencement of any proceeding under any bankruptcy or insolvency laws, or any other laws relating to relief of debtors, readjustment of indebtedness, reorganization, composition, arrangement, or extension by or against Maker or any Guarantor;

(j) Failure of Maker or any Guarantor to pay its liabilities as they come due in the ordinary course of business;

(k) The cessation of the active conduct of Maker's veterinary practice;

(l) Any sale, lease, transfer or other disposition of all or a substantial part of Maker's assets; or

(m) Any other event or condition, including but not limited to a change in Maker's or any Guarantor's financial condition, which causes PetSmart to deem itself insecure, believing in good faith that the prospect of performance by Maker is impaired.

All payments shall be transmitted so as to be received by PetSmart on or before the date due.

No delay or omission on the part of PetSmart in the exercise of any right or remedy, whether before or after any event of default, shall operate as a waiver thereof or impair PetSmart's right to fully and strictly enforce such right or remedy and every other provision of this Note.

Maker hereby waives presentment, demand, notice of nonpayment, notice of intent to accelerate, notice of acceleration, diligence in collection, and all other notices and acts to which Maker might otherwise be entitled under any applicable law.

Maker agrees to pay all costs of collection, reasonable attorney fees and disbursements incurred by PetSmart in connection with any default by Maker on this Note, whether or not legal proceedings are instituted. If any legal proceeding is instituted by PetSmart to collect any sum payable hereunder, or if PetSmart appears in any bankruptcy or similar proceeding with respect to Maker, Maker shall pay PetSmart's costs, disbursements and reasonable attorney fees in such proceeding and in any appeal therefrom.

This Note shall be binding upon Maker and upon its successors and assigns and shall enure to the benefit of PetSmart and its successors and assigns.

This Note shall be fully assignable by PetSmart without Maker's consent. Maker agrees not to assert against any assignee any claim or defense Maker may have against PetSmart except defenses of a type assertable against a holder in due course of a negotiable instrument.

This Note shall be interpreted and enforced in all respects in accordance with the substantive laws of the state of Arizona. Maker hereby consents to jurisdiction and venue in any state or federal court located in Maricopa County, Arizona for any dispute arising out of or in connection with this Note, and Maker consents to service in such proceeding by mail at its address set forth below. MAKER AND PETSMART EACH WAIVES THE RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

[*Insert Legal Entity Name*]

By: _____

Name: _____

Its: _____

Maker's Address:

Exhibit A

Payment Schedule

GUARANTY

For valuable consideration, receipt and sufficiency of which are acknowledged, [*individual*] individually ("Guarantor") fully and unconditionally guarantees and promises to pay when due, or immediately upon demand thereafter, any and all obligations of [*borrower legal entity*] ("Debtor"), to **PETSMART LLC.,** a Delaware limited liability company ("PetSmart"), including but not limited to obligations under or in connection with the Promissory Note of even date herewith in the original principal sum of [●] Dollars ($[●]), as it may be amended, extended, restated or replaced at any time (the "Note").

The obligations guaranteed hereby include all obligations of every nature, whether now existing or arising in the future, whether secured or unsecured, fixed or contingent, matured or unmatured, joint, several or joint and several, primary or secondary, and including but not limited to principal, interest and costs of collection.

This is a continuing Guaranty and shall be irrevocable so long as there shall be any obligation of Debtor owing to PetSmart under the Note.

Guarantor waives notice of acceptance hereof; notice of transactions between Debtor and PetSmart; and notice of all defaults by or disputes with Debtor. Guarantor consents to and waives notice of all changes of terms; the extension of time to pay; the release of the whole or any part of Debtor's indebtedness; the settlement, compromise or adjustment of defaults and disputes; the acceptance or release of security; and the release of any other guarantor of Debtor's indebtedness. Guarantor also consents to and waives notice of any arrangements or settlements made in or out of court in the event of insolvency, receivership, liquidation, readjustment, bankruptcy, reorganization, arrangement or assignment for the benefit of creditors of Debtor.

The obligation of Guarantor is a primary and unconditional obligation. This obligation shall be enforceable before or after proceeding against Debtor and shall be effective regardless of the solvency or insolvency of Debtor at any time; the extension, modification or discharge of the indebtedness of Debtor by operation of law; or the subsequent bankruptcy of Debtor.

Guarantor agrees that any indebtedness owing to Guarantor at any time by Debtor will be junior and subordinate to Debtor's indebtedness to PetSmart. Guarantor hereby assigns to PetSmart any claim which Guarantor may have to any payment, disbursement or dividend in the event of any bankruptcy or similar proceeding commenced by or against Debtor and agrees that PetSmart may continue to demand and collect payment of all such sums until all indebtedness of Debtor to PetSmart shall have been fully paid.

All liabilities of Debtor and Guarantor to PetSmart shall mature immediately upon the filing of a voluntary petition in bankruptcy by Debtor, or the filing of an involuntary petition in bankruptcy against Debtor, or the making of a general assignment for the benefit of creditors by Debtor.

If a claim is made upon PetSmart at any time for repayment or recovery of any sum or other value received by PetSmart from any source in payment of or on account of any of the obligations guaranteed hereunder, whether such claim is made in a bankruptcy proceeding or otherwise, and PetSmart repays or otherwise becomes liable for all or any part of such claim by

reason of a judgment, decree or order of any court or administrative body having competent jurisdiction, or any settlement or compromise of any such claim, then Guarantor, and any other guarantor of Debtor's obligations, shall remain jointly and severally liable to PetSmart for the amount so repaid or for which PetSmart is liable to the same extent as if such sums had never been received by PetSmart, notwithstanding any termination or return of this Guaranty. Guarantor agrees to hold PetSmart harmless from and indemnify PetSmart fully for all losses and expenses, including attorney fees (whether pre-trial, trial or appellate and including fees incurred in bankruptcy proceedings) incurred in connection with any claim for repayment or recovery of any sum received in payment or satisfaction of Debtor's indebtedness.

Guarantor shall pay all attorney fees and other costs incurred by PetSmart in enforcing this Guaranty, whether or not any legal proceeding is initiated. In any proceeding in which PetSmart seeks to enforce this Guaranty (including bankruptcy proceedings), the prevailing party shall be entitled to recover its costs, disbursements and reasonable attorney fees at the pre-trial, trial and appellate levels.

This Guaranty shall be binding upon Guarantor, his heirs, personal representatives, successors and assigns, and shall inure to the benefit of PetSmart, its successors and assigns.

This written Guaranty is intended to be a complete and final expression of Guarantor's agreement with respect to liability for the obligations of Debtor under or in connection with the Note. Guarantor acknowledges that no representations or promises whatsoever have been made to Guarantor by PetSmart or any of its affiliates, agents or attorneys with respect to this Guaranty. This Guaranty shall be fully effective whether or not any other person provides a guaranty for Debtor's obligations. No modification of this Guaranty shall be effective for any purpose unless it is in writing and executed by PetSmart. No course of dealing, course of performance, trade usage or parol evidence of any nature shall be used to supplement or modify any of the provisions of this Guaranty.

This Guaranty shall be governed, interpreted and enforced in all respects by the laws of the State of Arizona. Guarantor consents to jurisdiction and venue in any state or federal court located in Maricopa County, Arizona for any dispute arising out of or in connection with this Guaranty. GUARANTOR WAIVES THE RIGHT TO A JURY TRIAL IN ANY PROCEEDING BASED UPON OR RELATING TO THIS GUARANTY.

Dated: [●]

GUARANTOR:

_____

[●]
Address:

ADDENDUM TO FRANCHISE AGREEMENT

This Financing Addendum (the "**Financing Addendum**") is dated as of _____, 2023 (the "**Effective Date**") and amends the Franchise and Premises License Agreement dated _____, 2023 (the "**Franchise Agreement**") between PETSMART VETERINARY SERVICES, LLC ("**PVS**") and _____ ("**FRANCHISEE**"). Capitalized terms used but not defined in this Addendum have the same meaning as in the Franchise Agreement.

Concurrently with this Financing Addendum, FRANCHISEE is entering into a promissory note dated _____ (the "**Promissory Note**") in favor of our affiliate, [PetSmart LLC], under which our affiliate is extending financing to FRANCHISEE in connection with the Hospital operated under the PVS System. In consideration of the financing being extended to FRANCHISEE,, PVS and FRANCHISEE agree to add the following new Section 19.8 to the Franchise Agreement:

19.8. **Cross-Default**. Any default by FRANCHISEE under the Promissory Note or by any guarantor of the Promissory Note will constitute a default under this Agreement, subject to any applicable provisions for notice and cure set forth in the Promissory Note and Guaranty. PVS will have the right to terminate this Agreement by written notice in the event of an uncured or uncurable default of the Promissory Note or Guaranty.

Except as expressly modified and supplemented by this Financing Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

PETSMART VETERINARY SERVICES, LLC	**[FRANCHISEE]**
By: _____	By: _____
Name: John Bork	Name: _____
Title: SVP, Vet Health Services	Title: _____
Date: _____	Date: _____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	August 22, 2022, as amended [ ]
Hawaii	July 5, 2022, as amended [ ]
Illinois	August 26, 2022, as amended [ ]
Indiana	June 28, 2022, as amended [ ]
Maryland	December 7, 2022, as amended [ ]
Michigan	June 3, 2022, as amended [ ]
Minnesota	Not Filed
New York	Not Filed
North Dakota	July 13, 2022, as amended [ ]
Rhode Island	Not Filed
South Dakota	June 29, 2022, as amended [ ]
Virginia	Not Filed
Washington	Pending
Wisconsin	June 27, 2022, as amended [ ]

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If the franchisor does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit D.

The franchisor is PetSmart Veterinary Services, LLC, located at 19601 N. 27th Avenue, Phoenix, AZ 85027, tel. 623-587-2030.

Issuance date: May 27, 2022, as amended February 17, 2023

The franchise sellers for this offering are John Bork, Dr. Jennifer Bruns, Simon Broad, Brittany Erickson and Danielle O'Dea at the above address and telephone number; Bowen Daniel (Dan) Bish at 3240 S Dodge Blvd, Suite 6, Tucson, AZ 85713, (520) 360-9747; and Scott C. Oppat at 6894 Apollo Road, West Linn, OR 97068, (503) 850-4624; and _____ [*List any other franchise sellers involved in the sale*].

We authorize the state agencies in Exhibit D to receive service of process for us in the particular state.

I have received a Franchise Disclosure Document dated May 27, 2022,as amended February 17, 2023 that included the following Exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed in the State Effective Dates page).

A. Franchise Agreement
B. Multi-Unit Development Agreement
C. Table of Contents of Operations Manual
D. State Franchise Administrators; Agents for Service of Process
E. Additional State-Required Information, State-Required Contract Addenda
F. Franchisees as of 12/31/2021; Franchisees who Exited an Outlet in 2021
G. Financial Statements
H. Sample Release
I. Promissory Note, Guaranty and Financing Addendum

_____	_____
Date Received	Signature of Prospective Franchisee
	_____
	Name (please print)

<u>This copy to be retained by Prospective Franchisee</u>

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If the franchisor does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit D.

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G. Financial Statements
H. Sample Release
I. Promissory Note, Guaranty and Financing Addendum

Date Received	Signature of Prospective Franchisee
	Name (please print)

<u>This copy to be retained by Franchisor</u>