FRANCHISE DISCLOSURE DOCUMENT

NPM FRANCHISING, LLC
A Washington Limited Liability Company
19400 144th Ave NE, Ste. E
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www.EarthWisePet.com

We offer franchises to qualified individuals to own and operate a franchised business for mobile pet grooming services ("Mobile Grooming") using our GROOMBAR brand.

The total investment necessary to begin operation of a franchise is $53,800 to $218,450. This includes $30,000 to $32,950 that must be paid to the franchisor or its affiliate(s). If you purchase multiple franchises, you will incur these expenses for each franchise.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact us at 19400 144th Ave NE, Ste. E, Woodinville, Washington 98072, franchise@earthwisepet.com and (800) 314-9765 EXT. 1.

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

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

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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 A 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 GROOMBAR 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 GROOMBAR 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 B.

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

Special Risks to Consider About *This* Franchise

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

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

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

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

We are NPM Franchising, LLC. We do business under the names NPM Franchising, EarthWise Pet, and GROOMBAR. We do not intend to offer franchises under any other names. NPM Franchising, LLC is called "us" or "we" in this Franchise Disclosure Document. "You" means the purchaser of a franchise, and includes owners or partners of a corporation, partnership or other legal entity that purchases a franchise. For convenience, this disclosure document refers to the franchise we offer collectively as a "Franchise."

We were formed originally as an Oregon limited liability company on February 26, 2008 under the name Nature's Pet Franchising, LLC. We changed our name to Nature's Pet Market Franchising, LLC March 31, 2011 and changed to our current name, NPM Franchising, LLC, January 2013. We redomiciled to the State of Washington March 2017. Our principal place of business 19400 144th Ave NE, Ste. E, Woodinville, WA 98072. Our telephone number is (800) 314-9765. A list of state regulatory authorities and our agents for service of process are listed in Exhibit B.

The Franchises We Offer

We license our franchisees in specified territories to own and operate a franchise under the name(s) and principal mark(s) we specify in the applicable franchise agreement. In this disclosure document, our current trademarks and service marks, and those to be developed in the future for our franchise system, are collectively referred to as the "Marks." We offer the following types of franchises:

1. *GROOMBAR™* franchises for mobile pet grooming services. This is the concept offered by this disclosure document.

2. *GROOMBAR™* franchises for stores offering pet grooming and self-wash services (with the option to add Mobile Grooming). We offer this concept through a separate disclosure document.

3. *EarthWise Pet®* franchises for retail stores offering pet food and supplies and pet grooming and self-wash services (with the option to add Mobile Grooming). We offer this concept through a separate disclosure document.

In this disclosure document, "Systemwide" refers to all of our franchisees in connection with our EarthWise Pet brand (including those that use "by EarthWise Pet" after another brand name, such as "Pet Pros by EarthWise Pet") and our GROOMBAR brand, but not our Pet Depot brand.

Franchisees use our applicable systems and our applicable Marks in the establishment and operation of their franchises (collectively "System"). Some or all of our initial and ongoing obligations to you may be performed by an area representative in your area that is not a party to your Franchise Agreement.

We have created the Franchise program that includes use and promotion of the Marks, trade-dress,

standards, specifications and procedures for quality, efficient service and uniformity of products and services, procedures and computer software for training, advertising, promotional programs and ongoing assistance.

We may offer area representative franchises for the right to develop franchises in a specified Development Area through a separate disclosure document. The standard area representative offering requires an area representative to provide certain services related to marketing for prospective franchisees; investigation and qualification of prospective franchisees; pre-opening services to franchisees; and ongoing support and supervision of franchisees within a Development Area.

We began to offer franchises in March 2008. Except as otherwise provided in this Item 1, we have not offered franchises in other lines of business. We do not operate standalone mobile pet grooming businesses, but we do operate one or more pet food and supply businesses (some of which may include pet grooming services) as disclosed in Item 20. We (and any affiliate of ours) retain the right to own or operate additional operations and franchises.

Parents, Predecessors, and Affiliates

We do not have any parents or current affiliates that are required to be disclosed in this Item. The following companies are predecessors:

1. PET STUFF FRANCHISING, LLC, a Delaware limited liability company, is our predecessor with respect to the Dee-O-Gee by EarthWise Pet franchise concept. Its principal business address is the same as ours. This predecessor has not operated businesses of the type we are franchising, but its affiliates have operated businesses since 2008 under the following brands: Dee-O-Gee, Bentley's, Pet Pros, Munchies, and Protein for Pets. We anticipate converting these outlets to our brand and system in the future. The predecessor to our predecessor offered franchises from May 2015 to May 2017. Our predecessor offered franchises from May 17, 2021 until we acquired its franchise system in 2021. Our predecessor has not offered franchises in other lines of business.

The entities that formerly owned PET STUFF FRANCHISING, LLC (our predecessor described above) currently own a minority interest in us.

2. The Pet Depot Companies (defined below) are our predecessors with respect to the Pet Depot franchise concept. In this disclosure document, the "Pet Depot Companies" refers to the following entities: (i) Labrador Franchises, Inc., a California corporation, (ii) PET DEPOT Canada, ULC, a Canadian unlimited liability corporation, and (iii) Labrador II, Inc., a California corporation.

Market and Competition

The market for pet grooming services is well-developed. The principal sources of direct competition for our franchises are other businesses that offer mobile pet grooming services. Other sources of competition include retail stores that offer pet grooming services along with pet food and other pet supplies. Our franchisees' services are likely to be sold primarily to persons seeking

high-quality pet grooming services.

Applicable Laws

In some states and localities, there may be laws that relate specifically to our industry apart from those that apply to all businesses. Laws, regulations, and requirements that relate specifically to our industry vary by jurisdiction, but they may pertain to licensing, registrations, provision of pet-related services, and other matters. They may be required by applicable state and federal governmental bodies, including departments of health. Your franchise may be subject to local permits and inspection laws.

It is solely your responsibility to comply with federal and state labor laws. You must pay your employees in compliance with federal and state wage and hour laws. We recommend you seek the advice of a competent employment law specialist in this regard. Consider retaining the services of a qualified labor relations/human resources consultant of your choice. Consider retaining third-party providers of your own choosing for payroll and accounting services.

The franchise agreement places the responsibility solely on you, the franchisee, to comply with all applicable laws and regulations. You should research these requirements before you invest.

ITEM 2
BUSINESS EXPERIENCE

MICHAEL SEITZ - Chief Executive Officer and Chairman of the Board of Directors: Mr. Seitz has served as our CEO and Chairman since 2012. He served as our President and Officer of Franchise Training and Franchise Marketing from our inception in 2008 to 2012. Mr. Seitz served as a managing member of our former affiliate, Nature's Pet, LLC, which operated Nature's Pet stores in Hillsboro, Oregon from 2005 to 2015 and Sherwood, Oregon from 2005 to 2010.

DAN WEBB - President and Chief Development Officer: Mr. Webb has served as our President and Chief Development Officer since 2017. He served as our President and Chief Operating Officer from 2012 to 2017. He served as our Vice President from 2011 to 2012. Mr. Webb served as our Director of Franchise Relations from November 2009 to 2011. Mr. Webb served as a managing member of our affiliate, Nature's Pet, LLC, in Hillsboro, Oregon from 2007 to 2015 and Sherwood, Oregon from 2007 to 2010.

JEREMY GINGERICH - Chief Financial Officer: Mr. Gingerich has served as our CFO since 2014. He is a Certified Public Accountant and has been with the accounting firm Wilcox Arredondo & Co. in Portland, Oregon since 2007. He has been one of our LLC Members since 2012.

LISA SENAFE - Chief Nutrition Officer: Ms. Senafe has served as our Chief Nutrition Officer since September 2021. She has been President of Pet Stuff America, LLC in Long Grove, Illinois since 2015.

DIANNA BAILER – Chief Marketing Officer: Ms. Bailer has been our Chief Marketing Officer since July 2021. She has been Chief Marketing Officer for Bloomin' Blinds franchise in Plano,

Texas since November 2021. She was Vice President of Operations for Franchise Performance Group in Nashville, Tennessee from March 2016 to April 2021.

SCOTT BROWN - Chief Financial Officer: Mr. Brown has been our Chief Financial Officer in Henderson, Nevada since October 2023. He was our Chief Revenue Officer from September 2022 to October 2023. He was our area representative franchisee (through his entity, SCAPS Holdings LLC) in Henderson, Nevada from April 2017 to March 2023.

NICOLE NEAL – Vice President of Vendor Relations: Ms. Neal has been our VP of Vendor Relations since October 2021. She has been VP of Merchandising for Bentley's Pet Stuff in Long Grove, Illinois since February 2016.

Business experience for our area representatives is listed in Exhibit F.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee:

The Initial Franchise Fee is $30,000 and is payable when you sign the Franchise Agreement.

Veteran's Discount:

The Initial Franchise Fee is discounted by 15% if you are a veteran of the U.S. armed forces (not dishonorably discharged).

Supplies:

We may be an approved supplier (but not the only approved supplier) for some of your initial equipment and supplies. Because such purchases from us are optional, the low-end of the following estimates is zero. We estimate that you will pay us approximately $0 to $1,200 for such items.

Computer Systems:

We may be an approved supplier (but not the only approved supplier) for some of your initial computer hardware and software systems. Because such purchases from us are optional, the low-end of the following estimates is zero. We estimate that you will pay us approximately $0 to $1,750

for such items.

Additional Franchise Purchases:

For your second and any additional franchises you purchase from us *other than* simultaneously, the Initial Franchise Fee is reduced by 10% (for the second and each additional franchise).

Multiple Franchises Purchased Simultaneously:

If you sign multiple franchises simultaneously, then the Multiple Franchise Purchase Addendum will be attached to each of your Franchise Agreements. (See the Multiple Franchise Purchase Addendum in Exhibit 2 of the Franchise Agreement). Multiple franchises you purchase *simultaneously* are sold at reduced initial franchise fees in accordance with the following schedule:

1st franchise:	$30,000
2nd franchise:	20% discount
3rd franchise:	30% discount
4th franchise:	40% discount
5th franchise and beyond:	50% discount

For the franchises you purchase simultaneously from us, you will pay the Initial Franchise Fees in full when you sign the Multiple Franchise Purchase Addendum.

Non-Refundable:

None of the initial fees described in this Item 5 are refundable. You are encouraged to begin training before incurring any costs or expenses related to the planned opening of your franchise. We will not be liable for any costs or expenses you incur if we terminate the Franchise Agreement because you or your manager fails to satisfactorily complete the mandatory Initial Training Program.

You pay the Initial Franchise Fee at the times described in the Franchise Agreement, unless otherwise specified in state-specific addenda to the Franchise Agreement.

Uniformity of Fees:

Initial franchise fees are uniform except as otherwise provided above.

ITEM 6
OTHER FEES

Name of Fee	**Amount**	**Date Due**	**Remarks**
Weekly Royalty Fee[1]	The following percentages of your Gross Revenue[2]: 8% on calendar year annual Gross Revenue from $0 to $399,999; 7% on Gross Revenue from $400,000 to $499,999; 6% on Gross Revenue from $500,000 to $599,999; and 5% on Gross Revenue from $600,000 or more	Due by Wednesday each week for the preceding week (or as we specify in the Operations Manual).	See Notes 3 and 4 See Note 10.
Weekly Marketing Contribution[1]	1.5% of your Gross Revenue for the preceding week	Due by Wednesday each week (or as we specify in the Operations Manual).	See Note 3
Fee for Unsatisfied Automatic Withdrawal	$75 for each unsatisfied attempt	As Incurred	In respect to fees you owe, if we attempt a draw or other process that is returned unsatisfied for any reason, then we may charge you a $75 fee for each unsatisfied attempt.
Regional Marketing Program[4]	Amount not to exceed 1% of your Gross Revenue (These fees are not currently assessed.)	As voted	If at any meeting of the franchisees in an advertising region, 65 percent of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to contribute to a regional marketing program in the amount established by the vote.
Monthly Grooming Software Fee	We cover the base costs for the required grooming software, but you may choose optional add-ons, currently estimated at $50	Monthly	This fee is payable to us or the provider of the grooming software (as we will designate). One example of an optional add-on to the software is a text-based

Name of Fee	**Amount**	**Date Due**	**Remarks**
	to $500 per month (subject to change) depending upon options and usage.		customer communications program.
Late Payments[5]	The greater of $50 or 5% of the amount due; plus 1.5% of amount due per month as a late payment penalty	After due date and while amounts owed remain unpaid	Applies to all royalty and marketing contributions and requirements and amounts due for purchases from us. You will not be compelled to pay late charges at a rate greater than the maximum allowed by applicable law.
Audit[6]	Cost of audit (currently estimated at $1,000 to $5,000) plus late payment charges on underpayment	Immediately upon demand.	Payable only if audit shows that you understated Gross Revenue by at least 2 percent.
Additional Training and Assistance	Currently the *lesser* of $100 per hour per trainer or $600 per day	Before training	If you request additional training, or we determine, at our own discretion, you need additional training, then in addition to our training fees, you will bear all expenses related to this additional training. If you travel to our headquarters, then your expenses will likely include your travel, lodging, meals and compensation for your employees. Also, if we travel to your location, then you will bear our reasonable travel, room and board expenses. We estimate that these costs could range from approximately $500 to $5,000 depending upon the location of your franchise and the duration of the training.
Franchise Retreats	You will be required to pay your expenses as well as your employees' expenses in attending these programs	Time of program	Our retreats are generally held in conjunction with industry-related seminars or conventions. If we make attendance optional, then you will pay your expenses. If we require your attendance, then we may cover your direct out-of-pocket travel and lodging expenses.

Name of Fee	**Amount**	**Date Due**	**Remarks**
Independent Laboratory Testing Costs[7]	Actual cost of tests (unknown at this time).	As incurred	You will reimburse us for the actual costs of product testing. See note.
Transfer Fee[8]	$5,000	Before transfer	Paid when you sell your franchise according to our then-current Transfer Fee. We may discount the Transfer Fee in our discretion if we deem that the transferee has been trained previously by us to our then-current standards or otherwise does not require our full training program.
Renewal Fee[9]	Reimbursement of our out-of-pocket costs (currently estimated at $0 to $2,500)	Upon renewal	You will reimburse us for our reasonable out-of-pocket costs concerning renewal.
Fee for Retraining Upon Renewal	Reimbursement of our out-of-pocket costs Currently estimated at $0 to $8,500 (plus your expenses)	Before renewal	In addition, we may, in our discretion, require that you or your designated manager attend and successfully complete any retraining program we prescribe before renewal. This will be done at your expense, including travel, meals, lodging, and our then-current training fee.
Refurbishing Upon Renewal	Your costs	Upon renewal	As applicable, you must repair and replace the franchise-related vehicle, supplies, and other items to conform to the then-current Operations Manual and System.
Liquidated Damages	The amount you would have paid for Royalty Fees for the less or (1) the remaining term of the Franchise Agreement, or (2) 12 months.	Within 30 days following the date of termination.	Payable if you default and we terminate your Franchise Agreement. See the State Law Addendum attached to the FDD for state-required revisions to the Franchise Agreement's liquidated damages provisions. Such payment will be calculated based on the average Royalty Fees

Name of Fee	**Amount**	**Date Due**	**Remarks**
			paid (or if unpaid, payable) during the immediately preceding 12-month period (or shorter period if you will have operated for less than 12 months)
Interim Management Fees	As incurred	As Incurred	You must pay us a reasonable management fee for management services if we step-in to operate your franchise pursuant to the Franchise Agreement. We will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchise during any interim management period.

*Unless otherwise specified, all fees are imposed by and payable to us. All ongoing fees are uniformly imposed and collected, except for the Weekly Royalty Fees and Weekly Marketing Contributions. For example, we may offer reduced Weekly Royalty Fees: (1) to existing, compliant franchisees with significant experience in our franchise system who are purchasing additional franchises; and (2) for franchises to be located in states or regions with unusually high rent and labor costs. Periodically, we have waived or reduced the Weekly Marketing Contribution for a limited time for new franchisees and we have temporarily waived or reduced the Weekly Marketing Contribution and/or Royalty Fee for franchisees purchasing existing unit resales or renewing their franchise term. All fees are non-refundable.

(1) Fees and Reporting. You must use software, as we require, that allows us to access any and all of your sales information. This software may automatically generate for us an itemized report of your business activities for the preceding week. You will fully cooperate with this process and will not intentionally interfere with this process in any way. The report is generated each Tuesday and the Royalty Fees and Marketing Contributions will be drawn on Wednesday of each week (or as we specify otherwise in the Operations Manual). We may periodically amend the timing and method of reporting and payment of fees.

(2) Gross Revenue. "Gross Revenue" includes all receipts generated by your franchise from any source, including, but not limited to, sales, rentals, merchandise, vending, exchanges, services (including, for example, pet grooming and self-wash services), labor, service charges, service contracts, etc. Gross Revenue does *not* include discounts, refunds, and sales taxes.

(3) Automatic Withdrawal. Fees are payable through automatic account withdrawal or other automatic processes we reasonably specify in writing. This may include, check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the Internet. The collection method is at our sole discretion. Currently, your fees to us are payable through electronic funds transfer. We may change the process by which we accept fees upon 15 days' advance notice to you. Weekly

payments are currently based on Monday to Sunday period, but this is subject to change.

(4) Regional Marketing Program. If at any meeting of the franchisees in an advertising region, 65% of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to contribute to a regional marketing program in the amount established by the vote (the "Regional Marketing Program"). No advertising region may require any franchisee in that region to contribute to such program in excess of 1% of that franchisee's Gross Revenue.

(5) Late Payments. If any report is not made or any fee or any other amount due under the Franchise Agreement is not delivered or paid to us on or before the date due, you must pay a late charge of the greater of $50 or 5% of the amount due, plus interest at the rate of the 1.5% per month. These late charges and late payment penalties will not exceed any limits placed upon late charges and late payment penalties by applicable local laws. You will also cover all collection costs, including reasonable attorney fees, if we are required to retain an attorney or collection agency to collect delinquent payments you owe to us.

(6) Audit. You must periodically submit to us your sales reports, quarterly and annual financial statements, and tax returns upon request. We may audit your reports, books, financial statements, business records, sales reports, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than 2% for any reported period or periods or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Marketing Contributions, and late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under the Franchise Agreement or by law.

(7) Independent Laboratory Testing. We may require that samples of the products, equipment, supplies or materials from any proposed supplier be delivered to a designated independent testing laboratory for testing before we grant approval and allow you to use that supplier. See Item 8 below.

(8) Transfer Fee. You or the transferee will pay the Transfer Fee according to our then-current Transfer Fee Schedule. This fee will reimburse us for our reasonable legal, accounting, credit check, and investigation expenses that result from the transfer and other expenses we incur to otherwise enable the new franchisee to operate the franchise. This fee also covers the cost for the training program for the transferee if we require training.

(9) Renewal. To renew, you must be in compliance and sign a new franchise agreement. You will reimburse us for our reasonable out-of-pocket costs concerning renewal. You must also repair and replace the franchise-related vehicle, supplies, and other items to confirm to the then-current Operations Manual and System. There will be no limitation on the amount that we may require you to spend on repairs and replacements.

(10) Royalty Fee. To clarify, the reduced Royalty Fee percentages will only apply to the portion of Gross Revenue within the specified ranges. For example, you will pay a Royalty Fee of 8% of annual Gross Revenue up to $399,999. If your Gross Revenue exceeds $399,999 during a calendar year, then you will pay a Royalty Fee of 7% only on the Gross Revenue that exceeds $399,999 during that calendar year, and so on.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPENDITURE	AMOUNT	PAYMENT METHOD	WHEN DUE	TO WHOM
Initial Franchise Fee[1]	$30,000	Cash, Cashier's check, ACH, or bank wire transfer	Upon signing the Franchise Agreement	Us
Supplies[2]	$300 to $1,200	As required by vendor	Before Offering Services	Us or Approved Suppliers
Computer Hardware and Software[3]	$500 to $1,750	As required by vendor	Before Offering Services	Us or Approved Suppliers
Mobile Grooming Van and Conversion, and Vehicle Wrap[4]	$15,000 to $160,000	As required by vendor	Before Offering Services	Approved Suppliers
Lease for Mobile Grooming Van Parking – First 3 Months[5]	$0 to $1,500	As required by vendor	As Incurred	Lessor
Travel and Living Expenses While Training[7]	$0 to $2,000	As required by vendor	During Training	Airlines, Hotels, Restaurants, etc.
Initial Advertising[7]	$1,000 to $5,000	As required by vendor	Before and in Conjunction with Opening	Approved Suppliers

EXPENDITURE	**AMOUNT**	**PAYMENT METHOD**	**WHEN DUE**	**TO WHOM**
Licenses and Permits	$500 to $2,000	As Incurred	As Incurred	Government Agencies
Insurance (Annual)[8]	$1,500 to $3,000	As required by vendor	As Incurred	Insurance Provider(s)
Additional Funds - 3 Months[9]	$5,000 to $12,000	As Incurred	As Incurred	Employees, Suppliers, Miscellaneous, etc.
TOTAL[10]	**$53,800 to $218,450**			

Notes:

(1) Initial Franchise Fee. The Initial Franchise Fee is $30,000. For your second and any additional franchises you purchase from us *other than* simultaneously, the Initial Franchise Fee is reduced by 10%. Multiple franchises you purchase *simultaneously* are sold at reduced Initial Franchise Fees as follows:

1st franchise:	$30,000
2nd franchise:	20% discount
3rd franchise:	30% discount
4th franchise:	40% discount
5th franchise and beyond:	50% discount

(2) Supplies. You must purchase supplies consistent with our standards and specifications in our Operations Manual.

(3) Computer Systems. You must purchase computer hardware and software consistent with our standards and specifications in our Operations Manual.

(4) Mobile Grooming Van and Conversion. The low-end of this estimate is based on leasing a van for your Mobile Grooming operations ("Mobile Grooming Van") from our preferred vendor. The low-end leasing estimate includes a $12,500 down payment and three lease payments of $1,666.66 each for the first three months. The high-end leasing estimate includes a $15,000 down payment and three lease payments of $2,200 each for the first three months. This estimate is for a single Mobile Grooming Van because that is all we required. However, you may choose to have more than one Mobile Grooming Van in your Territory.

The high-end of this estimate is based on purchasing a new van, which we estimate will cost you approximately $125,000 to $150,000. Your Mobile Grooming Van must comply with our standards and specifications, including with respect to approved make and model, color, features,

etc.

(5) Lease for Mobile Grooming Van Parking. The low-end of this estimate assumes that local laws will permit you to park your Mobile Grooming Van at your residence. The high-end of this estimate assumes that you will lease a parking space for your Mobile Grooming Van.

(6) Travel and Living Expenses While Training. The tables estimate your out-of-pocket costs to attend our initial training program, including transportation, meals, and lodging. These rows in the tables do not estimate any wages you pay your employee manager who attends initial training, if applicable. For Mobile Grooming, the low-end estimate of $0 assumes you are adding on the concept with the purchase of a new franchise and completing the Mobile Grooming training along with our standard initial training program.

(7) Grand Opening Advertising. Your grand opening marketing campaign must comply with our standards and specifications.

(8) Insurance. The tables estimate your insurance costs for the minimum insurance coverages we require in the Franchise Agreement. This estimate is for the first three months of operations.

(9) Additional Funds. This row of the table is for recommended minimum working capital. You should plan on other sources of income to cover your living expenses. You will have the other usual expenses involved in establishing a business. These expenses vary greatly. They include, but are not limited to, attorney fees; sales tax bonds (where required); employee wages; incorporation costs; business licenses, certificates and permits; and office supplies. You must pay all taxes required by local, state or federal laws related to the services furnished or used in connection with the operation of a Franchise. You are required to have access to telephone, email, and reliable transportation.

We estimate that the initial phase covered by the additional funds estimate will be approximately three months. Additional funds are provided only as estimates and apply only to your initial three months of operations of your first Franchise. The high and low range estimates are based on the experiences of our officers, affiliate(s), and franchisees in opening and operating similar businesses.

(10) Totals. If you purchase multiple franchises, you will incur these expenses for each franchise. We anticipate that multiple franchise purchasers typically will purchase rights to develop three (3) to ten (10) franchises.

Miscellaneous:

Amounts paid to any third parties may be refundable, depending upon the contracts between them and you. Any fees paid to us are not refundable.

We do not finance any of these initial expenses, except as described in Item 10 of this disclosure document and the Multiple Franchise Purchase Addendum.

You should expect to incur these expenses for each separate franchise you purchase.

You should review these estimates with your business advisors before you decide to purchase the franchise or to make any expenditure.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

You will at all times dispense, serve, sell or offer for sale to the public only products that meet the specifications and standards we, from time to time, designate in writing. Except as otherwise expressly provided below, you are required to obtain all products from us or sources we approve and according to our specifications.

Computer Systems. Before opening for business, you must purchase all computer hardware and software from an approved supplier (which may be us or an affiliate) or subject to our specifications (as we will designate).

Supplies. We may be an approved supplier (but not the only approved supplier) for certain supplies for your franchise. We and our affiliates reserve the right to become approved suppliers for other items and services.

Mobile Grooming Van. You must lease or purchase a Mobile Grooming Van with our required conversions and wrap. You may choose to lease the Mobile Grooming Van from our preferred vendor. Or you may choose to purchase a new Mobile Grooming Van. In any event, your Mobile Grooming Van must comply with our standards and specifications, including with respect to approved make and model, color, features, etc. We only require you to have a single Mobile Grooming Van for each Territory, but you may choose to have more than one Mobile Grooming Van within a Territory.

Interests in Suppliers. There are no approved suppliers in which one or more of our officers owns an interest (except for us and our affiliates).

Insurance.

1. You must, at your own cost and expense, acquire and maintain with carriers reasonably satisfactory to us, sufficient insurance to adequately protect the respective interests of the parties, including your indemnity obligations under the Franchise Agreement. Specifically, you must maintain in force policies of insurance with the following minimum limits of coverage for each Franchise:

A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual liability, and products liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate for each coverage;

B. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents,

equipment, and signs;

C. Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;

D. Plate glass insurance (if applicable);

E. Worker's compensation and employer's liability insurance in statutory amounts as required by governing laws;

F. Unemployment insurance and state disability as required by governing laws;

G. Employment practices liability insurance with minimum limits of not less than $1,000,000 per occurrence/aggregate including third party endorsement;

H. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than $1,000,000 for injuries to persons resulting from any one accident, and $500,000 for property damage resulting from any one accident, or higher as required by governing laws;

I. Animal bailee insurance with reasonable coverage in your discretion or subject to minimum requirements in our Operations Manual (if applicable);

J. Commercial umbrella liability insurance with limits not less than $2,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products and completed operations, personal and advertising injury, automobile and employers liability);

K. Professional (Errors and Omissions) Liability insurance covering Franchisee and its pet groomers for legal liability for damages arising out of the performance of the grooming services with a minimum insurance coverage amount of $1,000,000 per claim and in the aggregate; and

L. Cyber and privacy liability with minimum limits of $50,000, including crisis management and data extortion expense.

2 You must also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance as well as any other insurance required by your landlord. We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

3 Each insurance policy shall: (1) name the franchisor and each of its affiliates, owners, officers, directors, agents, and employees (as we may specify to you) as additional insureds (except for worker's compensation, employer's liability insurance, employment practices liability insurance, and other employer-related insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against us; (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and (3) provide that coverage applies separately to each insured. In the case of property insurance, the franchisor parties shall be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Premises is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from

a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with the Franchise Agreement.

Alternative Suppliers. Except for items exclusively supplied by us or another exclusively designated supplier, with advance written notice, you may request our approval to obtain products, equipment, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to quality, durability, value, cleanliness, texture, composition, strength, sourcing of ingredients, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We do not issue more detailed specifications and standards to our franchisees. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. You will reimburse us for the actual cost of the tests. We may license any supplier that can meet or exceed our quality control requirements and standards, for a license fee, to produce and deliver co-branded or private labeled products to you but to no other person. Our confidential standards, requirements, designs, systems and formulas will be revealed to potential suppliers only after we have received evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your needs. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

Inspections. From time to time we or our agents may inspect any approved manufacturer's, supplier's or distributor's facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. Should we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

Revenue from Franchisee Purchases. We may derive revenue from providing products and services directly to our franchisees. During fiscal year ended September 30, 2023, we did not receive any revenue of this type from GROOMBAR Mobile Grooming franchisees.

In addition, we may receive rebates, referral fees, other payments, price adjustments, or discounts based on products or services sold to franchisees by recommended or approved suppliers. During our fiscal year ended September 30, 2023, we and our affiliates did not receive such revenue from approved suppliers based on purchases by GROOMBAR Mobile Grooming franchisees.

Miscellaneous. We estimate that your required purchases from us or approved suppliers will be from 70% to 100% of the total purchases you make to establish and from 45% to 70% of the total purchases you make to operate your franchise.

We negotiate volume purchase arrangements, including price terms, with suppliers or purchasing cooperatives for the benefit of all of our franchisees. We currently have frequent buyer and other volume purchasing arrangements with several suppliers.

We do not provide material benefits to a franchisee based on a franchisee's use of designated or approved sources (except that continuation as a franchisee under the Franchise Agreement requires you to purchase products and services only from approved or designated suppliers as described above).

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 Agreement**	**Disclosure Document Item**
a. Site selection and acquisition or lease	Section 1.2	Items 6,11, & 12
b. Pre-opening purchases and leases	Sections 1.2, 1.3, 4.1, 5.1 & 8.2	Items 7 & 8
c. Site development and other pre-opening requirements	Sections 1.2, 1.3, 2.10, 3.1, 4.1, 4.2 & 5.1	Items 7, 8 & 12
d. Initial and ongoing training	Sections 3.1 & 3.2	Items 6 & 11
e. Opening	Sections 4 & 5.1	Item 11
f. Fees	Sections 2, 3.2, 6.1 & 7.1	Items 5, 6 & 17
g. Compliance with standards & policies/ Operations Manual	Sections 5 & 6.3	Items 11 & 17
h. Trademarks and proprietary information	Recitals & Sections 1.1, 5.1, 5.3, 5.4, 5.5, 5.6, 6.5, 9.2 & 9.10; Termination of Assumed Business Name form	Items 13, 14 & 17
i. Restrictions on products and services offered	Sections 1.4, 1.6, 5.1, 5.2, 5.5, 5.6, 5.7, 5.10, 6.3, 6.5	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	Sections 5.1, 5.2 & 5.5	Item 11
k. Territorial development and sales quotas	Sections 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 5.1, & 5.5	Items 7 & 12
l. Ongoing product & service	Sections 2.10, 5.1, 5.2, 5.5,	Items 7 & 8

Obligation	**Section in Agreement**	**Disclosure Document Item**
purchases	5.8, 5.10 & 8.2	
m. Maintenance, appearance and remodeling requirements	Sections 1.3, 5.1, 5.2, 5.5, 6.1, 6.5 & 7.1	Items 7, 11 & 17
n. Insurance	Section 8.2	Item 7
o. Advertising	Sections 1.4, 2.3, 2.4, 2.7, 5.1, 5.2, 5.3, 5.4, 5.5 & 6.5	Items 9 & 11
p. Indemnification	Sections 6.7 & 8.1	Item 6
q. Owner's participation/ management/ staffing	Sections 2.10, 2.11, 3, 4.1, 5, 6.5, 6.8, 7, 9.3, 9.6, 9.9, 9.12 & 9.15	Items 11, 15 & 17
r. Records and reports	Sections 2.8, 5.1, 5.2 & 5.5	Items 6, 11 & 17
s. Inspections and audits	Sections 2.9, 5.1, 5.2 & 5.5	Items 6, 11 & 17
t. Transfer	Section 7	Item 17
u. Renewal	Section 6.1	Item 17
v. Post-termination obligations	Sections 5.6, 5.7, 6.5, 6.6, 6.8, 6.10. 6.11, 8.1, 9.10, 9.13	Item 17
w. Non-competition covenants	Sections 5.6, 5.7, 6.5, 6.8, 9.10 & 9.13	Item 17
x. Dispute resolution	Sections 9.8	Item 17

ITEM 10
FINANCING

We do not provide direct or indirect financing to you or assist in providing financing for you. We do not guarantee any notes or financial obligations you may incur in setting up and operating your franchise.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTERS SYSTEMS, AND TRAINING

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

Pre-Opening Obligations

BEFORE YOU OPEN YOUR FRANCHISE, WE WILL:

1) Designate your Franchise Territory. (Franchise Agreement, Section 1.2).

2) Provide the mandatory Initial Training Program for you and your manager, if applicable, at locations we will designate. (Franchise Agreement, Section 3.1). Through training, we will provide you with our specifications and standards and offer other guidance.

3) Lend you a copy of our confidential Operations Manual and various selling aids. The Operations Manual contains our specifications and standards, which may pertain to operating procedures; accounting and bookkeeping methods; marketing ideas; customer service requirements; service techniques; plans; supply requirements; Mobile Grooming Van and conversion requirements; vehicle wrap specifications; and other rules that we may prescribe and identify as part of the Operations Manual. The table of contents for our Operations Manual as of the date of this Disclosure Document is found in Exhibit C. (Franchise Agreement, Section 5.1).

4) Provide a schedule of equipment and supplies that you must purchase for the franchise, which may change from time to time in our Operations Manual. (Franchise Agreement, Sections 1.3 and 5.1).

5) Provide lists of and specifications for items you must purchase from us, mandatory suppliers, approved suppliers, or in compliance with our minimum standards and specifications, including Mobile Grooming Van and conversion, vehicle wrap, equipment, supplies, and other items. (Franchise Agreement, Sections 1.2 and 1.3).

Time to Open

The typical length of time between the signing of the franchise agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about two to four months. You must complete any mandatory training program and commence your franchise business operations within six months after you sign the franchise agreement. Factors that may affect this time are obtaining the Mobile Grooming Van and getting it converted in compliance with our requirements, acquiring supplies and other items, arranging for the training session, financing and business permit requirements, and your personal operational needs.

If you do not meet the opening deadline described above, then we may terminate the Franchise Agreement. (Franchise Agreement, Section 4.1).

Time to Open – Area Developers

If you sign a Multiple Franchise Purchase Addendum for the right to develop multiple franchise territories, then you must open and continue to operate at least one Mobile Grooming Van in each Franchise Territory in compliance with the following schedule (the "Development Schedule"):

Territory Number	Deadline for Opening	Minimum Number of Mobile Grooming Vans in Defined Territory Open and Operating by Deadline for Opening	Cumulative Number of Mobile Grooming Vans to Be Open and in Operation No Later than the Opening Deadline
1	Within 6 months of signing Multiple Franchise Purchase Addendum	1	1
2	Within 12 months of signing Addendum	1	2
3	Within 18 months of signing Addendum	1	3
4	Within 24 months of signing Addendum	1	4
5 and thereafter	Additional 6 months thereafter for each franchise	1, 1, 1, etc.	5, 6, 7, etc.

(Franchise Agreement, Exhibit 2 – Multiple Franchise Purchase Addendum).

Obligations After Opening

DURING THE OPERATION OF YOUR FRANCHISE BUSINESS, WE WILL:

1) Administer the NPM Franchising marketing fund from franchisees' Marketing Contributions. (Franchise Agreement, Section 2.3).

2) Review and approve or disapprove all promotional material and advertising you deliver to us for review prior to use as required by the Franchise Agreement. (Franchise Agreement, Section 2.4).

3) Provide general ongoing supervision and support for the Franchise system. (Franchise Agreement, Section 5.1 and 5.5)

DURING THE OPERATION OF YOUR FRANCHISE BUSINESS, WE MAY:

1) Provide ongoing assistance, for your training, advertising, sales assistance, and use of the Operations Manual. (Franchise Agreement, Section 3.2). Among other things, this may include product training, management training, marketing training and IT and Systems

training.

2) Create or modify regional advertising cooperatives. (Franchise Agreement, Section 2.3).

3) Provide refresher training programs and hold franchise retreats. These programs and retreats will be held at locations we designate. Your and your manager's attendance will be optional, but highly encouraged. You will be exclusively responsible for paying all travel, living, and other expenses and compensation for attending these programs and retreats. (Franchise Agreement, Section 3.2.)

4) Inspect the Franchise Territory from time to time and conduct activities to ensure compliance with the terms of the Franchise Agreement and Operations Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Section 5.2).

5) Inspect the facilities of your manufacturers, suppliers, and distributors from time to time. (Franchise Agreement, Section 5.1).

6) Offer recommendations to you relative to the prices at which you sell products and services. (Franchise Agreement, Section 1.11).

7) Give you access to samples or examples of local advertising materials of which we approve. (Franchise Agreement, Section 2.4).

8) Provide other supervision, assistance, or services without additional fees, although we are not bound by the Franchise Agreement or any related agreement to do so. These may include, among other things, advertising materials, literature, additional assistance in training, secret shopper programs, promotional materials, bulletins on new services, and new sales and marketing developments and techniques.

Advertising

Marketing Fund Contributions

You must pay us a Weekly Marketing Contribution of 1.5% of your Gross Revenue.

We must conduct advertising using the Weekly Marketing Contributions we receive from franchisees. The funds are not audited. Annual financial statements of the funds are available by electronic means upon your request once they have been prepared, usually within 90 days after the end of the relevant period.

Systemwide Summary of Marketing Contributions and Expenses for Fiscal Year Ended September 30, 2023

Expenses:	Administrative Expenses	$481,234	79.92%
	Production and Market Research	$34,417	5.72%
	Media Placement	$86,499	0.00%

Total expenses:	**$602,150**	**100.00%**
Advertising fund contributions:	$582,9390	
Excess of contributions over expenses:	($19,211)	

The Marketing Contributions are aggregated across our brands. We will make an accounting of the operation of any advertising funds we administer annually and will make such accounting available to you upon your written request.

Our operations may, but are not required to, make marketing contributions at the same or different rate as our franchisees. While advertising materials note that franchises are available from us, no marketing contributions or assessments we collect from our franchisees are used for advertising that is principally a solicitation for the sale of franchises.

We may advertise through any medium we choose, such as print, internet (including website and social media), and public relations. Media coverage may be local, regional and/or national. We may use an outside advertising agency to create advertising. We may use the weekly Advertising Contribution funds to cover our costs for making available to our franchisees the grooming software. (Franchise Agreement, Sections 2.3 and 2.4)

We may apply advertising fund contributions to past advertising expenditures. (Franchise Agreement, Section 2.3)

We may receive payment for providing advertising goods or services to our franchisees.

We are not required to spend any amount on advertising in the area or territory where you are located. Any marketing contributions not spent in the fiscal year in which they accrue will be carried over for use in future years.

Advertising Council

Currently, we do not have an advertising council composed of franchisees.

Local Marketing

We or our designee may direct advertising programs used to promote the products and services offered by franchise system locations. We will have sole discretion over all creative concepts, materials and media used in these programs.

We strongly recommend that you expend in your local market at least 2% of your Gross Revenue to advertise and promote your Franchise. This is in addition to the weekly Marketing Contribution payable to us.

At your request, we will supply to you samples of local advertisements we approve. You will use only advertising materials that we supply to you or that we approve in advance. You may not, without our prior consent, place any advertisement, in any media, which materially varies from the form and content of the approved advertisements supplied to you by us. (Franchise Agreement, Section 2.4).

Regional Marketing Programs

We currently do not have any local franchise advertising cooperatives. At any time, we may create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs. We will promptly notify you and our other franchisees, of the establishment, modification, geographical boundaries and governing rules for regional advertising regions. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise and each outlet we (or an affiliate) own and operate will be entitled to one vote at these meetings. For the purpose of this subsection, each outlet owned by us (or an affiliate) will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, 65% of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to contribute to a regional advertising program in the amount established by the vote (the "Regional Marketing Program"). No advertising region may require any franchisee in that region to contribute to such a program in excess of 3% of that franchisee's Gross Revenue. (Franchise Agreement, Section 2.4)

We will administer each Regional Marketing Program in the same manner and upon the same terms and conditions as the Marketing Contribution program established above or we may decide to have each Regional Marketing Program administered by representatives elected by each region, at a meeting we call for this purpose. (Franchise Agreement, Section 2.4).

Operations Manual Table of Contents

The current Table of Contents of our base Operations Manual is found in Exhibit C to this Disclosure Document. It consists of a total of 58 pages plus online content and addenda (including podcasts, video trainings, and online written information).

Training

At least 60 days before your planned opening (and no later than 90 days after signing the Franchise Agreement), you (and your manager, if applicable) must attend and complete the Initial Training Program to our satisfaction (unless we otherwise agree to schedule the training program closer to your planned opening or unless we are unable to provide the training during those time frames). You must ask us to schedule a training session at least 20 days before the session is to start. You (and your manager, if applicable) must complete this mandatory training program to our exclusive satisfaction or we may terminate the Franchise Agreement.

If you are a corporation, partnership, limited liability company, or other legal entity, one of your principal owners must attend the training program. If you or your principal owners will not be directly involved in the supervision of the franchise business, you must employ a designated manager of your choice who also has completed the Initial Training Program to our satisfaction. (Franchise Agreement, Section 3.1).

We do not schedule training on any regular recurring basis; we schedule training based on the number of franchisees which need training at any given time and our logistical and scheduling needs. All initial training is provided remotely via technology. (Franchise Agreement, Section 3). The current training schedule includes the following:

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome/Program & Philosophy	2 hours	As Needed	All training will be provided remotely via technology
Insurance Training	1 hour	As Needed	
Marketing/Advertising Training	As Needed	As Needed	
Maximizing Profits	As Needed	As Needed	
Database Training	As Needed	As Needed	
Grooming Management Training	4-8 hours and/or As Needed	As Needed	
Systems and Scheduling Training	As defined by software vendor	As Needed	

Our training programs may be amended.

Our key trainers are Dan Webb, Michael Seitz, Jeremy Gingerich, Jorge Aguero, Erika Spath, Sandra Crawford, Dianna Bailer, Scott Brown, Nicole Neal, and Tiffany Parvi.

Mr. Seitz has been our CEO and Chairman of the Board since 2012. He served as President and Officer of Franchise Training and Franchise Marketing from our inception in 2008 to 2012. His experience in the subjects he teaches at training dates back to at least 2003.

Mr. Webb has been our President since 2012. He served as our Vice President from 2011 to 2012. He served as our Director of Franchise Relations from November 2009 to 2011. He served as CEO and Officer of Franchise Operations for us from our inception in 2008 to 2009. His experience in the subjects he teaches at training dates back to at least 2007.
Mr. Gingerich has been one of our LLC Members since 2012. His experience in the subjects he teaches at training dates back to at least 2007.

Mr. Aguero has been our independently contracted marketing consultant since 2014. His experience in the subjects he teaches at training dates back to at least 2007.
Ms. Spath started with us as the Lead Pet Dietitian and Trainer in 2018. Her work experience related to pet nutrition dates back to at least 2009.

Ms. Crawford has overseen onsite training for us since 2015. She served as our Franchise Liaison from 2011 to 2015 and Store Manager for a Nature's Pet franchise location in Hillsboro, Oregon

from 2007 to 2011.

Dianna Bailer has been our Chief Marketing Officer since July 2021. Her experience in the subjects she teaches at training dates back to at least 2016.

Scott Brown has been our Chief Financial Officer since October 2023. He was our Chief Revenue Officer from September 2022 to October 2023. His experience in the subjects he teaches at training dates back to at least 2017.

Nicole Neal has been our VP of Vendor Relations since October 2021. Her experience in the subjects she teaches at training dates back to at least 2016.

Tiffany Parvi has been our franchisee trainer since June 2022. Her experience in the subjects she teaches at training dates back to at least 2000.

Lori Vietzen has been our franchisee trainer since November 2023. Her experience in the subjects she teaches at training dates back to at least 2021.

Kristin Sarrels has been our franchisee since April 2022. Her experience in the subjects she teaches at training dates back to at least 2012.

We anticipate that any trainer will have a minimum of five years of experience in the general subjects such trainer will teach at training.

We may use other qualified trainers such as current employees, franchisees, outside business management consultants, IT consultants, and marketing consultants to assist in the Initial Training Program under the direction and supervision of Mr. Webb, and Mr. Seitz, and Mr. Brown. Various Manufacturer Representatives also train on their specific products at our headquarters and onsite at the franchise location.

The training materials are the Operations Manual, presentations, software, equipment, documents and other items we deem necessary to the operation of a Franchise.

The Initial Training Program is included in the Initial Franchise Fee. Unless you bring more than one additional person to be trained, we will not charge you any additional fees for the Initial Training Program. You will pay for your accommodations, travel, room, board, and wage expenses during training. You must complete the Initial Training Program unless, at our reasonable discretion, we deem the training unnecessary.

Opening Assistance. We may choose to provide additional training and support, at our expense, in connection with your commencement of business in your Franchise Territory if we deem it necessary or desirable. (Franchise Agreement, Section 3.1).

Additional Training at Your Request. At your option and upon not less than 35 days' prior written notice to us, you or your managers may receive additional training at our training center or at other

agreed upon locations. The timing for this training depends upon our availability. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then-current rates. This additional training may also consist of visits by us to your Franchise Territory or by you to our other franchise territories. In such case, you are exclusively responsible for our and your reasonable travel, lodging, meals, and training costs and expenses. The duration of training is negotiable depending upon your needs and our availability. You will not receive any compensation for services rendered by us or the trainee during this or any other training. We may designate qualified franchisees or others to conduct some or all of your training. You will not receive any compensation for services rendered by the trainee during this or any other training. (Franchise Agreement, Section 3.2).

Franchisee Retreats and Seminars. We have held and may in the future hold periodic franchisee retreats. These retreats will be held at locations we designate. Your and your manager's attendance will be optional or required, as we designate. If optional, then you will be exclusively responsible for paying all travel, living and other expenses and compensation of attending these retreats. If we require your attendance, then we may cover your direct out-of-pocket travel and lodging expenses. Online webinars and similar types of training are typically required rather than optional. (Franchise Agreement, Section 3.2).

Additional Training We May Require. We may deem it appropriate or necessary to provide additional training and supervision to you and your managers in your Franchise Territory. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Operations Manual in the future. You will pay our then-current training fees. Also, if we travel to your Franchise Territory, then you will bear our reasonable travel, room and board expenses for such training and supervision. (Franchise Agreement, Section 3.2).

Computer Systems

Before the franchise's opening, we require you to have a computer system, including hardware and software, that conforms to our computer system requirements. (Franchise Agreement, Sections 5.8 and 5.9).

We also require you to install and maintain a high-speed internet connection with a static IP address to enable real-time communications between our and your computer systems. This connects your franchise with our central database and ensures all sales are properly reported for auditing and control purposes.

You will purchase your computer systems from our approved supplier(s) (which may be us or an affiliate) or subject to our standards and specifications (as we will designate). (Franchise Agreement - Section 5.8). The estimated initial cost of this computer software and hardware is $500 to $1,750.

We require you to use specified software services for grooming-related software. Currently, we

cover the base costs for this software, but we reserve the right to require you to cover this cost in the future. In addition, you may choose optional add-ons, currently estimated at $50 to $500 per month (subject to change) depending upon options and usage. You must pay grooming software fees, if any, to us or the provider of the grooming software (as we will designate). We may use the Weekly Advertising Contribution funds to cover our costs for making available these software services.

You must maintain the systems in good working order at all times, and upgrade or update your computer systems during the term of the Franchise Agreement as we may require from time to time. The grooming software may include some basic support and updates. Otherwise, it will be your responsibility to enter into contracts for the maintenance, support, upgrades and updates to your computer system with your suppliers. (Franchise Agreement - Section 5.8). We have no obligation to maintain, repair, upgrade or update your computer hardware or software.

Except as provided above, any PC / IT maintenance is handled by a third-party IT company in your area. The cost of PC / IT maintenance ranges from $55 per hour to $125 or more per hour depending on the scope of the repairs or maintenance you need.

You are required to upgrade your computer systems to keep pace with technological advances, as expressed in updates to the Operations Manual (or otherwise in writing or other communications via our internal communication platforms). There are no contractual limits on the frequency or cost of these upgrades. We estimate that these updates or upgrades will cost approximately $0 to $1,500 per year.

The computer systems are used for point of sale, reporting, customer relationship management, scheduling, marketing, and communications.

We will have independent access to your computer systems for reporting purposes. We may remotely access your system without notice. You are required to allow us unfettered access to your systems. There are no contractual limits on our access to the information and data stored in your computer systems.

ITEM 12
TERRITORY

Franchise Territory

You will operate your franchise within a territory we will designate (the "Franchise Territory"). We will not market or grant rights to a franchisee to market Mobile Grooming services (whether mobile-only or mobile services in connection with a physical outlet) using our GROOMBAR Marks in your Franchise Territory. While we will not grant such marketing rights, we will not be responsible to police whether a franchisee violates its grant of rights and will not be liable for any such violations. Your territorial protections are limited to marketing and do not extend to servicing customers. We, our affiliates, and our franchisees will have the right to provide Mobile Grooming services in your Franchise Territory under the GROOMBAR brand and any other brands. We

reserve all other rights in your Franchise Territory, including those described under the heading "Our Use of Alternative Distribution Channels" below. 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.

We do not have a minimum territory size, but we anticipate that a typical territory will have a population of at least 150,000 people. Franchise territories for our franchisees may vary in size and dimensions based on population, growth trends, affluence of nearby population, topography, geography, density demographics, and other factors. The exact description of your Franchise Territory will be indicated in Exhibit 1 of the Franchise Agreement when you sign the Franchise Agreement. The Franchise Territory may be described as using zip codes, a map, or geographical or political boundaries.

Mobile Grooming Van

You must have at least one Mobile Grooming Van in your Franchise Territory. You may choose to have more than one Mobile Grooming Van in your Franchise Territory. Your Mobile Grooming Van must comply with our standards and specifications, including with respect to approved make and model, color, features, etc.

Marketing and Providing Services

Except as otherwise provided in this Agreement, the Operations Manual, or authorized by us in writing, you may not directly market to or solicit customers whose principal home address or place of business is outside the Franchise Territory. You may not advertise in any media with circulation outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media.

Subject to the foregoing restrictions on marketing, you may service customers outside your Franchise Territory if you meet the following requirements: (1) you only service customers in the same State in which your Franchise Territory is located, unless we otherwise approve in writing; (2) the customer is in close enough proximity to you that you can meet our minimum standards and specifications for provision of services; (3) you already had a business or personal relationship with the customer before the customer contacted you for services; and (4) such customers are not in the franchise territory of another GROOMBAR Mobile Grooming franchisee or company-owned operation, unless you get the prior written consent of the applicable franchisee or company-owned operator. We reserve the right to impose additional reasonable requirements with respect to servicing customers outside your Franchise Territory.

If you are contacted by a prospective customer (with whom you did not have a prior business or personal relationship) for a job located in the franchise territory of another franchisee of ours (or the area of an affiliate-owned operation), then you must promptly pass on the prospect to the other franchisee (or affiliate-owned operation). If you receive this type of referral, then you must comply with our standards and specifications for payment of referral fees and related issues, if any.

All internet marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You will not be permitted to acquire an independent internet domain name or website.

Relocation

You will not have the right to relocate the Franchise Territory.

Renewal

Upon renewal of the Franchise, we may modify the Franchise Territory to meet our then-current franchise market penetration and demographic standards, or to account for population changes, or based on other factors we, as franchisor, deem reasonable.

Continuation of Your Franchise

Your rights to the Franchise Territory do not depend on you achieving a specific level of sales, market penetration or other condition. However, if you do not comply with the Franchise Agreement and do not cure defaults as required therein, then we may cancel or reduce your Franchise Territory or terminate the agreement.

No Right of First Refusal

You have no options, rights of first refusal or similar rights to acquire additional franchises within the Franchise Territory or in contiguous territories.

Our Rights

We retain all rights not specifically granted to you under this Agreement. Without limiting the generality of the foregoing, we retain the rights to do the following (at our sole discretion and without granting any rights to you):

A. Use or license the use of the Marks or any other trademarks, service marks, logos or commercial symbols to anyone, and for any purpose, and at any location, subject only to your territorial protections described above in this Item 12.

B. Sell products or services anywhere, including within the Franchise Territory, using the Marks or different marks, through channels of distribution other than the GROOMBAR Franchise granted to you by the Franchise Agreement. We will have no obligation to compensate you for any such sales made within your Franchise Territory. For example, we may place present and future GROOMBAR products for sale in retail stores at any location, whether or not within the Franchise Territory. Other distribution methods may include internet sales, telephone sales, and sales by other means.

C. Reserve the exclusive right to use the internet to promote the Marks and to offer

and sell products and services related to our Marks. You shall not independently market on the internet or conduct e-commerce except as otherwise allowed by us in the Operations Manual.

D. Service (and to grant to others the right to service) customers anywhere on such terms and conditions as we deem appropriate, including with your Franchise Territory.

E. We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located, including within your Franchise Territory.

Your Use of Alternative Distribution Channels

You may not use Alternative Distribution Channels to make sales inside or outside of your Franchise Territory unless otherwise provided in our Operations Manual or we otherwise approve.

Search Area for Multiple Franchise Purchases

If you sign the Multiple Franchise Purchase Addendum to purchase multiple Franchises simultaneously, then we will designate a Search Area in which you will open your Franchises. 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. However, your Franchise Territory (defined above) for each of your operating franchises have the protections described above in this Item 12.

Other Matters

We and our affiliates operate, franchise, and have plans to operate and franchise businesses under different trademarks that sell goods and services similar to those that our GROOMBAR Mobile Grooming franchisees will offer. These include our EarthWise Pet and Pet Depot brands, under which we operate and grant franchises for businesses that offer pet food and supplies, in-store pet grooming and self-wash services, and/or mobile pet grooming. Additionally, we have acquired various brands and outlets in the same industry in the past and anticipate continuing to do so. We anticipate that all or most of these outlets will ultimately convert to one of our key brands listed above in this paragraph. We and our affiliates and franchisees using different trademarks may solicit or accept orders in your Franchise Territory.

All issues related to local customers who deal with several franchisees in the NPM Franchising system and local opportunities that could involve more than one franchise will be addressed and resolved by the franchisees in the involved local area, subject to our right to give reasonable direction and oversight.

The principal business address of our other franchise systems and our outlets operating similar businesses using different trademarks is the same as ours. We do not currently maintain or plan to maintain physically separate offices and training facilities for the other franchise systems and similar outlets.

ITEM 13
TRADEMARKS

We grant you the right to operate your franchise using the mark(s) associated with the type of franchise you purchase. We may also grant you the right to use other current or future marks that we may from time to time designate in writing. The Marks will include any trade names, trademarks, service marks and logos we use to identify your Franchise outlet.

We have active registrations for the following principal marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	**International Classification Numbers**	**Registration Number**	**Registration Date**
GROOM BAR	44	7122062	July 25, 2023
FUREVER NATURALS (standard character mark)	31	6555547	November 9, 2021
FURKIDS (standard character mark)	9, 35, and 39	6555480	November 9, 2021
WHERE ANIMALS COME FIRST	35	2329527	March 14, 2000
WHERE PETS COME FIRST!	35	5045451	September 20, 2016
PROACTIVE HEALTHCARE FOR PETS	44	5608867	November 13, 2018
NATURAL PET FOOD HEADQUARTERS	35	6384019	June 15, 2021
WHERE EVERYDAY IS A DOG DAY	35	6047668	May 5, 2020

We have applied to register the following mark(s) on the Principal Register of the USPTO:

Mark	**International Classification Numbers**	**Serial Number**	**Application Date**
EARTHWISE RESERVE	18, 31	97678751	Nov 15, 2022
FURCLUB	9, 42	97767554	Jan 25, 2023
GROOM BAR	3, 18, 42, 44	97657062	Nov 1, 2022

Mark	International Classification Numbers	Serial Number	Application Date
GROOMBAR	3, 18, 42, 44	97657068	Nov 1, 2022

For the above-listed application(s) that are still pending: We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have filed all required affidavits and renewals as applicable.

We also claim common law rights to the above-described names and as well as additional names and logos, including but not limited to the following logos:

Our pending application for GROOMBAR (serial number 97657068) was suspended by the USPTO on September 11, 2023 because a third party's pending application for Sparkle Dog Wash & Grooming Bar (serial number 97610476) has an earlier filing date than our application. Action on our application is suspended until the prior-filed application either registers or abandons. Our application mentioned above was also preliminarily and partially refused for registration on the Principal Register for classes 3, 42, and 44 based on the USPTO examiner's determination that the mark is "merely descriptive" of the goods and services identified in our application in such classes.

Our pending application for the GROOMBAR (serial number 97657062) was suspended by the USPTO on September 11, 2023 because a third party's pending application for Sparkle Dog Wash & Grooming Bar (serial number 97610476) has an earlier filing date than our application. Action on our application is suspended until the prior-filed application either registers or abandons.

Other than as described in this Disclosure Document, there are no presently effective determinations of the Patent Office, the trademark administrator of any state or any court, any pending interference, opposition or cancellation proceeding and any pending material litigation involving the Marks in any state.

There are no other agreements currently in effect that significantly limit our rights to use or license

the use of the Marks listed in this section in a manner material to the franchise.

We know of no infringing uses that could materially affect your use of the Marks. Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your Franchise name.

You will immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks, including any claims of infringement or unfair competition. While we anticipate making reasonable efforts to protect your rights to use the Marks, we will have sole discretion to take or not to take action, as we deem appropriate. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you. We have the right to control all actions but are not obligated to take any action. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Marks, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

We may change or modify any part of the Marks from time to time at our sole discretion. You will bear all costs and expenses which may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications that are material to the franchise. We assert common law copyright rights, without registration, to our Operations Manual, advertising, and branded products, and to all modifications and additions to them. We intend to affix a statutory notice of copyright to most of these items.

There are no current material determinations of the United State Patent and Trademark Office, the United States Copyright Office, or a court regarding the copyrights. There are no other determinations, agreements, or obligations currently affecting these notices or copyrights. We do not know of any prior rights or infringing uses that could materially affect your use of our copyrighted materials.

We claim proprietary rights to certain confidential information and trade secrets related to our business processes and supplier relationships that you will learn during training. We consider such processes and modifications to be our trade secrets. You must contact us immediately if you learn of any unauthorized use of our proprietary information.

You must notify us immediately after receiving notice of any claim, demand or cause of action pertaining to the copyrighted materials or on learning that any third party uses the copyrighted materials without authorization. After receipt of timely notice of an action, claim or demand against you relating to the copyrighted materials, we have the right, but not the obligation, to defend or settle any such action. The Franchise Agreement does not obligate us to take affirmative action when notified of infringement. We have the right to contest or bring action against any third party regarding the third party's unauthorized use of any of the copyrighted materials. We have the right to control all actions but are not obligated to take any action. In any defense or prosecution of any litigation relating to the copyrighted materials undertaken by us, you must cooperate with us, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of our counsel, to carry out such defense or prosecution.

All the improvements, inventions and developments you make, develop or create for use in the franchise will be our property (or that of our parent or an affiliate) and we alone (or our parent or an affiliate) will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISEE BUSINESS

We may require that you, or one of your owners if you are a company or partnership, participate in the actual day-to-day operation of the franchise business. If you hire a manager, you must still supervise the franchise and visit the franchise operations in the Franchise Territory as may be required in the Operations Manual. Any manager(s) you hire must complete our initial training program (or we may require you to train such manager(s) in accordance with our training standards and requirements outlined in the Operations Manual). The manager is not required to have any equity interest in your franchise business entity. All of your owners must agree to be bound by the confidentiality and non-compete provisions of the Franchise Agreement, and your manager(s) must agree to be bound to similar covenants (to the extent permitted by applicable law).

All of your owners must sign the Franchise Agreement directly or sign a Confidentiality and Non-Competition Agreement in the form attached as Exhibit I. Your managers must sign confidentiality and non-competition agreements containing substantially the same protections as provided in relevant clauses in the Franchise Agreement. You are responsible for ensuring the adequacy and enforceability under local law of any sample form we provide in this regard.

All of your owners must sign the Franchise Agreement directly or sign the Personal Guaranty attached as Exhibit 5 to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you use, offer and sell only those products (if any) and services that we approve for Mobile Grooming in our Operations Manual or otherwise in writing. You must offer all products, goods and services that we designate as required by our franchisees. We reserve the right, without limitation, to modify, delete, and add to the authorized products, goods and services. You must comply with these changes within 15 days of notice. We estimate that you will not be required to spend more than $10,000 per year in order to comply with changes to authorized products, goods and services (excluding the actual cost of ongoing purchases of changed products, goods and services).

You may not install or use any vending machines, juke boxes, games, or musical devices in your franchise without our prior written approval.

There are no limits regarding customers to whom you may sell services and products (if any) in your Franchise Territory. You may not use Alternative Distribution Channels to make sales inside or outside of your Franchise Territory unless otherwise provided in our Operations Manual or we otherwise approve.

All online marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise Term	Section 1.1	10 years
b. Renewal or Extension of the Term	Section 6.1	If you are in good standing and meet the conditions set forth in the Franchise Agreement, you may renew for periods of 10 years under the terms of our then-current franchise agreement forms.
c. Requirements for Franchisee to Renew or Extend	Section 6.1	Give notice at least 6 and not more than 9 months before expiration of the initial term;

Provision	Section in Franchise Agreement	Summary
		faithfully perform under the initial agreement; repair and replace the franchise-related vehicle, supplies, and other items to comply with our standards; sign general release; sign a new agreement that may contain materially different terms and conditions from the original contract; and go through retraining.
d. Termination by Franchisee	Section 6.2	Subject to state law, you may terminate the Franchise Agreement if you comply with the provisions of the Franchise Agreement and if we breach any material provision and fail to cure or reasonably to begin to cure that breach within 30 days after receipt of written notice from you. Termination will be effective 10 days after you deliver to us a written declar-ation of termination for failure to cure within the allowed period.
e. Termination by Franchisor Without Cause	None	
f. Termination by Franchisor with Cause	Section 6.3	We can terminate only if you default.
g. "Cause" Defined – Curable Defaults	Section 6.3(A)	You have 30 days to cure any default not listed in Section 6.3 (B).
h. "Cause" Defined – Noncurable Defaults	Section 6.3 (B)	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, nonpayment of fees, repeated under reporting of sales, disclosure of information.
i. Franchisee's Duties and Obligations on Termination	Section 6.5	De-identification, return of manuals, release of phone

Provision	Section in Franchise Agreement	Summary
or Nonrenewal.		numbers and listings, de-identification of vehicles, payment of sums owed, confidentiality, and non-competition. At Our option, assign to us (or our designee) all or any portion of your Franchise-related vehicle lease(s) and sell us (or our designee) all or any portion of your Franchise-related supplies and other items at fair market value. We will not be liable for any payment to you for intangibles, including, without limitation, goodwill.
j. Assignment of Contract by Franchisor	Section 7.1	There are no restrictions on our right to transfer.
k. "Transfer" by Franchisee - Definition	Section 7.1	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of the franchise agreement, substantial assets of the franchise, or ownership or control of your franchise entity.
l. Franchisor's Approval of Transfer by Franchisee	Section 7.1	We have the right to approve all transfers.
m. Conditions for Franchisor Approval of Transfer	Section 7.1	The transferee must qualify as a franchisee, he must assume your obligations, you may not be in default, the transferee must pay for and successfully complete the mandatory training, you or the transferee must pay the Transfer Fee, the transferee must sign a new franchise agreement on our then-current terms, and you must release us.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 7.3	If you receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, 30-day notice and right to decide.

Provision	Section in Franchise Agreement	Summary
o. Franchisor's Option to Purchase Franchisee's Business	FA Sections 6.5, 7.2 and 7.3	You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. We will have the right to purchase some or all of your franchise business assets upon expiration or termination of the Franchise Agreement. We will have the right of first purchase to purchase your franchise if a suitable transferee purchaser is not found within 180 days from the date of your death, disability or incapacity.
p. Death or Disability of Franchisee	Section 7.2	Within 180 days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise, or transfer Franchise interest.
q. Non-Competition Covenants During the Term of the Franchise	Sections 5.6 & 5.7	Subject to state law, you may not disclose confidential information or compete.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	Sections 5.6, 5.7 & 6.8	Subject to state law, no competition is allowed for 730 days in or within 30 miles of your Franchise Territory or 30 miles of any other outlet related to our franchise system (including all brands mentioned in this disclosure document and any other brands we may develop).
s. Modification of the Agreement	Sections 5.5 and 9.7	We may modify the Operations Manual. Modifications to the language of the Franchise Agreement require the signed written agreement of the parties.
t. Integration/Merger Clause	Sections 5.1, 5.5 and 9.7	Only the terms of the franchise agreement and other related written agreements are binding (subject to state law). Any representations or promises

Provision	Section in Franchise Agreement	Summary
		outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in the franchise agreement or any related agreement is intended to disclaim the representations made in the franchise disclosure document.
u. Dispute Resolution by Arbitration or Mediation	6.5 and 9.7	Before taking any other legal action, the parties agree to mediate and arbitrate most types of disputes in King County, Washington subject to state law.
v. Choice of Forum	Section 9.7	Arbitration and litigation must be in King County, Washington (subject to applicable state law).
w. Choice of Law	Section 9.7	Washington law applies except to the extent governed by the United States Trademark Act (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

No public figure is involved in our franchise program.

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 only be given 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.

The following financial performance representation is a 12-month pro forma based on the experience of our mobile grooming franchisees. The following table provides pro forma representations for one, two, or three Mobile Grooming Vans. The pro forma is based on the assumptions described in the table.

	Assumptions	1 Van		2 Vans		3 Vans	
Grooming Sales	5 dogs per day at $150 per ticket with an equivalent total of 6 days per week **typically 2 groomers with alternating schedules per van	$234,000		$468,000		$702,000	
		Total Sales	**$234,000**	**Total Sales**	**$468,000**	**Total Sales**	**$702,000**
Merchant Processing	3.5% of Total Sales	$8,190		$16,380		$24,570	
COS	1.5% of Total Sales (Shampoos, etc.)	$3,510		$7,020		$10,530	
		Total COGS	**$11,700**	**Total COGS**	**$23,400**	**Total COGS**	**$35,100**
			$222,300		**$444,600**		**$666,900**
Vehicle Lease Payment	Assumes $2,200 per month	$26,400		$52,800		$79,200	
Vehicle & Liability Insurance		$4,800		$9,600		$14,400	
Fuel	Assumes specifications of 15 mpg at 7.5 mile drive per groom at $5.00 per gallon for a diesel Mercedes Sprinter Van	$3,900		$7,800		$11,700	
Vehicle Storage/Cleaning		$3,600		$7,200		$10,800	
Licenses and Permits		$1,000		$1,500		$2,000	
Dues and Subscriptions	Franchisor pays for base scheduling software cost. Franchisee may upgrade at their discretion.	$-		$-		$-	
Repairs and Maintenance		$5,000		$10,000		$15,000	
Office Supplies		$1,200		$2,400		$3,600	

	Assumptions	1 Van		2 Vans		3 Vans	
Telephone		$1,200		$2,400			
Royalty Fee	8% up to 399k, 7% from 400-499k, 6% from 500-599k, 5% from 600k+ of Total Sales	$18,720		$36,680		$50,100	
Marketing Fee (1.5%)	1.5% of Total Sales	$3,510		$7,020		$10,530	
Payroll Groomers	Assumes 35% commissoin paid as W2 employees	$81,900		$163,800		$245,700	
Payroll Taxes	Assumes 10.5% for Federal, State, and Local	$12,285		$24,570		$36,855	
Worker's Compensation Insurance	Assumes $70 per month per groomer	$1,680		$3,360		$5,040	
Payroll Fees		$1,200		$1,500		$1,800	
Professional Fees		$2,500		$5,000		$7,500	
Miscellaneous		$4,000		$8,000		$12,000	
		Total Expenses	**$172,895**	**Total Expenses**	**$343,630**	**Total Expenses**	**$506,225**
		EBITDA (1 Van)	***$49,405***	***EBITDA (2 Vans)***	***$100,970***	***EBITDA (3 Vans)***	***$160,675***

Notes:

1. **These figures are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you'll earn as much.**

2. The pro forma is intended to include typical costs of goods sold and expenses for franchisees in our franchise system that meet the criteria identified above. However, you may incur additional expenses not included in the pro forma.

3. Written substantiation of this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, NPM FRANCHISING, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President and Chief Development Officer, Daniel Webb, 19400 144th Ave NE, Ste. E, Woodinville, Washington 98072, (800) 314-9765 EXT. 1, franchise@earthwisepet.com, the Federal Trade Commission, and

the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY*
As of September, 2021, 2022 and 2023

Column 1 Outlet Type	Column 2 Fiscal Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	68	128	60
	2022	128	156	28
	2023	156	123	-33
Company or Affiliate-Owned	2021	2	1	-1
	2022	1	1	0
	2023	1	46	45
Total Outlets	**2021**	**70**	**129**	**59**
	2022	**129**	**157**	**28**
	2023	**157**	**169**	**12**

* The numbers of area representatives are not reflected in this Item 20 because this disclosure document is for our unit franchise offering. However, the individual unit franchises owned and operated by our area representatives are reflected in this Item 20.

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(other than the Franchisor)
As of September, 2021, 2022 and 2023

Column 1 State	Column 2 Fiscal Year	Column 3 Number of Transfers
Arkansas	2021	1
	2022	0
	2023	0
California	2021	1
	2022	0
	2023	0
Colorado	2021	0
	2022	2
	2023	0
Florida	2021	0

Column 1 **State**	**Column 2** **Fiscal Year**	**Column 3** **Number of Transfers**
	2022	1
	2023	2
Georgia	2021	0
	2022	1
	2023	0
Indiana	2021	0
	2022	0
	2023	1
Montana	2021	0
	2022	2
	2023	1
Oklahoma	2021	0
	2022	0
	2023	0
Texas	2021	0
	2022	1
	2023	1
Totals	**2021**	**2**
	2022	**7**
	2023	**6**

Table No. 3
STATUS OF INDIVIDUAL UNIT FRANCHISED OUTLETS
As of September, 2021, 2022 and 2023

Column 1 (State)	Column 2 (Fiscal Year)	Column 3 (Outlets at the Start of the Year)	Column 4 (Outlets Opened)	Column 5 (Terminations)	Column 6 (Non-Renewals)	Column 7 (Reacquired from Franchisees)	Column 8* (Ceased Operations - Other Reasons)	Column 9 (Outlets at End of Year)
Alabama	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	6	7	0	0	0	0	13

Column 1 (State)	Column 2 (Fiscal Year)	Column 3 (Outlets at the Start of the Year)	Column 4 (Outlets Opened)	Column 5 (Terminations)	Column 6 (Non-Renewals)	Column 7 (Reacquired from Franchisees)	Column 8* (Ceased Operations - Other Reasons)	Column 9 (Outlets at End of Year)
	2022	13	0	0	0	0	0	13
	2023	13	8	0	0	1	3	17
Colorado	2021	1	4	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
Florida	2021	7	4	0	0	0	0	11
	2022	11	4	0	0	0	0	15
	2023	15	0	2	0	0	2	11
Georgia	2021	2	5	0	0	0	0	7
	2022	7	0	0	0	0	1	6
	2023	6	0	0	0	0	1	5
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Illinois	2021	1	23	0	0	0	0	24
	2022	24	0	0	0	0	0	24
	2023	24	1	0	0	5	7	13
Indiana	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Iowa	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1

Column 1 (State)	Column 2 (Fiscal Year)	Column 3 (Outlets at the Start of the Year)	Column 4 (Outlets Opened)	Column 5 (Terminations)	Column 6 (Non-Renewals)	Column 7 (Reacquired from Franchisees)	Column 8* (Ceased Operations - Other Reasons)	Column 9 (Outlets at End of Year)
Maryland	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
Minnesota	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Montana	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
Nevada	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Hampshire	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	20023	0	1	0	0	0	0	1
New Jersey	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

Column 1 (State)	Column 2 (Fiscal Year)	Column 3 (Outlets at the Start of the Year)	Column 4 (Outlets Opened)	Column 5 (Terminations)	Column 6 (Non-Renewals)	Column 7 (Reacquired from Franchisees)	Column 8* (Ceased Operations - Other Reasons)	Column 9 (Outlets at End of Year)
	2023	1	0	0	0	0	0	1
Ohio	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Oregon	2021	16	0	0	0	0	0	16
	2022	16	1	0	0	0	1	16
	2023	16	1	1	0	0	0	16
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
South Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021	8	0	2	0	0	0	6
	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5
Washington	2021	4	2	0	0	0	0	6
	2022	6	18	1	0	0	0	24
	2023	24	1	1	0	18	0	6
Wisconsin	2021	2	10	0	0	0	0	12

Column 1 (State)	Column 2 (Fiscal Year)	Column 3 (Outlets at the Start of the Year)	Column 4 (Outlets Opened)	Column 5 (Terminations)	Column 6 (Non-Renewals)	Column 7 (Reacquired from Franchisees)	Column 8* (Ceased Operations - Other Reasons)	Column 9 (Outlets at End of Year)
	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	4	4	4
Totals	**2021**	**68**	**63**	**3**	**0**	**0**	**0**	**128**
	2022	**128**	**32**	**1**	**0**	**0**	**4**	**156**
	2023	**156**	**17**	**4**	**0**	**28****	**18****	**123**

* Column 8 includes franchises that were voluntarily and mutually terminated by the franchisor and the franchisee and closures for other reasons.

** During 2021 and 2022, the owners of Bentley's Pet Stuff stores signed franchise agreements with us to convert 49 locations to within our system. This franchisee is referred to in this paragraph as the "Large Franchisee". The Large Franchisee is owned, at least in part, by one or more of our officers or spouses of officers. We and the Large Franchisee had an understanding that many of these locations would ultimately close or be acquired by us because the locations did not fit our model (e.g., could not reasonably add grooming services at the locations) or were underperforming. Such closures and acquisitions occurred during 2023. Of the 18 franchises listed in Column 8 above for fiscal year 2023, 16 were from the Large Franchisee. Of the 28 franchises listed in Column 7 above for fiscal year 2023, 10 were from the Large Franchisee and the other 18 were from another large franchisee owned by one of our owners.

Table No. 4
STATUS OF COMPANY AND AFFILIATE-OWNED OUTLETS
As of September, 2021, 2022 and 2023

Column 1 State	**Column 2 Year**	**Column 3 Outlets at the Start of the Year**	**Column 4 Outlets Opened**	**Column 5 Outlets Reacquired from Franchisees**	**Column 6 Outlets Closed**	**Column 7 Outlets Sold to Franchisees**	**Column 8 Outlets at End of Year**
Arizona	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	4	0	0	0	4
California	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	5	1	0	0	6

Column 1 State	**Column 2 Year**	**Column 3 Outlets at the Start of the Year**	**Column 4 Outlets Opened**	**Column 5 Outlets Reacquired from Franchisees**	**Column 6 Outlets Closed**	**Column 7 Outlets Sold to Franchisees**	**Column 8 Outlets at End of Year**
Illinois	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	5	0	0	5
Maine	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	6	0	0	0	6
Michigan	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	3	0	0	0	3
Texas	2021	1	0	0	0	1	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Washington	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	18	1	0	18
Wisconsin	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	4	0	0	4
Totals	**2021**	**2**	**0**	**0**	**0**	**1**	**1**
	2022	**1**	**0**	**0**	**0**	**1**	**1**
	2023	**1**	**18**	**28**	**1**	**0**	**46**

Table No. 5
PROJECTED OPENINGS OF INDIVIDUAL UNIT FRANCHISED OUTLETS
As of September 30, 2023 (Through September 30, 2024)

Column 1 (State)	Column 2 (Franchise Agreements Signed But Outlet Not Opened*	Column 3 (Projected New Franchised Outlets in the Next Fiscal Year)	Column 4 (Projected New Company-Owned Outlets in the Next Fiscal Year)
Arizona	8	5	0
Arkansas	4	1	0
California	2	2	0
Colorado	4	2	0
Florida	9	3	0
Georgia	2	2	0
Idaho	1	1	0
Illinois	7	2	0
Indiana	3	1	0
Maryland	1	1	0
Michigan	2	1	0
Missouri	6	2	0
New Jersey	2	1	0
New York	1	1	0
North Carolina	3	1	0
Oklahoma	2	1	0
Oregon	1	1	0
Pennsylvania	3	2	0
South Carolina	1	1	0
South Dakota	2	0	0
Tennessee	1	1	0
Texas	2	1	0
Washington	2	2	0
West Virginia	1	1	0
Wisconsin	1	1	0
Totals	**71**	**37**	**0**

* The typical length of time between the signing of the franchise agreement and the opening of a franchise for business is about ten to 16 months. This often results in many signed agreements for outlets that are not yet opened at the end of each fiscal year. Also, several of our franchisees have purchased the right to open multiple outlets.

Exhibit F includes a complete listing of all of our current franchisees and the addresses and telephone numbers of all of their operations as of September 30, 2023.

Area Representatives: **See Exhibit F**

Exhibit F includes a list of the name, city and state, and the current telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this Disclosure Document.

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

During the last three fiscal years, we have signed confidentiality clauses with one or more current or former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed.

No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached in Exhibit A are our audited financial statements as of September 30, 2021, September 30, 2022 and September 30, 2023. Our fiscal year end is September 30.

ITEM 22
CONTRACTS

The following agreements are attached as Exhibits:

Form of Franchise Agreement with Exhibits – Exhibit D
Multiple Franchise Purchase Addendum and Promissory Note – Exhibit 2
Personal Guaranty – Exhibit 3
State Law Addendum – Exhibit E
Conditional Assignment– Exhibit G

Termination of Assumed Business Name – Exhibit H
Confidentiality, Non-Disclosure, and Non-Compete Agreement – Exhibit I
Form of General Release – Exhibit K
Form of Service Agreement – Exhibit L

ITEM 23
RECEIPTS

Attached to this Disclosure Document are two Acknowledgments of Receipt. They are duplicates that evidence your receipt of this Disclosure Document: one is to be retained by you, the other by us (Exhibit N).

Exhibit A

NPM FRANCHISING, LLC

FINANCIAL STATEMENTS

NPM Franchising, LLC and Subsidiaries

Consolidated Financial Statements

For the Years Ended September 30, 2023 and 2022

YSL & Associates LLC
Certified Public Accountants | Member of Parker Russell International

11 Broadway, Suite 700, New York, NY 10004 Tel: (212) 232-0122 Fax: (646) 218-4682

INDEPENDENT AUDITOR'S REPORT

To the Members of
NPM Franchising, LLC and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of NPM Franchising, LLC and Subsidiaries, which comprise the consolidated balance sheet as of September 30, 2023, and the related consolidated statements of income, statements of changes in owners' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and subsidiaries as of September 30, 2023, and their results of operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basic for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on page 22 to 31 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Comparative Information

The financial statements of NPM Franchising, LLC for the year ended September 30, 2022, were prepared on a non-consolidated basis and were audited by us. We expressed an unmodified opinion on those statements on December 29, 2022. The acquisition of its subsidiaries took place during the year ended September 30, 2023.

YSL & Associates LLC

New York, NY
January 10, 2024

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NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2023

ASSETS

	September 30, 2023	September 30, 2022
Current Assets		
Cash and cash equivalents	$ 1,714,431	$ 265,295
Accounts receivable, net	3,059,808	278,431
Supplier rebates receivable	1,017,948	383,130
Prepaid guaranteed payments	-	45,154
Prepaid expenses	435,822	55,541
Prepaid commissions, net amortization	330,595	224,649
Investment in royalty stream	-	194,510
Due from related company	-	43,000
Inventory	5,132,527	-
Work in progress	394,402	-
Notes receivable, current portion	41,941	43,809
Total Current Assets	12,127,474	1,533,519
Fixtures and Equipment		
Fixtures and equipment	1,655,940	83,529
Leasehold improvements	1,058,857	13,206
Less accumulated depreciation	(403,586)	(36,987)
Total Fixtures and Equipment	2,311,211	59,748
Other Assets		
Restricted cash	526,244	-
Notes receivable, noncurrent portion	69,274	27,778
Security deposit	142,532	5,000
Amortized intangible assets, net	8,604,539	73,327
Unamortized intangible assets		
Trademarks	1,348,930	530,934
Defensive assets	650,000	650,000
Goodwill	7,325,144	2,648,728
Right-of-use assets	13,557,143	-
Equity investments	280,383	139,181
Total Other Assets	32,504,189	4,074,948
Total Assets	$ 46,942,874	$ 5,668,215

See accompanying notes to financial statements

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2023

LIABILITIES AND OWNERS' EQUITY

	September 30, 2023	September 30, 2022
Current Liabilities		
Accounts payable, trade	$ 3,072,605	$ 167,117
Accounts payable, related party	19,450	-
Credit cards payable	158,415	149,189
Sales tax payable	293,770	269
Payroll liabilities	508,889	16,351
Guaranteed payments payable	56,331	35,696
Accrued expenses	1,115,040	19,905
Line of credit	375,000	-
Franchise deposits, current portion	42,500	7,500
Lease liabilities, current portion	2,574,466	-
Long-term debt, current portion	2,965,501	386,052
Payables to related party, current portion	202,291	115,064
Contract liabilities, current portion	1,332,382	319,677
Total Current Liabilities	12,716,640	1,216,820
Long-Term Liabilities		
Franchise deposits, noncurrent portion	-	12,500
Lease liabilities, noncurrent portion	11,223,880	-
Long-term debt, noncurrent portion	15,416,901	792,391
Payables to related parties, noncurrent portion	5,025,086	2,275,649
Contract liabilities, noncurrent portion	1,278,356	239,665
Total Long-Term Liabilities	32,944,223	3,320,205
Total Liabilities	45,660,863	4,537,025
Owner's Equity	1,282,011	1,131,190
Total Liabilities and Owner's Equity	$ 46,942,874	$ 5,668,215

See accompanying notes to financial statements

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Year Ended September 30, 2023

	September 30, 2023	September 30, 2022
Revenues		
Franchise royalty fees, net of discounts	$ 3,790,229	$ 3,242,274
Franchise marketing contributions	843,844	492,307
Company store sales	43,216,258	349,553
Initial franchise sales and related fees, net of discounts	1,570,543	1,209,469
Supplier and other rebates, miscellaneous	2,128,915	655,171
Total Revenues	51,549,789	5,948,774
Cost of Sales		
Advertising for franchise sales	114,825	171,651
Salaries	252,511	195,007
Fixtures and equipment	25,786	51,600
Travel	104,440	128,464
Other costs of sales	152,126	45,692
Franchise marketing	809,867	471,492
Company store cost of sales	24,748,390	190,073
Total Cost of Sales	26,207,945	1,253,979
Gross Profit	25,341,844	4,694,795
General and Administrative Expenses	23,355,459	3,425,423
Income from Operations	1,986,385	1,269,372
Other Income (Expense)		
Interest income	5,166	5,930
Loss on disposal of assets	(51,064)	-
Interest (expense)	(1,789,023)	(202,491)
Total Other Income (Expense)	(1,834,921)	(196,561)
Net Income before Income Taxes	151,464	1,072,811
(Provision for) Income Taxes	(688)	-
Net Income	$ 150,776	$ 1,072,811

See accompanying notes to financial statements

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN OWNER'S EQUITY
For the Year Ended September 30, 2023

	September 30, 2023	September 30, 2022
Member's Equity		
NPM Franchising, LLC		
Beginning of year	$ 1,131,190	$ 378,874
Net income	1,130,069	1,072,811
Distributions	-	(320,495)
Total NPM Franchising, LLC	2,261,259	1,131,190
Pet Pros, LLC		
Beginning of year	-	-
Net income	(980,108)	-
Distributions	-	-
Total Pet Pros, LLC	(980,108)	-
Total member's equity	1,281,151	1,131,190
Stockholder's equity		
PET DEPOT Canada, ULC		
Common stock, par value, 5,000 shares authorized and outstanding	45	-
Net income	25,325	-
Retained earnings	-	-
Dividends	-	-
Total PET DEPOT Canada, ULC	25,370	-
Total stockholder's equity	25,370	-
Intercompany Eliminations	(24,510)	-
Total Owner's Equity	$ 1,282,011	$ 1,131,190

See accompanying notes to financial statements

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2023

	September 30, 2023	September 30, 2022
Cash Flows from Operating Activities:		
Net Income	$ 150,776	$ 1,072,811
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation and amortization	476,674	22,472
Loss on disposal of assets	51,064	-
Change in operating assets and liabilites:		
(Increase) decrease in accounts receivable	(2,781,377)	363,997
(Increase) decrease in supplier rebates receivable	(634,818)	(271,659)
(Increase) decrease in prepaid guaranteed payments	45,154	(45,154)
(Increase) decrease in prepaid expenses	(319,938)	(54,923)
(Increase) decrease in prepaid commissions	(105,946)	(224,649)
(Increase) decrease in investment in royalty stream	194,510	-
(Increase) decrease in inventory	(1,215,757)	41,447
(Increase) decrease in work in progress	(394,402)	-
(Increase) decrease in due from related company	43,000	(43,000)
(Increase) decrease in notes receivable	(39,628)	26,603
(Increase) decrease in security deposit	(137,532)	1,196
(Increase) decrease in equity investment	(1,325)	(4,181)
Increase (decrease) in accounts payable	1,834,816	71,623
Increase (decrease) in accounts payable, related party	19,450	(8,500)
Increase (decrease) in credit cards payable	9,226	(60,721)
Increase (decrease) in sales tax payable	293,501	(1,914)
Increase (decrease) in payroll liabilities	492,538	(5,801)
Increase (decrease) in guaranteed payments payable	20,635	(48,450)
Increase (decrease) in accrued expenses	(4,865)	(6,389)
Increase (decrease) in franchise deposits	(17,500)	10,000
Increase (decrease) in contract liabilities	2,051,396	281,531
Total Adjustments	(121,124)	43,528
Net Cash Provided by Operating Activities	29,652	1,116,339
Cash Flows from Investing Activities		
Purchase of equipment	(2,714,798)	-
Purchase of intangibles	(7,084,376)	(107,734)
Purchase of equity	(2,657,805)	(135,000)
Net Cash Used for Investing Activities	(12,456,979)	(242,734)

See accompanying notes to financial statements

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2023

	September 30, 2023	September 30, 2022
Cash Flows from Financing Activities		
Increase (decrease) in line of credit	375,000	(150,723)
Issuance of long-term debt	16,558,973	-
Repayments of long-term debt	(2,133,727)	(112,530)
Repayments of long-term debt, related party	(397,539)	(116,647)
Intercompany activity	-	-
Distributions to members	-	(320,495)
Net Cash Used for Financing Activities	14,402,707	(700,395)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 1,975,380	$ 173,210
Cash and Cash Equivalents		
Beginning of year	265,295	92,085
End of year	$ 2,240,675	$ 265,295
Balance Sheet Presentation:		
Cash	$ 1,714,431	$ 265,295
Restricted cash	526,244	-
Total Cash and Cash Equivalents	$ 2,240,675	$ 265,295
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ (1,789,023)	$ (198,667)
Interest received	$ 5,166	$ 5,930
Income taxes received (paid)	$ -	$ -
Supplemental Disclosures of Noncash Investing Information		
Debt transactions		
Acquisition of assets of pets stores	$ 2,138,060	$ -
Investment in royalty stream	-	247,346
Acquisition of intangibles	3,468,279	650,000
Acquisition of equity in affiliates	3,515,000	15,000
Capitalized interest - EIDL	6,650	2,900
Total	$ 9,127,989	$ 915,246
Related party debt transactions		
Acquisition of equity in affiliates	$ 3,500,000	$ -

See accompanying notes to financial statements

Note 1. *Summary of Significant Accounting Policies*

Nature of Operations – NPM Franchising, LLC (the "Parent") is a Washington limited liability company, originally organized in Oregon on February 28, 2008. NPM Franchising, LLC changed its domicile from Oregon to Washington on March 3, 2017. As of the year ended September 30, 2020, the Parent has elected a fiscal year ending September 30 for financial reporting purposes. The Parent's tax year end remains December 31.

On October 21, 2022, the Parent purchased 100% of the membership interest in Pet Pros, LLC, a Washington limited liability company, that operated 18 retail locations in the Seattle, WA metropolitan area. Simultaneous to NPM Franchising, LLC's purchase of Pet Pros, LLC, Pet Pros, LLC then acquired the assets of additional retail locations in Michigan, Illinois, Maine, and Wisconsin. On March 28, 2023, Pet Pros, LLC acquired additional retail locations in Arizona.

On March 28, 2023, the Company acquired the assets of the United States PET DEPOT brand (primarily franchise agreements). At the same time the Company also purchased PET DEPOT Canada, ULC which franchises the rights to operate PET DEPOT locations in Canada.

Together, Pet Pros, LLC and PET DEPOT Canada, ULC, are referred to as "Subsidiaries." The Parent and its Subsidiaries are collectively referred to as "the Company."

The Parent franchises the right to open, operate, promote, arrange, and manage a retail store location and offer pet foods, supplies, pet grooming, and other related services in an exclusive territory. The Company also offers the exclusive right to purchase a specific region (such as a state, or group of states) as an area representative that oversees that region's development and shares in the Parent's revenues generated from that region.

The estimated initial investment to open a retail store ranges from $224,500 to $802,500. The estimated initial investment includes initial franchise fees, initial training fees, utility deposits and payments, furnishings, fixtures and equipment, customized point of sale software, security systems, tenant improvements to franchise premises, inventory, grand opening advertising, the first and last month's rent and a security deposit equal to one month's rent plus any applicable taxes. Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisee's control. Other items included are pro-rata rent and annual insurance premiums. Costs paid to others include workers' compensation insurance premiums, fees for licenses and permits, travel and living expenses while training, grand opening costs, as well as a sum sufficient to cover certain estimated expenses for a 90-day period after store opening. Applicants pay an initial franchise fee, one half upon execution of the franchise agreement, one half due 60 days after scheduling training, as well as an additional training fee. The initial term of the franchise is 10 years. If the franchisee is in good standing, they may renew for periods of 10 years under the terms of the then current franchise agreement forms. There is a weekly royalty fee and a weekly advertising fee based on the franchisee's weekly gross revenue.

Note 1. *Summary of Significant Accounting Policies (Continued)*

The total investment necessary to begin the operation of an area representative franchise is $221,000 to $4,230,000. This includes the Area Representative Franchise Fee of $200,000 to $4,000,000 (based on a minimum development obligation ranging from 10 to 30 outlets) that must be paid to us or our affiliate. As with a retail franchise agreement, actual investment costs experienced by an area representative can vary significantly depending on a host of variables, many of which are in the area representative's control. The initial term of the area representative agreement is for 10 years. Renewals may be approved for additional 10-year terms, if the area representative is in good standing. Revenue generated from locations under an area representative agreement are subject to revenue sharing provisions outlined in the area representative agreement.

The Company also operates stores in addition to those operated by franchisees. These Company owned stores offer the Company the opportunity to continue to update and develop processes for the benefit of the entire franchise system as well as pilot strategic initiatives. Statistical information related to Company owned stores can be found in Note 2.

Method of Accounting – The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Basis of Consolidation – These consolidated financial statements include the accounts of NPM Franchising, LLC and its wholly owned subsidiaries, Pet Pros, LLC and PET DEPOT Canada, ULC. All material intercompany transactions and balances have been eliminated in this consolidation. The underlying accounting information used to preparer these consolidated financial statements includes partial year information for both Pet Pros, LLC (October 22, 2022 through September 30, 2023) and PET DEPOT Canada, ULC (March 28, 2023 through September 30, 2023) because the acquisitions of these entities occurred during the fiscal year.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Fair Value Measurements – The Company adheres to authoritative guidance applicable to all financial assets and liabilities required to be measured and reported on a fair value basis, and non-financial assets and liabilities measured at fair value on a nonrecurring basis. The guidance delineates fair value as the price received to sell an asset or paid to transfer a liability ("exit price") in an orderly transaction between market participants on the measurement date.

Note 1. *Summary of Significant Accounting Policies (Continued)*

The authoritative guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three levels:

- Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3—Inputs are unobservable inputs for the asset or liability.

The carrying amounts reflected in the balance sheets generally approximate fair value due to their short-term nature or the application of market rate interest. See also Note 6.

Cash and Cash Equivalents – For the purposes of the statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. See Note 3 for additional disclosures related to cash and cash equivalents.

Accounts Receivable – The Company records all applicable franchise fees, including monthly franchise fees, transfer or renewal fees, inspection fines, and other related revenues as receivables. The Company periodically reviews long outstanding accounts and estimates collectability. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of September 30, 2023 the company has determined that no allowance for doubtful accounts is necessary. Amounts recorded as accounts receivable are unsecured. Bad debt expense for the years ended September 30, 2023 and 2022 was $0 and $25,160, respectively.

Supplier Rebates Receivable – The Company has agreements with various suppliers under which the supplier shares a percentage of certain revenues. These revenues accrue on a quarterly basis and are collectible one month after the end of each quarter. Until collection, these revenues are recorded as supplier rebates receivable. These receivables are unsecured.

Inventory – Inventory consisting of retail pet supplies is stated at the lower of cost or net realizable value using the average cost method. Management utilizes cycle counting as one method of inventory control. As a result, inventories are adjusted regularly to account for obsolete or damaged inventory. Therefore, management has determined that no valuation allowance is necessary.

Note 1. *Summary of Significant Accounting Policies (Continued)*

Notes Receivable – Loans made by the Company, not classified as accounts receivable, are recorded as notes receivable. Notes that are due in one year or less, or that are payable on demand, are classified as current assets; otherwise, the current and noncurrent portions of the notes are classified separately. Interest income is accrued at rates between 6% and 10%. All notes are unsecured.

The fair value of the Company's long-term note receivables are discounted based on the current rates offered by the Company for notes of the same remaining maturities. At September 30, 2023 and 2022, the fair value of the long-term notes receivable are $111,215 and $71,587 net of the applicable amortization of the discounts. The Company compares note receivables balances and payments to the associated amortization schedules on an ongoing basis to determine if note receivables are past due. No amounts were considered past due as of September 30, 2023 and 2022. Management believes all notes receivable are fully collectible as of September 30, 2023 and 2022. As a result, no allowance is recorded in the accompanying consolidated financial statements.

Fixtures and Equipment – Fixtures and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which may range from 5 to 40 years. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Intangible Assets – Intangible assets subject to amortization include architectural designs and training videos, which are being amortized on a straight-line basis over 10 years and 5 years respectively. Total amortization expense for the years ended September 30, 2023 and 2022 was $88,815 and $13,789 respectively.

Intangible assets not subject to amortization consist of defensive assets and are evaluated annually for impairment. No impairment was deemed necessary for the years ended September 30, 2023 and 2022.

Trademarks – Costs to establish, maintain, and defend internally developed and acquired trademarks are recorded as intangible assets with indefinite lives. The Company has adopted FASB *Accounting Standards Codification* 350, Intangibles – Goodwill and Other. That statement requires the Company to evaluate certain intangible assets on an annual basis for potential impairment. After considering various factors, no impairment was identified related to trademarks at September 30, 2023 and 2022, therefore the Company did not recognize any loss on trademarks impairment for the years ended September 30, 2023 and 2022. Renewal of trademarks will be required starting in 2024. For the years ended September 30, 2023 and 2022, trademarks amounted to $1,348,930 and $530,934.

Note 1. *Summary of Significant Accounting Policies (Continued)*

Revenue Recognition – The Company recognizes revenue in accordance with Financial Accounting Standard Board's ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The Company sells franchise agreements where payment is typically due upon the signing of the agreement. Two-thirds of the franchise agreement price is recognized at the time the agreement is signed in recognition of the Company's efforts in market analysis, consultation with the prospective franchisee(s), development of the specific franchise agreement, and other associated costs incurred directly prior to, or at, the time of signing.

The remaining one-third of the sale price is recognized as revenue from the sale of franchise agreements upon the franchisee location opening for business in recognition of the Company fulfilling its remaining obligation to provide training and support in the days or week prior to and during the opening. This remaining one-third is considered a contract liability until such time as it is recognized as revenue. The sale of franchise agreements also include a fee for management training. This fee is typically due when the agreement is signed. A contract liability is recorded until such time as the franchisee attends the training. Revenue is then recognized at the completion of the training (see Note 7 for contract liability details).

The franchise agreements of the Company provide for collection of royalties. These royalties are earned and recorded upon the completion of the underlying sales by the franchisees.

The Company also has area representative agreements. In general, area representative agreements contain provisions for revenues to be earned by the Company upon both the sale of franchise agreements and the collection of royalties from those franchisees. These revenues are recognized in a similar manner as discussed above.

The Company also records revenues earned from suppliers under revenue sharing contracts. These contracts specify the underlying transactions within the franchise system qualifying for this revenue sharing. The Company records these revenues as earned under the specific provisions of those contracts.

Sales of products to retail customers by corporate owned stores are recognized at the time the sale occurs.

Advertising Costs – The Company expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of September 30, 2023 and 2022, the Company had no advertising classified as assets, and all advertising was expensed as incurred. For the years ended September 30, 2023 and 2022, advertising expenses were $924,691 and $643,143.

Note 1. *Summary of Significant Accounting Policies (Continued)*

Leases – The Company adopted ASC 842, Leases, effective October 1, 2022. All leases with a term of more than 12 months are recognized on the balance sheet as right-of-use (ROU) assets and corresponding lease liabilities. The ROU assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the obligation to make lease payments. ROU assets and lease liabilities are recognized based on the present value of lease payments over the lease term at the time the leases are acquired or the lease commenced. If the implicit rate in the lease is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of lease payments. See Note 10 for additional lease information.

Income Taxes – NPM Franchising, LLC was organized as a limited liability company (LLC) under the provisions of laws of the state of Oregon and the Internal Revenue Code. The Company is now domiciled in the state of Washington. Pet Pros, LLC was also organized as an LLC and is domiciled in the state of Washington. In lieu of income taxes at the company level, the members of the LLCs are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying consolidated financial statements for these entities. PET DEPOT Canada, ULC was organized under the Alberta Business Corporations Act as a Canadian Unlimited Liability Corporation (ULC) and pays income tax to the Canada Revenue Agency.

The Company files income tax returns in the U.S. and Canadian federal and multiple state and provincial jurisdictions. Generally, income tax filings are subject to federal and state examination for three years after they are filed. Returns for the years ending September 30, 2020 and later are subject to examination. In the event penalties and interest are assessed by the income taxing authorities, it is the Company's policy to include these in operating expenses as incurred.

Sales Taxes – The Company records sales taxes as payables upon collection. Therefore, revenues do not include any amounts for sales taxes collected, and no expense is recorded for sales taxes.

Defined Contribution Pension Plan – The Company maintains a qualified retirement plan for all eligible employees. The maximum contribution payable under the plans is equal to a defined percentage of the eligible employee's salary subject to Internal Revenue Services ("IRS") limits. Employee contributions may be matched at the discretion of the Company, subject to IRS limits. During the year ended September 30, 2023 and 2022, the total expenses related to the 401(K) plans were $81,626 and $7,912.

Note 2. *Franchise Information*

Statistical information, reported by franchise location, as of September 30, 2023 and 2022, is as follows:

	September 30, 2023	September 30, 2022
Franchise agreements sold during the year	32	55
Franchises in operation at the beginning of the year	138	122
Franchises opened/acquired during the year	16	21
Franchises closed during the year	(5)	(5)
Franchises in operation at the end of the year	149	138
Company stores in operation at the end of the year	46	-

Note 3. *Cash, Cash Equivalents and Restricted Cash*

As of September 30, 2023 and 2022, account balances as reported by the Company's banks exceeded FDIC limits by $927,972 and $0, respectively. During the year deposits typically exceed FDIC limits.

The Company has restricted cash accounts offset by corresponding liabilities for amounts related to several acquisitions during the year. Amounts are released to satisfy the terms of the corresponding purchase agreements.

Note 4. *Accounts Receivable – Concentrations of Credit Risk*

Almost 80% of the Company's accounts receivable are from a single related party entity that has purchased multiple area representative agreements. See Note 7 for additional information.

Note 5. *Goodwill*

At times the Company has repurchased units from its members. In prior periods, these repurchased units were presented as a negative component of Members' Equity. In 2015, the Company adopted the "push-down method" of accounting for such transactions. This method allows for the establishment of goodwill for the amount in excess of the book value of the repurchased units. During the year ended September 30, 2023, the Company acquired the assets of several businesses resulting in additional goodwill.

Note 5. *Goodwill (Continued)*

Goodwill is evaluated annually for impairment; there was no impairment of goodwill at September 30, 2023 and 2022. Changes in the gross carrying amount of goodwill for the years ended September 30, 2023 and 2022 are as follows:

	September 30, 2023	September 30, 2022
Balance at the beginning of year	$ 2,648,728	$ 2,648,728
Goodwill from Acquisitions	4,676,416	-
Balance at the end of year	$ 7,325,144	$ 2,648,728

Note 6. *Equity Investment*

The Company records pass-through income or loss from the investment in Investee under the equity method in accordance with ASC 323. For the years ended September 30, 2023 and 2022 the Company recognized pass-through income and (losses) of ($23,469) and $4,181 respectively. The fair value of the Investee is not readily determinable and is classified as level 3 in the fair value hierarchy under ASC 820. The original cost has been adjusted for the accumulated income and loss of the investee to best approximate fair value. Therefore, management believes no impairment in required related to the investment as of the years ended September 30, 2023 and 2022.

Note 7. *Contract Liabilities*

Contract liabilities from franchise agreements with franchisees consist of the following at September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
Beginning of Year	$ 559,342	$ 277,811
Increase (Decrease)	2,051,396	281,531
End of Year	$ 2,610,738	$ 559,342

Note 8. *Related Party Transactions*

Two of the members own an accounting firm. Fees billed by this firm totaled $298,190 and $247,775 for the years ended September 30, 2023 and 2022. There are accounts payable owed to this related party in the amount of $19,450 and $0 at September 30, 2023 and 2022.

Note 8. *Related Party Transactions (Continued)*

During the year ended September 30, 2023, the Company purchased the equity of Pet Pros, LLC (which was owned at that time by one of the members and his brother) resulting in a note payable to those same individuals. The Company issued additional notes payable to these individuals also related to the acquisition of Pet Pros, LLC. The Company also purchased the assets of 24 retail locations (which were owned by two of the members) and converted them from franchisees to corporate owned locations. Additionally, the same two members purchased two additional franchise locations from the Company resulting in a note receivable. Additionally, these two members entered into multiple area representative agreements resulting in accounts receivable of $2,461,800 at September 30, 2023.

Amounts due to related parties totaling $5,227,376 and $2,390,713 at September 30, 2023 and 2022, represent loans and other amounts due to family of members and members of the Company. These amounts are evidenced by uncollateralized promissory notes with rates of 6.75% - 7.50%. Maturities are October 1, 2024, July 1, 2027, September 1, 2036, September 29, 2038, and August 12, 2052. The notes have been classified into their respective current and non-current amounts. Principal and interest payments total $46,711 per month. Amounts will be paid according to the following schedule:

Year Ending September 30,	Principal	Interest	Total
2024	$ 202,291	$ 361,303	$ 563,593
2025	1,055,513	294,895	1,350,408
2026	232,357	274,629	506,986
2027	453,530	255,416	708,947
2028	160,106	229,151	389,257
2029-2033	989,252	957,214	1,946,467
2034-2038	1,041,712	571,738	1,613,450
2039-2043	265,404	363,890	629,293
2044-2048	385,710	243,584	629,293
2049-2053	441,503	72,420	513,923
	$ 5,227,376	$ 3,624,240	$ 8,851,617

Note 9. *Long-term Liabilities*

On July 2, 2020, the Company issued a $150,000 promissory note bearing interest at 3.75% maturing December 2, 2052. On September 30, 2021, the Company assumed a promissory note with a remaining balance of $320,000 and no stated interest rate maturing May 15, 2024, that has been discounted at 6.75%. On October 21, 2022, the Company issued a $16,400,000 promissory note with quarterly principal payments and monthly interests payments using rates of between 7.50% and 9.00% maturing October 21, 2025. On March 28, 2023, the Company entered into an agreement requiring $500,000 to be held in restricted account related to the purchase of the PET DEPOT assets for any unresolved claim amounts with the remainder to be paid March 29, 2025. Claims were made against this fund in the amount of $315,423 during the year ended September 30, 2023. All notes have been classified into their respective current and non-current amounts. With the exception of the October 21, 2022 note and the March 28, 2023 unresolved claims liability, principal and interest payments total $10,731 per month. Quarterly principal payments related to the October 21, 2022 note are $729,000 per quarter for fiscal year 2024 and $972,000 per quarter for fiscal year 2025 while monthly interest payments vary from about $90,000 to $140,000 per month.

Future amounts will be paid according to the following schedule:

Year Ending September 30,	Principal	Interest	Total
2024	$ 2,965,501	$ 1,564,050	$ 4,529,551
2025	4,010,336	1,280,853	5,291,189
2026	11,254,975	95,294	11,350,269
2027	3,340	5,432	8,772
2028	3,467	5,305	8,772
2029-2033	19,425	24,435	43,860
2034-2038	23,424	20,436	43,860
2039-2043	28,246	15,614	43,860
2044-2048	34,062	9,798	43,860
2049-2053	39,626	2,869	42,495
	$ 18,382,402	$ 3,024,086	$ 21,406,488

Note 10. *Store Leases*

The Company has 1 office lease and assumed 42 store leases as a result of the October 21, 2022 acquisition of Pet Pros, LLC and simultaneous purchase of additional retail locations. Additional leases were assumed with the acquisition of retail locations on March 28, 2023. Lease terminations range from 1 to 157 months as of September 30, 2023.

As of October 22, 2022, the Company recorded right-of-use assets of $15,898,635 and operating lease liabilities of $15,898,635. Lease expenses for the period from inception to September 30, 2023 totaled $3,555,220 excluding common maintenance charges, property taxes, and insurance expenses.

LEASE COST AND OTHER LEASING INFORMATION	
Operating lease cost	$ 3,555,220
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 3,314,017
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 13,557,143
Weighted-average remaining lease term - operating	5.52 Years
Weighted-average discount rate - operating leases	9.00%

Future minimum lease payments as of September 30, 2023 are:

Year Ending September 30,	Undiscounted Payments
2024	$ 3,636,704
2025	3,420,077
2026	3,227,475
2027	2,738,129
2028	1,353,546
Beyond	3,256,620
Total	17,632,551
Less: interest component	3,834,205
Lease liabilities	$ 13,798,346

Note 11. *New Accounting Pronouncement*

For the fiscal year ended September 30, 2023, the Company adopted ASC 842, *Leases*. The objective of this Topic is to establish the principles that lessees and lessors shall apply to report useful information to users of the consolidated financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. See also Notes 1 and 10.

Note 11. *New Accounting Pronouncement (Continued)*

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to United States generally accepted accounting principles ("U.S. GAAP") an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses.

Under the new guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of U.S. GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. Further, the ASU makes targeted changes to the impairment model for available-for-sale debt securities. The new CECL standard is effective for annual reporting periods beginning after December 15, 2022, and interim periods therein. Management is currently evaluating the effect of adopting the new standard and expects that the impact to the Company's consolidated financial statements will be minimal.

Note 12. *Subsequent Events*

The Company has evaluated the subsequent events occurring after September 30, 2023, through the date of the auditor's report, which is the date the consolidated financial statements were available to be issued. Management believes there are no events that require reporting other than the following:

On October 4, 2023, the Company signed a credit agreement amendment with BMO Harris Bank to increase financing to a total of $26.2 million. This resulted in additional funds in the amount of $8,192,000 that were used to acquire the assets of additional retail locations, pay off the line of credit, pay off several related party loans as well as other loans and obligations, pay contingent liabilities to related parties, pay transaction fees, and provide operating capital.

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
For the Year Ended September 30, 2023

	September 30, 2023	September 30, 2022
General and Administrative Expenses		
Automobile expenses	$ 283	$ -
Bad debt expense	-	25,160
Bank charges	51,647	18,477
Company store expenses	15,965,796	305,808
Computer expense	368,748	322,256
Depreciation and amortization expense	107,853	13,789
Employee benefits	169,189	138,411
Franchise events	7,003	9,797
Franchise support	889,269	544,849
Insurance	33,422	19,181
Licenses and permits	5,224	-
Meals and entertainment	77,801	11,208
Membership expenses	16,982	19,072
Office expense	438,723	30,108
Payments to members	1,307,352	1,136,969
Payroll expenses	1,321,930	322,353
Penalties	1,071	-
Professional fees	1,494,013	370,612
Rent expense	94,660	11,017
Repairs and maintenance	8,482	-
Shipping	7,912	595
Subcontractors	749,417	-
Taxes	55,352	27,503
Telephone	59,322	31,290
Travel	112,127	66,396
Utilities	11,881	572
Total General and Administrative Expenses	$ 23,355,459	$ 3,425,423

Notes to Consolidated Schedule of General and Administrative Expenses:

This schedule presents, in more detail, items reflected in the Consolidated Income Statement. It is provided for further analysis.

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF STORE OPERATIONS
For the Year Ended September 30, 2023

	September 30, 2023	September 30, 2022
Sales	$ 43,216,258	$ 349,553
Cost of Goods Sold	24,748,390	190,073
Gross Profit	18,467,868	159,480
Operating Expenses		
Advertising and promotion	254,537	1,542
Bank charges	792,168	3,164
Depreciation	368,821	8,683
Dues and subscriptions	12,442	-
Education and training	2,682	795
Employee benefits	356,090	16,358
Equipment rental	5,040	-
Insurance	205,423	1,994
Licenses and permits	14,372	1,154
Meals and entertainment	1,884	-
Office supplies	229,817	-
Outside services	276,475	-
Postage	17,526	-
Recruiting	73,425	-
Rent	4,567,155	75,303
Repairs and maintenance	124,563	1,265
Salaries and wages	7,125,755	162,015
Security	158	131
Supplies	2,947	3,918
Taxes - excise	86,816	6,431
Taxes - payroll	675,912	14,133
Taxes - property	19,925	-
Telephone	186,332	2,105
Till adjustments	(2,727)	1,048
Travel	60,432	-
Utilities	507,826	5,769
Total Operating Expenses	15,965,796	305,808
Net Profit	$ 2,502,072	$ (146,328)

Notes to Consolidated Schedule of Store Operations:

This schedule presents, in more detail, items reflected in the Consolidated Income Statement and Consolidated Schedule of General and Administrative Expenses. It is provided for further analysis.

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
September 30, 2023

ASSETS

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Current Assets					
Cash and cash equivalents	$ 85,113	$ 1,581,805	$ 47,513	$ -	$ 1,714,431
Accounts receivable, net	3,029,983	28,074	1,751	-	3,059,808
Supplier rebates receivable	849,548	168,400	-	-	1,017,948
Prepaid expenses	342,591	86,770	6,461	-	435,822
Prepaid commissions, net amortization	330,595	-	-	-	330,595
Due from related company	224,405	-	-	(224,405)	-
Inventory	271,191	4,861,336	-	-	5,132,527
Work in progress	-	394,402	-	-	394,402
Notes receivable, current portion	41,941	-	-	-	41,941
Total Current Assets	5,175,367	7,120,787	55,725	(224,405)	12,127,474
Fixtures and Equipment					
Fixtures and equipment	142,230	1,513,710	-	-	1,655,940
Leasehold improvements	-	1,058,857	-	-	1,058,857
Less accumulated depreciation	(13,038)	(390,548)	-	-	(403,586)
Total Fixtures and Equipment	129,192	2,182,019	-	-	2,311,211
Other Assets					
Restricted cash	526,244	-	-	-	526,244
Notes receivable, noncurrent portion	69,274	-	-	-	69,274
Security deposit	6,511	136,021	-	-	142,532
Amortized intangible assets, net	157,199	8,447,340	-	-	8,604,539
Unamortized intangible assets					
Trademarks	1,348,930	-	-	-	1,348,930
Defensive assets	650,000	-	-	-	650,000
Goodwill	7,325,144	-	-	-	7,325,144
Right-of-use assets	-	13,557,143	-	-	13,557,143
Equity investments	2,843,670	-	-	(2,563,287)	280,383
Total Other Assets	12,926,972	22,140,504	-	(2,563,287)	32,504,189
Total Assets	$ 18,231,531	$ 31,443,310	$ 55,725	$ (2,787,692)	$ 46,942,874

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
September 30, 2023

LIABILITIES AND OWNERS' EQUITY

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Current Liabilities					
Accounts payable, trade	$ 632,795	$ 2,439,810	$ -	$ -	$ 3,072,605
Accounts payable, related party	16,500	2,950	-	-	19,450
Credit cards payable	162,242	(3,827)	-	-	158,415
Sales tax payable	-	288,933	4,837	-	293,770
Payroll liabilities	24,635	484,254	-	-	508,889
Guaranteed payments payable	56,331	-	-	-	56,331
Accrued expenses	1,115,800	(760)	-	-	1,115,040
Gift card liabilities	-	-	-	-	-
Due to related company	-	212,816	11,873	(224,689)	-
Line of credit	375,000	-	-	-	375,000
Franchise deposits, current portion	42,500	-	-	-	42,500
Lease liabilities, current portion	-	2,574,466	-	-	2,574,466
Long-term debt, current portion	884,518	2,074,533	6,450	-	2,965,501
Payables to related party, current portion	202,291	-	-	-	202,291
Contract liabilities, current portion	1,332,382	-	-	-	1,332,382
Total Current Liabilities	4,844,994	8,073,175	23,160	(224,689)	12,716,640
Long-Term Liabilities					
Sublease deposit	-	-	-	-	-
Lease liabilities, noncurrent portion	-	11,223,880	-	-	11,223,880
Long-term debt, noncurrent portion	4,821,836	10,595,065	-	-	15,416,901
Payables to related parties, noncurrent portion	5,025,086	-	-	-	5,025,086
Contract liabilities, noncurrent portion	1,278,356	-	-	-	1,278,356
Total Long-Term Liabilities	11,125,278	21,818,945	-	-	32,944,223
Total Liabilities	15,970,272	29,892,120	23,160	(224,689)	45,660,863
Owners' Equity	2,261,259	1,551,190	32,565	(2,563,003)	1,282,011
Total Liabilities and Owners' Equity	$ 18,231,531	$ 31,443,310	$ 55,725	$ (2,787,692)	$ 46,942,874

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF INCOME AND OWNER'S EQUITY
For the Year Ended September 30, 2023

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Revenues					
Franchise royalty fees, net of discounts	$ 3,757,815	$ -	$ 32,414	$ -	$ 3,790,229
Franchise marketing contributions	820,595	-	23,249	-	843,844
Company store sales	119,830	43,096,428	-	-	43,216,258
Initial franchise sales and related fees, net of discounts	1,570,543	-	-	-	1,570,543
Supplier and other rebates, miscellaneous	2,149,143	4,128	-	(24,356)	2,128,915
Total Revenues	8,417,926	43,100,556	55,663	(24,356)	51,549,789
Cost of Sales					
Advertising for franchise sales	114,825	-	-	-	114,825
Salaries	252,511	-	-	-	252,511
Fixtures and equipment	25,786	-	-	-	25,786
Travel	104,440	-	-	-	104,440
Other costs of sales	152,126	-	-	-	152,126
Franchise marketing	792,064	-	17,803	-	809,867
Company store cost of sales	3,746	24,744,644	-	-	24,748,390
Total Cost of Sales	1,445,498	24,744,644	17,803	-	26,207,945
Gross Profit	6,972,428	18,355,912	37,860	(24,356)	25,341,844
General and Administrative Expenses	5,036,030	18,307,428	11,847	154	23,355,459
Income (Loss) from Operations	1,936,398	48,484	26,013	(24,510)	1,986,385
Other Income (Expense)					
Interest income	5,166	-	-	-	5,166
Loss on disposal of assets	(51,064)	-	-	-	(51,064)
Interest expense	(760,431)	(1,028,592)	-	-	(1,789,023)
Total Other Income (Expense)	(806,329)	(1,028,592)	-	-	(1,834,921)
Net Income (Loss) before Income Taxes	1,130,069	(980,108)	26,013	(24,510)	151,464
(Provision for) Benefit from Income Taxes	-	-	(688)	-	(688)
Net Income (Loss)	1,130,069	(980,108)	25,325	(24,510)	150,776
Members' Equity					
Beginning of year	1,131,190	-	-	-	1,131,190
Purchased equity	-	2,531,298	-	(2,531,298)	-
Stockholders' Equity					
Capital stock	-	-	45	-	45
Purchased equity	-	-	7,195	(7,195)	-
End of year	$ 2,261,259	$ 1,551,190	$ 32,565	$ (2,563,003)	$ 1,282,011

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2023

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Cash Flows from Operating Activities:					
Net Income	$ 1,130,069	$ (980,108)	$ 25,325	$ (24,510)	$ 150,776
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation and amortization	57,795	418,879	-	-	476,674
Loss on disposal of assets	51,064	-	-	-	51,064
Change in operating assets and liabilites:					
(Increase) decrease in accounts receivable	(2,751,552)	(28,074)	(1,751)	-	(2,781,377)
(Increase) decrease in supplier rebates receivable	(466,418)	(168,400)	-	-	(634,818)
(Increase) decrease in prepaid guaranteed payments	45,154	-	-	-	45,154
(Increase) decrease in prepaid expenses	(287,050)	(26,427)	(6,461)	-	(319,938)
(Increase) decrease in prepaid commissions	(105,946)	-	-	-	(105,946)
(Increase) decrease in investment in royalty stream	194,510	-	-	-	194,510
(Increase) decrease in inventory	(271,191)	(944,566)	-	-	(1,215,757)
(Increase) decrease in work in progress	-	(394,402)	-	-	(394,402)
(Increase) decrease in due from related company	(181,405)	-	-	224,405	43,000
(Increase) decrease in notes receivable	(39,628)	-	-	-	(39,628)
(Increase) decrease in security deposit	(1,511)	(136,021)	-	-	(137,532)
(Increase) decrease in equity investment	(1,325)	-	-	-	(1,325)
Increase (decrease) in accounts payable	465,678	1,369,138	-	-	1,834,816
Increase (decrease) in accounts payable, related party	16,500	2,950	-	-	19,450
Increase (decrease) in credit cards payable	13,053	(3,827)	-	-	9,226
Increase (decrease) in sales tax payable	(269)	288,933	4,837	-	293,501
Increase (decrease) in payroll liabilities	8,284	484,254	-	-	492,538
Increase (decrease) in guaranteed payments payable	20,635	-	-	-	20,635
Increase (decrease) in accrued expenses	(4,105)	(760)	-	-	(4,865)
Increase (decrease) in due to related company	-	212,816	11,873	(224,689)	-
Increase (decrease) in franchise deposits	(17,500)	-	-	-	(17,500)
Increase (decrease) in contract liabilities	2,051,396	-	-	-	2,051,396
Total Adjustments	(1,203,831)	1,074,493	8,498	(284)	(121,124)
Net Cash Provided by Operating Activities	(73,762)	94,385	33,823	(24,794)	29,652

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2023

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Cash Flows from Investing Activities					
Unallocated differences	-	-	-	-	-
Purchase of equipment	(142,230)	(2,572,568)	-	-	(2,714,798)
Purchase of intangibles	(130,518)	(6,953,858)	-	-	(7,084,376)
Purchase of equity	(2,665,000)	-	7,195	-	(2,657,805)
Net Cash Used for Investing Activities	(2,937,748)	(9,526,426)	7,195	-	(12,456,979)
Cash Flows from Financing Activities					
Increase (decrease) in line of credit	375,000	-	-	-	375,000
Issuance of long-term debt	16,552,523	-	6,450	-	16,558,973
Repayments of long-term debt	(830,660)	(1,303,067)	-	-	(2,133,727)
Repayments of long-term debt, related party	(397,539)	-	-	-	(397,539)
Intercompany activity	(12,341,752)	12,316,913	45	24,794	-
Net Cash Provided by Financing Activities	3,357,572	11,013,846	6,495	24,794	14,402,707
Net Increase (Decrease) in Cash and Cash Equivalents	346,062	1,581,805	47,513	-	1,975,380
Cash and Cash Equivalents					
Beginning of year	265,295	-	-	-	265,295
End of year	$ 611,357	$ 1,581,805	$ 47,513	$ -	$ 2,240,675
Balance Sheet Presentation					
Cash	$ 85,113	$ 1,581,805	$ 47,513	$ -	$ 1,714,431
Restricted cash	526,244	-	-	-	526,244
Total Cash and Cash Equivalents	$ 611,357	$ 1,581,805	$ 47,513	$ -	$ 2,240,675

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2023

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Supplemental Disclosures of Cash Flow Information:					
Interest paid	$ (760,431)	$ (1,028,592)	$ -	$ -	$ (1,789,023)
Interest received	$ 5,166	$ -	$ -	$ -	$ 5,166
Income taxes received (paid)	$ -	$ -	$ -	$ -	$ -
Supplemental Disclosures of Noncash Investing Information					
Debt transactions					
Acquisition of assets of pets stores	$ -	$ 2,138,060	$ -	$ -	$ 2,138,060
Acquisition of intangibles	1,999,577	1,468,702	-	-	3,468,279
Acquisition of equity in affiliates	3,515,000	-	-	-	3,515,000
Capitalized interest - EIDL	6,650	-	-	-	6,650
Total	$ 5,521,227	$ 3,606,762	$ -	$ -	$ 9,127,989
Related party debt transactions					
Acquisition of equity in affiliates	$ 3,500,000	$ -	$ -	$ -	$ 3,500,000

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
For the Year Ended September 30, 2023

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
General and Administrative Expenses					
Automobile expenses	$ -	$ 283	$ -	$ -	$ 283
Bank charges	22,286	28,505	856	-	51,647
Company store expenses	197,045	15,768,751	-	-	15,965,796
Computer expense	368,748	-	-	-	368,748
Depreciation and amortization expense	49,112	58,741	-	-	107,853
Employee benefits	128,870	40,319	-	-	169,189
Franchise events	7,003	-	-	-	7,003
Franchise support	889,269	-	-	-	889,269
Insurance	29,836	3,586	-	-	33,422
Licenses and permits	-	5,224	-	-	5,224
Meals and entertainment	73,171	4,630	-	-	77,801
Membership expenses	13,495	3,487	-	-	16,982
Office expense	22,218	416,351	-	154	438,723
Payments to members	1,307,352	-	-	-	1,307,352
Payroll expenses	569,519	752,411	-	-	1,321,930
Penalties	1,071	-	-	-	1,071
Professional fees	1,114,935	368,796	10,282	-	1,494,013
Rent expense	40,319	54,341	-	-	94,660
Repairs and maintenance	-	8,482	-	-	8,482
Shipping	2,721	5,191	-	-	7,912
Subcontractors	-	749,417	-	-	749,417
Taxes	54,502	141	709	-	55,352
Telephone	32,051	27,271	-	-	59,322
Travel	112,127	-	-	-	112,127
Utilities	380	11,501	-	-	11,881
Total General and Administrative Expenses	$ 5,036,030	$ 18,307,428	$ 11,847	$ 154	$ 23,355,459

NPM FRANCHISING, LLC AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF STORE OPERATIONS
For the Year Ended September 30, 2023

	NPM Franchising, LLC	Pet Pros, LLC	PET DEPOT Canada, ULC	Eliminations	Consolidated
Sales	$ 119,830	$ 43,096,428	$ -	$ -	$ 43,216,258
Cost of Goods Sold	3,746	24,744,644	-	-	24,748,390
Gross Profit	116,084	18,351,784	-	-	18,467,868
Operating Expenses					
Advertising and promotion	2,268	252,269	-	-	254,537
Bank charges	1,278	790,890	-	-	792,168
Depreciation	8,683	360,138	-	-	368,821
Dues and subscriptions	-	12,442	-	-	12,442
Education and training	600	2,082	-	-	2,682
Employee benefits	6,168	349,922	-	-	356,090
Equipment rental	-	5,040	-	-	5,040
Insurance	835	204,588	-	-	205,423
Licenses and permits	343	14,029	-	-	14,372
Meals and entertainment	-	1,884	-	-	1,884
Office supplies	-	229,817	-	-	229,817
Outside services	492	275,983	-	-	276,475
Postage	-	17,526	-	-	17,526
Recruiting	-	73,425	-	-	73,425
Rent	66,744	4,500,411	-	-	4,567,155
Repairs and maintenance	-	124,563	-	-	124,563
Salaries and wages	81,070	7,044,685	-	-	7,125,755
Security	158	-	-	-	158
Supplies	2,947	-	-	-	2,947
Taxes - excise	-	86,816	-	-	86,816
Taxes - payroll	5,896	670,016	-	-	675,912
Taxes - property	10,823	9,102	-	-	19,925
Telephone	2,133	184,199	-	-	186,332
Till adjustments	1,924	(4,651)	-	-	(2,727)
Travel	-	60,432	-	-	60,432
Utilities	4,683	503,143	-	-	507,826
Total Operating Expenses	197,045	15,768,751	-	-	15,965,796
Net Profit (Loss)	$ (80,961)	$ 2,583,033	$ -	$ -	$ 2,502,072

Notes to Schedules of Store Operations:

This schedule presents, in more detail, items reflected in the Income Statement and Schedules of General and Administrative Expenses. It is provided for further analysis.

NPM Franchising, LLC

Financial Statements

For the Years Ended September 30, 2022 and 2021

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YSL & Associates LLC
Certified Public Accountants | Member of Parker Randall International

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INDEPENDENT AUDITOR'S REPORT

To the Members of
NPM Franchising LLC

Opinion

We have audited the accompanying financial statements of NPM Franchising, LLC (the "Company"), which comprise the balance sheets as of September 30, 2022 and 2021, and the related statements of income and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basic for Opinion

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

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

YSL & Associates LLC

New York, NY
December 29, 2022

NPM FRANCHISING, LLC
BALANCE SHEETS
September 30, 2022 and 2021

ASSETS

	September 30, 2022	September 30, 2021
Current Assets		
Cash and cash equivalents	$ 265,295	$ 92,085
Accounts receivable, net	278,431	642,428
Supplier rebates receivable	383,130	111,471
Prepaid guaranteed payments	45,154	-
Prepaid expenses	55,541	618
Prepaid commissions, net amortization	224,649	-
Investment in royalty stream	194,510	-
Inventory	-	41,447
Due from related company	43,000	-
Notes receivable, current portion	43,809	83,880
Total Current Assets	1,533,519	971,929
Fixtures and Equipment		
Fixtures and equipment	83,529	83,529
Leasehold improvements	13,206	13,206
Less accumulated depreciation	(36,987)	(28,305)
Total Fixtures and Equipment	59,748	68,430
Other Assets		
Notes receivable, noncurrent portion	27,778	14,310
Security deposit	5,000	6,196
Amortized intangible assets, net	73,327	-
Unamortized intangible assets		
Trademarks	530,934	510,316
Defensive assets	650,000	-
Goodwill	2,648,728	2,648,728
Equity investments	139,181	-
Total Other Assets	4,074,948	3,179,550
Total Assets	$ 5,668,215	$ 4,219,909

See accompanying notes to financial statements.

NPM FRANCHISING, LLC
BALANCE SHEETS
September 30, 2022 and 2021

LIABILITIES AND MEMBERS' EQUITY

	September 30, 2022	September 30, 2021
Current Liabilities		
Accounts payable, trade	$ 167,117	$ 95,494
Accounts payable, related party	-	8,500
Credit cards payable	149,189	209,910
Sales tax payable	269	2,183
Payroll liabilities	16,351	22,152
Guaranteed payments payable	35,696	84,146
Accrued expenses	19,905	26,294
Franchise deposits, current portion	7,500	2,500
Line of credit	-	150,723
Long-term debt, current portion	386,052	104,329
Payables to related party, current portion	115,064	116,647
Contract liabilities, current portion	319,677	56,190
Total Current Liabilities	1,216,820	879,068
Long-Term Liabilities		
Franchise deposits, noncurrent portion	12,500	7,500
Long-term debt, noncurrent portion	792,391	342,133
Payables to related parties, noncurrent portion	2,275,649	2,390,713
Contract liabilities, noncurrent portion	239,665	221,621
Total Long-Term Liabilities	3,320,205	2,961,967
Total Liabilities	4,537,025	3,841,035
Members' Equity	1,131,190	378,874
Total Liabilities and Members' Equity	$ 5,668,215	$ 4,219,909

See accompanying notes to financial statements.

NPM FRANCHISING, LLC
STATEMENTS OF INCOME AND MEMBERS' EQUITY
For the Twelve Months Ended September 30, 2022 and 2021

	September 30, 2022	September 30, 2021
Revenues		
Franchise royalty fees, net of discounts	$ 3,242,274	$ 1,613,277
Franchise marketing contributions	492,307	381,344
Company store sales	349,553	466,817
Initial franchise sales and related fees, net of discounts	1,209,469	1,350,286
Rents, supplier and other rebates, and miscellaneous	655,171	304,596
Total Revenues	5,948,774	4,116,320
Cost of Sales		
Advertising for franchise sales	171,651	187,178
Salaries	195,007	194,559
Fixtures and equipment	51,600	133,520
Travel	128,464	106,200
Other costs of sales	45,692	93,478
Franchise marketing	471,492	384,314
Company store cost of sales	190,073	292,348
Total Cost of Sales	1,253,979	1,391,597
Gross Profit	4,694,795	2,724,723
General and Administrative Expenses	3,425,423	2,178,379
Income (Loss) from Operations	1,269,372	546,344
Other Income (Expense)		
Interest income	5,930	7,743
Loss on disposal of assets	-	(11,250)
Interest expense	(202,491)	(56,320)
Total Other Income (Expense)	(196,561)	(59,827)
Net Income (Loss)	1,072,811	486,517
Members' Equity		
Beginning of year	378,874	(107,643)
Member distributions	(320,495)	-
End of year	$ 1,131,190	$ 378,874

See accompanying notes to financial statements.

NPM FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
For the Twelve Months Ended September 30, 2022 and 2021

	September 30, 2022	September 30, 2021
Cash Flows from Operating Activities:		
Net Income	$ 1,072,811	$ 486,517
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation and amortization	22,472	9,090
Change in operating assets	-	11,250
(Increase) decrease in accounts receivable	363,997	(534,262)
(Increase) decrease in supplier rebates receivable	(271,659)	(57,083)
(Increase) decrease in prepaid guaranteed payments	(45,154)	-
(Increase) decrease in prepaid expenses	(54,923)	150
(Increase) decrease in prepaid commissions	(224,649)	-
(Increase) decrease in inventory	41,447	51,308
(Increase) decrease in due from related company	(43,000)	-
(Increase) decrease in notes receivable	26,603	65,829
(Increase) decrease in security deposit	1,196	-
(Increase) decrease in equity investment	(4,181)	-
Increase (decrease) in accounts payable	71,623	87,666
Increase (decrease) in accounts payable, related party	(8,500)	-
Increase (decrease) in credit cards payable	(60,721)	36,998
Increase (decrease) in sales tax payable	(1,914)	(1,555)
Increase (decrease) in payroll liabilities	(5,801)	1,186
Increase (decrease) in guaranteed payments payable	(48,450)	84,146
Increase (decrease) in accrued expenses	(6,389)	26,294
Increase (decrease) in franchise deposits	10,000	(5,000)
Increase (decrease) in contract liabilities	281,531	19,443
Total Adjustments	43,528	(204,540)
Net Cash Provided by Operating Activities	1,116,339	281,977
Cash Flows from Investing Activities		
Purchase of intangibles	(107,734)	(39,831)
Purchase of equity	(135,000)	-
Net Cash Used for Investing Activities	(242,734)	(39,831)
Cash Flows from Financing Activities		
Increase (decrease) in line of credit	(150,723)	(59,011)
Repayments of long-term debt	(112,530)	(126,844)
Repayments of long-term debt, related party	(116,647)	(98,331)
Distributions to members	(320,495)	-
Net Cash Used for Financing Activities	(700,395)	(284,186)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 173,210	$ (42,040)

See accompanying notes to financial statements.

NPM FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
For the Twelve Months Ended September 30, 2022 and 2021

	September 30, 2022	September 30, 2021
Net Increase (Decrease) in Cash and Cash Equivalents	$ 173,210	$ (42,040)
Cash and Cash Equivalents		
Beginning of year	92,085	134,125
End of year	$ 265,295	$ 92,085
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ (198,667)	$ (56,320)
Interest received	$ 5,930	$ 7,743
Income taxes received (paid)	$ -	$ -
Supplemental Disclosures of Noncash Investing Information		
Debt transactions		
Investment in royalty stream	$ 247,346	$ -
Acquisition of intangibles	650,000	-
Payment for transfer of franchise	15,000	-
Capitalized interest - EIDL	2,900	-
Total	$ 915,246	$ -

See accompanying notes to financial statements.

Note 1. *Summary of Significant Accounting Policies*

Nature of Operations – NPM Franchising, LLC is a Washington limited liability company, originally organized in Oregon on February 28, 2008. The Company changed its domicile from Oregon to Washington on March 3, 2017. As of the year ended September 30, 2020, the Company has elected a fiscal year end of September 30 for financial reporting purposes. The Company's tax year end remains December 31.

The Company franchises the right to open, operate, promote, arrange, and manage a retail store location and offer pet foods, supplies, pet grooming, and other related services in an exclusive territory.

The estimated initial investment to open a retail store ranges from $347,000 to $530,000. The estimated initial investment includes initial franchise fees, initial training fees, utility deposits and payments, furnishings, fixtures and equipment, customized point of sale software, security systems, tenant improvements to franchise premises, inventory, grand opening advertising, the first and last month's rent and a security deposit equal to one month's rent plus any applicable taxes. Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisee's control. Other items included are pro-rata rent and annual insurance premiums. Costs paid to others include workers' compensation insurance premiums, fees for licenses and permits, travel and living expenses while training, grand opening costs, as well as a sum sufficient to cover certain estimated expenses for a 90-day period after store opening. Applicants pay an initial franchise fee, one half upon execution of the franchise agreement, one half due 60 days after scheduling training, as well as an additional training fee.

The initial term of the franchise is 10 years. If franchisee is in good standing, they may renew for periods of 10 years under the terms of the then current franchise agreement forms. There is a weekly royalty fee and a weekly advertising fee based on the franchisee's weekly gross revenue.

The Company may also operate stores in addition to those operated by franchisees. These Company Owned stores offer the Company the opportunity to continue to update and develop processes for the benefit of the entire franchise system. Statistical information related to Company owned stores can be found in Note 3.

Method of Accounting – The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Note 1. *Summary of Significant Accounting Policies (Continued)*

Cash and Cash Equivalents – For the purposes of the statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of September 30, 2022 and 2021, no account balances exceeded FDIC limits. From time to time during the year deposits may temporarily exceed those limits.

Accounts Receivable – The Company records as a receivable all applicable franchise fees, including monthly franchise fees, transfer or renewal fees, inspection fines, and other related revenues. The Company periodically reviews long outstanding accounts and estimates collectability. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of September 30, 2022 the company has determined that no allowance for doubtful accounts is necessary. Amounts recorded as accounts receivable are unsecured. Bad debt expense for the years ended September 30, 2022 and 2021 was $25,160 and $110,661, respectively.

Supplier Rebates Receivable – The Company has agreements with various suppliers under which the supplier shares a percentage of certain revenues. These revenues accrue on a quarterly basis and are collectible one month after the end of each quarter. Until collection, these revenues are recorded as supplier rebates receivable. These receivables are unsecured.

Inventory – Inventory consisting of retail pet supplies is stated at the lower of cost or net realizable value using the average cost method. As of September 30, 2022 all company store retail operations had ceased and the remaining inventory had been donated and was fully written off.

Notes Receivable – Loans made by the Company, not classified as accounts receivable, are recorded as notes receivable. Notes that are due in one year or less, or that are payable on demand, are classified as current assets; otherwise the current and noncurrent portions of the notes are classified separately. Interest income is accrued at rates between 6% and 10%. All notes are unsecured.

The fair value of the Company's long-term note receivables are discounted based on the current rates offered by the Company for notes of the same remaining maturities. At September 30, 2022 and 2021, the fair value of the long-term notes receivable are $71,587 and $98,190 net of the applicable amortization of the discounts. The Company compares note receivables balances and payments to the associated amortization schedules on an ongoing basis to determine if note receivables are past due. No amounts were considered past due as of September 30, 2022 and 2021. Management believes all notes receivable are fully collectible as of September 30, 2022 and 2021. As a result no allowance is recorded in the accompanying financial statements.

Note 1. *Summary of Significant Accounting Policies (Continued)*

Fixtures and Equipment – Fixtures and equipment are stated at cost. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which may range from 5 to 40 years. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Trademarks – Costs to establish, maintain, and defend internally developed and acquired trademarks are recorded as intangible assets with indefinite lives. The Company has adopted FASB *Accounting Standards Codification* 350, Intangibles – Goodwill and Other. That statement requires the Company to evaluate certain intangible assets on an annual basis for potential impairment. After considering various factors, no impairment was identified related to trademarks at September 30, 2022 and 2021, therefore the Company did not recognize any loss on trademarks impairment for the years ended September 30, 2022 and 2021. For the years ended September 30, 2022 and 2021, trademarks amounted to $530,934nd $510,316. Renewal of trademarks will be required starting in 2024.

Other Intangible Assets – Intangible assets subject to amortization include architectural designs and training videos, which are being amortized on a straight-line basis over 10 years and 5 years respectively. Intangible assets not subject to amortization consist of defensive assets and are evaluated annually for impairment. No impairment was deemed necessary for the years ended September 30, 2022 and 2021.

Advertising Costs – The Company expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of September 30, 2022 and 2021, the Company had no advertising classified as assets, and all advertising was expensed as incurred. For the years ended September 30, 2022 and 2021, advertising expenses were $643,143 and 571,492.

Revenue Recognition – The Company recognizes revenue in accordance with Financial Accounting Standard Board's ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The following policies are consistent with those requirements. The Company sells franchise agreements where payment is typically due upon the signing of the agreement. Two-thirds of the franchise agreement price is recognized at the time the agreement is signed in recognition of the Company's efforts in market analysis, consultation with the prospective franchisee(s), development of the specific franchise agreement, and other associated costs incurred directly prior to, or at, the time of signing. The remaining one-third of the sale price is recognized as revenue from the sale of franchise agreements upon the franchisee location opening for business in recognition of the Company fulfilling its remaining obligation to provide training and support in the days or week prior to and during the opening. This remaining one-third is considered a contract liability until such time as it is recognized as revenue. The sale of franchise agreements also include a fee for management training. This fee is typically due when the agreement is signed. A contract liability is recorded until such time as the franchisee attends the training. Revenue is then recognized at the completion of the training (see note 5 for contract liability details).

Note 1. *Summary of Significant Accounting Policies (Continued)*

The franchise agreements of the Company provide for collection of royalties. These royalties are earned and recorded upon the completion of the underlying sales by the franchisees.

The Company also has Regional Franchise agreements. In general, Regional Franchise agreements contain provisions for revenues to be earned by the Company upon both the sale of franchise agreements and the collection of royalties from those franchisees. These revenues are recognized in a similar manner as discussed above.

The Company also records revenues earned from suppliers under revenue sharing contracts. These contracts specify the underlying transactions within the franchise system qualifying for this revenue sharing. The Company records these revenues as earned under the specific provisions of those contracts.

Income Taxes – The Company was organized as a limited liability company (LLC) under the provisions of laws of the state of Oregon and the Internal Revenue Code. The Company is now domiciled in the state of Washington. In lieu of income taxes at the company level, the members of the LLC are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Company files income tax returns in the U.S. Federal and multiple state jurisdictions. Generally, income tax filings are subject to federal and state examination for three years after they are filed. Returns for the years ending September 30, 2019 and later are subject to examination. In the event penalties and interest are assessed by the income taxing authorities, it is the Company's policy to include these in operating expenses as incurred.

Sales Taxes – The Company records sales taxes as payables upon collection. Therefore, revenues do not include any amounts for sales taxes collected, and no expense is recorded for sales taxes.

Defined Contribution Pension Plan – The Company maintains a qualified retirement plan for all eligible employees. The maximum contribution payable under the plans is equal to a defined percentage of the eligible employee's salary subject to Internal Revenue Services ("IRS") limits. Employee contributions may be matched at the discretion of the Company, subject to IRS limits. During the year ended September 30, 2022 and 2021, the total expenses related to the 401(K) plans were $13,745 and $7,912.

Subsequent Events – Management has evaluated subsequent events through the auditors' report date, the date the financial statements were available to be issued. See Note 9 for details.

Note 2. *Goodwill*

At times the Company has repurchased units from one of its members. In prior periods, these repurchased units were presented as a negative component of Members' Equity. In 2015, the Company adopted the "push-down method" of accounting for such transactions. This method allows for the establishment of goodwill for the amount in excess of the book value of the repurchased units.

Goodwill is evaluated annually for impairment; there was no impairment of goodwill at September 30, 2022 and 2021. Changes in the gross carrying amount of goodwill for the years ended September 30, 2022 and 2021 are as follows:

	September 30, 2022	September 30, 2021
Balance at the beginning of year	$ 2,648,728	$ 551,954
Repurchase of members' equity	-	2,096,774
Balance at the end of year	$ 2,648,728	$ 2,648,728

Note 3. *Franchise Information*

Statistical information on franchises as of September 30, 2022 and 2021, is as follows:

	September 30, 2022	September 30, 2021
Franchise agreements sold during the year	55	68
Franchises in operation at the beginning of the year	122	64
Franchises opened/acquired during the year	21	62
Franchises closed during the year	(5)	(4)
Franchises in operation at the end of the year	138	122
Company stores in operation at the end of the year	-	1

In prior years the Company counted several franchisees as a single franchise, even though those franchisees had multiple locations. Management has determined that reporting statistical information by location provides more useful information. Therefore amounts listed as of September 30, 2021 are different from the amounts reported in the prior year.

Note 4. *Related Party Transactions*

Two of the members own an accounting firm. Fees paid to this firm totaled $247,775 and $118,940 for the years ended September 30, 2022 and 2021. There are accounts payable owed to this related party in the amount of $- and $8,500 at September 30, 2022 and 2021.

Amounts due to related parties totaling $2,390,713 and $2,507,360 at September 30, 2022 and 2021, represent loans from members of the Company. These amounts are evidenced by uncollateralized promissory notes at 6.75%. One matures July 15, 2023, one on October 1, 2024, and the other on September 1, 2036. The notes have been classified into their respective current and non-current amounts. Principal and interest payments total $23,560 per month. Amounts will be paid according to the following schedule:

Year Ending September 30,	Principal	Interest	Total
2023	$ 115,064	$ 157,692	$ 272,756
2024	71,517	151,421	222,938
2025	915,207	94,546	1,009,753
2026	81,823	84,502	166,325
2027	87,521	78,805	166,325
2028-2032	537,953	293,673	831,626
2033-2036	581,629	83,672	665,301
	$ 2,390,713	$ 944,311	$ 3,335,024

Note 5. *Contract Liabilities*

Contract liabilities from franchise agreements with franchisees consist of the following at September 30, 2022 and 2021:

	September 30, 2022	September 30, 2021
Beginning of Year	$ 277,811	$ 258,367
Increase (Decrease)	281,531	19,444
End of Year	$ 559,342	$ 277,811

Note 6. *Long-term Liabilities*

On July 2, 2020, the Company issued a $150,000 promissory note bearing interest at 3.75% maturing December 2, 2052. On September 30, 2021, the Company assumed a promissory note with a remaining balance of $320,000 and no stated interest rate maturing May 15, 2024, that has been discounted at 6.75%. The Company issued a $650,000 promissory note on June 17, 2022, at 7% maturing on July 1, 2027. On June 30, 2022 promissory notes were issued in the amounts of $162,000 and $84,000 with stated rates of 2.5% which were both discounted at 7%. These notes mature September 30, 2023 and June 15, 2023 respectively. All notes have been classified into their respective current and non-current amounts. Principal and interest payments total $40,754 per month. Future amounts will be paid according to the following schedule:

Year Ending September 30,	Principal	Interest	Total
2023	$ 386,052	$ 64,110	$ 450,162
2024	156,113	44,438	200,551
2025	89,715	36,780	126,495
2026	96,094	30,401	126,495
2027	307,433	21,028	328,461
2028-2032	18,711	25,149	43,860
2033-2037	22,563	21,297	43,860
2038-2042	27,208	16,652	43,860
2043-2047	32,810	11,050	43,860
2048-2052	39,565	4,295	43,860
2053	2,179	14	2,193
	$ 1,178,443	$ 275,214	$ 1,453,657

Note 7. *Operating Leases*

The Company assumed a lease on April 18, 2018 for retail space that terminates August 31, 2023. Future minimum payments for retail space are:

Year Ending December 31,	Covington	Total
2023	37,103	37,103
	$ 37,103	$ 37,103

Total lease expense for the year ended September 30, 2022 and 2021 amounted to $86,320 and $95,763.

Note 8. *Concentrations*

Financial instruments that potentially subject the Company to concentrations of credit risk consist of notes receivable. This concentration is a result of the notes being issued by parties which operate within the specialty retail pet store market. These notes receivable total $71,587 and $98,190 as of September 30, 2022 and 2021. The Company's policy is to secure these notes with the inventory and other assets associated with the franchise operations of the debtor.

Note 9. *New Accounting Pronouncement*

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to United States generally accepted accounting principles ("U.S. GAAP") an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of U.S. GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. Further, the ASU makes targeted changes to the impairment model for available-for-sale debt securities. The new CECL standard is effective for annual reporting periods beginning after December 15, 2022, and interim periods therein. Management is currently evaluating the effect of adopting the new standard and expects that the impact to the Company's financial statements will be minimal.

Note 10. *Subsequent Events*

On October 21, 2022 the Company signed a credit agreement with BMO Harris Bank to secure financing in the amount of $16.4 million with which it procured 42 corporate store locations across the United States.

NPM FRANCHISING, LLC
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
For the Twelve Months Ended September 30, 2022 and 2021

	September 30, 2022	September 30, 2021
General and Administrative Expenses		
Bad debt expense	$ 25,160	$ 110,661
Bank charges	18,477	11,848
Company store expenses	305,808	396,159
Computer expense	322,256	164,993
Depreciation and amortization expense	13,789	-
Employee benefits	138,411	67,809
Franchise events	9,797	795
Franchise support	544,849	332,162
Insurance	19,181	3,215
Meals and entertainment	11,208	2,330
Membership expenses	19,072	10,079
Office expense	30,108	33,151
Payments to members	1,136,969	662,439
Payroll expenses	322,353	107,948
Penalties	-	60
Professional fees	370,612	206,056
Rent expense	11,017	7,630
Shipping	595	675
Taxes	27,503	7,437
Telephone	31,290	37,951
Travel	66,396	13,954
Utilities	572	1,027
Total General and Administrative Expenses	$ 3,425,423	$ 2,178,379

NPM FRANCHISING, LLC
SCHEDULES OF STORE OPERATIONS
For the Twelve Months Ended September 30, 2022 and 2021

	September 30, 2022	September 30, 2021
Sales	$ 349,553	$ 466,817
Cost of Goods Sold	190,073	292,348
Gross Profit	159,480	174,469
Operating Expenses		
Advertising and promotion	1,542	833
Bank charges	3,164	4,055
Depreciation	8,683	9,090
Dues and subscriptions	-	161
Education and training	795	293
Employee benefits	16,358	7,088
Insurance	1,994	2,314
Licenses and permits	1,154	1,503
Meals and entertainment	-	652
Office supplies	-	591
Rent	75,303	88,133
Repairs and maintenance	1,265	2,657
Rehab	-	495
Salaries and wages	162,015	225,881
Security	131	131
Supplies	3,918	6,330
Taxes - excise	6,431	3,532
Taxes - payroll	14,133	22,362
Telephone	2,105	4,573
Till adjustments	1,048	(618)
Travel	-	4,565
Utilities	5,769	11,538
Total Operating Expenses	305,808	396,159
Net Profit (Loss)	$ (146,328)	$ (221,690)

Notes to Schedules of Store Operations:

This schedule presents, in more detail, items reflected in the Income Statement and Schedules of General and Administrative Expenses. It is provided for further analysis.

Exhibit B

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND REGISTERED AGENTS IN STATES

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	California Commissioner of Financial Protection and Innovation: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Sacramento: 2101 Arena Boulevard Sacramento, California 95834-2036 San Diego: 1350 Front Street San Diego, CA 92101-3697 San Francisco: One Sansome Street, #600 San Francisco, CA 94104 Toll Free: 1-866-275-2677	Commissioner of California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 Toll Free: 1-866-275-2677
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 548-2021	Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 100 W. Randolph Street Chicago, IL 60601 (312) 814-3892
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	Secretary of State 99 Washington Avenue Albany, NY 12231	NYS Department of Law 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	South Dakota Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Department of Financial Institutions 150 Israel Rd. SW Tumwater, WA 98501-6456 (360) 902-8760	Department of Financial Institutions PO Box 41200 Olympia, WA 98504-1200 (360) 902-8760

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

Exhibit C

OPERATIONS MANUAL

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FRANCHISE AGREEMENT

NPM FRANCHISING, LLC

19400 144th Ave NE, Ste. E
Woodinville, WA 98072 (800) 314-9765

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F R A N C H I S E A G R E M E N T

THIS AGREEMENT has been entered this ___ day of _____, 20___ (the "***Effective Date***"). It is by and between NPM FRANCHISING, LLC, a Washington limited liability company, ("***we, us***") and _____and_____and _____ (jointly and severally "***you***").

RECITALS

A. For purposes of this Agreement "***you***" may include an individual, corporation, partnership, limited liability company or other legal entity. The term "***you***" will include all persons who succeed to your interest by transfer or by operation of law.

B. We offer franchises to qualified individuals to own and operate a franchised business for mobile pet grooming services ("***Mobile Grooming***") using our GROOMBAR™ brand.

C. In this Agreement, "***Marks***" refers to the names, trademarks, service marks, logos, commercial symbols, and styles associated with the franchise granted to you by this Agreement.

D. We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, systems, and materials ("***System***" or "***System***"). In this Agreement, the defined terms "System" and "System" are limited to aspects pertaining to the specific type of franchise granted to you by this Agreement.

E. As a franchisee, you are in an independent contractor relationship with us. You independently own and operate your Franchise. While we establish standards and recommendations for desired outcomes to protect our systems and brand, as an independent contractor franchisee, you generally determine the means to accomplish such outcomes. You are responsible for the day-to-day operation of your Franchise.

F. You desire us to train you and to authorize you to use applicable aspects of our System and applicable Mark(s) to operate a franchised business in your Franchise Territory (as defined in Section 1.2 below).

AGREEMENT

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1 GRANT OF FRANCHISE AND FRANCHISE TERRITORY

1.1 **Grant of Franchise**. We grant to you, and you accept from us, the franchise, license, and privilege to use the Marks and System for the operation of a Mobile Grooming franchise for ten (10) years from the date of this Agreement (the "***Franchise***").

1.2 **Franchise Territory and Mobile Grooming Van**. You will operate your franchise

within a territory we will designate (the "***Franchise Territory***"). We will not market or grant rights to a franchisee to market Mobile Grooming services (whether mobile-only or mobile services in connection with a physical outlet) using our GROOMBAR Marks in your Franchise Territory. While we will not grant such marketing rights, we will not be responsible to police whether a franchisee violates its grant of rights and will not be liable for any such violations. Your territorial protections are limited to marketing and do not extend to servicing customers. We, our affiliates, and our franchisees will have the right to provide Mobile Grooming services in your Franchise Territory under the GROOMBAR brand and any other brands. We reserve all other rights as further described in Section 1.6 below.

You must have at least one van for your Mobile Grooming operations ("***Mobile Grooming Van***") in your Franchise Territory. You may choose to have more than one Mobile Grooming Van in your Franchise Territory. Your Mobile Grooming Van must comply with our standards and specifications, including with respect to approved make and model, color, features, etc.

1.3 **Franchise Supplies and Services**. The items and services that we require or your allow you to use in the establishment and operation of your Franchise are collectively referred to herein as the "**Franchise Supplies and Services**". The Franchise Supplies and Services include, but are not limited to, your Mobile Grooming Van, van conversion, vehicle wrap, equipment, supplies and other items and services for your Franchise. You shall be responsible to purchase the Franchise Supplies and Services at your sole cost and expense. We will provide lists of mandatory and approved suppliers and our minimum standards and specifications for the Franchise Supplies and Services. You shall comply with the standards and specifications we establish for the Franchise Supplies and Services. Modifications or variations require our prior written consent. You shall comply within a time we deem reasonable with any requirement we impose to modify any of the Franchise Supplies and Services at your sole cost and expense.

1.4 **Marketing and Providing Service**. Except as otherwise provided in this Agreement, the Operations Manual, or authorized by us in writing, you may not directly market to or solicit customers whose principal home address or place of business is outside the Franchise Territory. You may not advertise in any media with circulation outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media.

Subject to the foregoing restrictions on marketing, you may service customers outside your Franchise Territory if you meet the following requirements: (1) you only service customers in the same State in which your Franchise Territory is located, unless we otherwise approve in writing; (2) the customer is in close enough proximity to you that you can meet our minimum standards and specifications for provision of services; (3) you already had a business or personal relationship with the customer before the customer contacted you for services; and (4) such customers are not in the franchise territory of another GROOMBAR Mobile Grooming franchisee or company-owned operation, unless you get the prior written consent of the applicable franchisee or company-owned operator. We reserve the right to impose additional reasonable requirements with respect to servicing customers outside your Franchise Territory.

If you are contacted by a prospective customer (with whom you did not have a prior business or

personal relationship) for a job located in the franchise territory of another franchisee of ours (or the area of an affiliate-owned operation), then you must promptly pass on the prospect to the other franchisee (or affiliate-owned operation). If you receive this type of referral, then you must comply with our standards and specifications for payment of referral fees and related issues, if any.

All internet marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You will not be permitted to acquire an independent internet domain name or website.

1.5 **Existence of Divergent Forms of Franchise Contracts**. You acknowledge that we have offered franchises to others in the past the terms of which may have varied materially from those set forth in this Agreement.

1.6 **Rights We Reserve**. We retain all rights not specifically granted to you under this Agreement. Without limiting the generality of the foregoing, we retain the rights to do the following (at our sole discretion and without granting any rights to you):

A. Use or license the use of the Marks or any other trademarks, service marks, logos or commercial symbols to anyone, and for any purpose, and at any location, subject only to your territorial protections described in Section 1.2 (entitled "Franchise Territory").

B. Sell products or services anywhere, including within the Franchise Territory, using the Marks or different marks, through channels of distribution other than the GROOMBAR Franchise granted to you by this Agreement. We will have no obligation to compensate you for any such sales made within your Franchise Territory. For example, we may place present and future GROOMBAR products for sale in retail stores at any location, whether or not within the Franchise Territory. Other distribution methods may include internet sales, telephone sales, and sales by other means.

C. Reserve the exclusive right to use the internet to promote the Marks and to offer and sell products and services related to our Marks. You shall not independently market on the internet or conduct e-commerce except as otherwise allowed by us in the Operations Manual.

D. Service (and to grant to others the right to service) customers anywhere on such terms and conditions as we deem appropriate, including with your Franchise Territory.

E. We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located, including within your Franchise Territory.

1.7 **Pricing**. We may advise or offer guidance to you relative to your prices for the services and products (if any) you offer or sell that in our judgment constitute good business practices. This guidance will be based on our experience and the experience of our franchisees and an analysis of the costs of the products and services and the prices charged by our competitors. However, you are ultimately responsible for the prices you charge.

2 PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS

2.1 **Initial Franchise Fee**.

A. The Initial Franchise Fee is $30,000 and is payable when you sign the Franchise Agreement.

B. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of this Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others.

C. None of the Initial Franchise Fee or other initial fees are refundable.

2.2 **Weekly Royalty Fee**. You will pay to us a Royalty Fee equal to the following percentages of your Gross Revenue between the following ranges:

Percentage	**Calendar Year Annual Gross Revenue Range**
8%	Less than $400,000
7%	$400,000 to $499,999
6%	$500,000 and $599,999
5%	$600,000 or more

To clarify, the reduced Royalty Fee percentage will only apply to the portion of Gross Revenue within the specified range. For example, you will pay a Royalty Fee of 8% of annual Gross Revenue up to $399,999. If your Gross Revenue exceeds $399,999 during a calendar year, then you will pay a Royalty Fee of 7% only on the Gross Revenue that exceeds $399,999 during that calendar year, and so on.

This fee is due weekly in the manner specified below or as otherwise prescribed from time to time by us upon advance written notice to you.

This payment may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the Internet. The collection method is at our sole discretion. If we attempt a draw or other process that is returned unsatisfied for any reason, we may charge you a **$75** fee for each unsatisfied attempt.

2.3 **Weekly Marketing Contribution**. You will pay to us a Marketing Contribution equal to **1.5%** of the total Gross Revenue derived from the Franchise. This fee is due weekly in the manner specified below or as otherwise prescribed from time to time by us upon advance written notice to you.

This payment may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the Internet. The collection method is at our sole discretion. If we attempt a draw or other process that is returned

unsatisfied for any reason, we may charge you a **$75** fee for each unsatisfied attempt.

We may apply advertising fund contributions to advertising expenditures incurred before receipt of such funds.

We may use all contributions and any earnings from the Marketing Contribution we receive from you in local, regional, national, Internet, or international advertising for:

A. maintaining, administering, researching, directing and preparing advertising and promotional activities (including, among other things, the costs of preparing and conducting television, radio, magazine and newspaper advertising campaigns; social media and other online advertising; and public relations programs and press releases);

B. direct mail and outdoor billboard advertising;

C. marketing research and development;

D. marketing surveys and public relations activities;

E. development and maintenance of any Internet or e-commerce programs;

F. marketing materials;

G. decor and promotional materials;

H. artwork;

I. advertising services;

J. training related to marketing, customer service and sales augmentation;

K. production and distribution of periodic newsletters to provide you with industry news, suggestions, and advice on franchise operations;

L. costs we incur for grooming software services;

M. maintaining and updating our website;

N. new product or service development; and

O. our reasonable salaries, accounting, collection, legal and other costs related to all of the above.

Our internal artwork, advertising, promotion and newsletter production costs and associated administrative costs are paid from the Marketing Contributions. These will be calculated at our cost as established from time to time. We will use your Marketing Contribution to place

advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and our franchise system.

We will direct all regional and national advertising programs. We will have sole discretion over the creative concepts, materials, endorsements, placement, and allocation of advertising moneys. We will maintain, administer, direct, prepare, and review national, regional, or local advertising materials and programs as we will in our sole discretion deem proper. Parts of your Marketing Contribution may be used to cover our costs of collecting and administrating the marketing contributions we collect from our other franchisees, including incurred legal fees. The Marketing Contribution will be used to pay for joint marketing programs, including programs with our suppliers and co-branding partners. We are under no obligation to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from the development or placement of advertising. We will not be obligated to expend all or any part of the Marketing Contribution during any specific period of time. Upon your written request, we will provide to you the most recent annual accounting of the Marketing Contribution.

The Marketing Contribution may be used for marketing, advertising, new product development, public relations, production and media expenses related to promotion of the Marks, the Franchise system and our products and services. We will not use any part of the Marketing Contribution for franchise sales but may include references to the availability of franchises in materials produced and placed in media.

We may create an advertising advisory board made up of our franchisees. These franchisees will make recommendations on your behalf as to types of advertising, promotion and public relations. We will use these and other recommendations which we feel are appropriate when drafting an advertising budget and program each year.

We anticipate that all contributions and earnings of the marketing contributions will be expended for the advertising and promotional purposes during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain at the end of such taxable year, all expenditures in the following taxable year(s) will come first from earnings and contributions from the prior year and next out of earnings in the current year.

A. <u>You are Not a Third-Party Beneficiary of Marketing Contributions</u>. We will have the sole right to enforce the obligations of you and all our other franchisees who pay marketing contributions. Neither you nor any other of our franchisees who are obligated to contribute to pay marketing contributions will be deemed a third-party beneficiary with respect to the fees or have any right to enforce any obligation to pay the fees.

B. <u>We May Return Funds to You or Use Funds for Regional Co-op Programs</u>. We will have the right to expend all, or any portion of the Marketing Contribution for the following purposes:

(a) for regional or local co-op advertising or promotional programs provided, however, that such programs will be available to all

similarly situated franchisees; and,

(b) if in our sole judgment, you or any other franchisee is located in a geographic territory not adequately serviced by our national or regional advertising programs, we may rebate all or a portion of the marketing contributions paid by that franchisee for use by that franchisee for local advertising. Expenditures by that franchisee will be in addition to the local advertising requirements set forth in this Agreement.

C. Establishment of Regional Marketing Programs. At any time and from time to time, we will have the right to create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs. If we create or modify such regions, we will notify you and our other franchisees of the same. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise unit, and each unit we own and operate, will be entitled to one vote at these meetings. For the purpose of this subsection, each unit we own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, **65%** of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to contribute to a regional marketing program in the amount established by the vote (the "***Regional Marketing Program***"). No advertising region may require any franchisee in that region to contribute to such a program in excess of **1%** of that franchisee's Gross Revenue.

We may administer each Regional Marketing Program in the same manner and upon the same terms and conditions as the Marketing Contribution program established above or we may decide to have each Regional Marketing Program administered by representatives elected by each region, at a meeting we call for this purpose.

D. Limited-Time Offers. In national or regional advertising programs, we may include "suggested retail prices" or offer price-specific limited-time offers for the goods or services sold by you and our other franchisees. We may include within all such advertising the phrase "available at participating locations only" or other cautionary language to advise the consumer that the prices may not be adhered to by all our franchisees.

E. Discount Programs. From time to time we may develop and market special discount or free coupon programs. You will have the right, but not the obligation, to participate in these programs. We may notify you of the creation and provisions of a discount or coupon program. Within **5** days after receipt of the notice, you will advise us whether or not you wish to participate in that program. If you notify us that you wish to participate, you will adhere to all provisions of the program. If you elect to be excluded from a program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant. You will not be entitled to the benefits of that program. We will establish the discount or coupon programs in our sole discretion and will not have any obligation to consult or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or coupon

established pursuant to any program.

2.4 **Local Advertising**. We strongly recommend that you expend in your local market at least **1%** of your Gross Revenue to advertise and promote the Franchise.

A. You Are to Use Local Advertising Materials We Supply. From time to time, we may supply to you an Advertising Manual or otherwise give you samples of local advertisements we approve. You will use only the advertising materials contained in the Advertising Manual or approved by us in writing, and may not, without our prior written consent, place any advertisement, in any media, which materially varies from the form and content of the approved advertisements.

B. Approval of Your Local Advertising and Website and E-Commerce. You will submit to us all advertising copy and other advertising and promotional materials, public relations programs and press releases, radio and television advertising, specialty and novelty items, signs, boxes, bags and wrapping papers before you use them in your local advertising program. You will not use any advertising copy, public relations program, press release or other promotional material until we approve it. Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

You specifically acknowledge and agree that any website will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval. (As used in this Agreement, the term "website" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the franchised business, proprietary marks, us or the System. The term website includes, but is not limited to, Internet and World Wide Web home pages.)

Your use of the internet in conjunction with your Franchise (including but not limited to your establishment of a website and use of social media) is subject to our prior written approval and your compliance with our written standards and specifications (which may change periodically). This includes, for example, providing administrator access to us for any social media sites you use to represent your Franchise. You hereby grant us the right to remove information from such sites that does not meet our standards and specification without additional notice to you or consent from you. For the purposes of this Agreement, "internet" means any of one or more local or global interactive communications media, that is flow available, or that may become available, and includes websites and domain names. Unless the context otherwise indicates, "internet" also includes methods of accessing limited-access electronic networks, such as intranets, extranets, and WANs.

We retain the right to approve any linking or other use of our website. Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including but not limited to your customers, franchisees or prospective franchisees regardless of whether they were referred to you via our website or were otherwise in contact with you.

Domain names and addresses outside of any we provide will be at your sole expense, but we will own the domain names and addresses (if we so choose in our discretion). The domain names and addresses you use in conjunction with your Franchise are subject to our prior approval. In our discretion, you will turn ownership and control of the website(s) and social media over to us upon expiration or termination of this Agreement, regardless of the reason for the expiration or termination.

You will provide us content for our Internet marketing and follow our Intranet and Internet usage requirements. We retain the right to approve any linking or other use of our web site.

Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including but not limited to your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you.

We have established or may establish in the future an intranet or comparable on-line facility. You must use it in the manner we require. You understand and agree that we may elect to provide certain assistance, deliver information and materials or otherwise communicate with you via the Internet or the intranet. At your sole expense, you will maintain and update as needed all computer system requirements and services necessary to access the Internet and the intranet in the manner we require. You are required to have high-speed Internet service to your business and office where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials and company news.

C. Local Advertising Materials Used at Your Discretion. You will advertise your franchise in a dignified manner to enhance our franchise system's reputation for quality and integrity. At any time and from time to time, we may require you to submit to us advertising copy, promotional materials, public relations programs and press releases you use in your local advertising programs. If, after review of any material, we, in good faith, believe that it is not in keeping with our franchise system's reputation of quality and integrity, or degrades or debases the good will or reputation of the franchise system, we will promptly notify you. You will immediately cease using any such material.

D. Varying Advertising Requirements. You understand that certain of our other franchisees do or will operate under different agreements with us. These franchisees may be required to pay marketing contributions and have local advertising requirements, if at all, at rates that differ from the rate provided in this Agreement or based on formulae that differ from the formulae provided in this Agreement. We do not represent that you or other franchisees will contribute to or benefit from advertising payments equally.

2.5 **"Gross Revenue" Defined**. "***Gross Revenue***" includes all receipts generated by the Franchise from any source, including, but not limited to, sales, vending, exchanges, services (including, for example, pet grooming services), labor, service charges, service contracts, etc. Gross Revenue does *not* include discounts, refunds, and sales taxes. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit

accounts. The proceeds from any business interruption insurance you receive for lost revenue will be included in Gross Revenue. The exact basis and calculation of gross receipts will follow the requirements and procedures outlined in the Operations Manual to take into consideration the needs and requirements of our franchise system and your location. For example, our Operations Manual may contain special Gross Revenue calculation specifications for pet grooming sales.

2.6 **You Will Pay Taxes and Indebtedness**. You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise, or materials, vehicles, and equipment used in the Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you, you will pay these taxes. You will pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee, the Royalty Fee, or any other payments you make to us pursuant to this Agreement.

You acknowledge that one of the benefits accruing to you and all of our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay in making prompt payment in accordance with the terms of the invoice or statements rendered to you for payments due, or misdirection of supplies or other abuses will result in a loss of credit standing and goodwill and a loss of benefits derived to us and other franchisees using the System. You expressly agree to promptly make all product purchase payments on invoices and statements rendered to you in accordance with the terms of the invoices and statements and to make timely remittances of rent as required on your lease(s).

2.7 **Royalty Fees, Marketing Contributions and Other Sums to Be Paid Promptly**. You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us.

If any report is not made or any fee or any other amount due under this Agreement is not delivered or paid to us on or before the date due, you must pay a late charge equal to the greater of **$50** or **5%** of the amount due, plus interest at the rate of the **1.5%** per month. These late charges and late payment penalties will not exceed any limits placed upon late charges and late payment penalties by applicable local laws.

Nonpayment or non-delivery will be considered a material breach of this Agreement. Any resulting termination, interest due and service charges will be in addition to any other remedies we may have as a result of your default.

Our acceptance of late charges will not constitute a waiver of the breach created by your non-payment of any amount when due. Notwithstanding the payment of any late charges, we may

exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise. You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement.

2.8 **Records**. You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly and quarterly financial statements in accordance with generally accepted accounting principles and practices for each calendar month and quarter, and furnish copies of these statements to us within **30** days after the end of each quarter (or within 30 days of our request, which may be more frequent than quarterly).

You will furnish to us as an itemized report of the Gross Revenue for the prior week or allow us unrestricted access to your approved point of sale system to pull Gross Revenue data. This report must be certified by you to be true and correct. The report will be in the form and will include such supporting documentation as we may reasonably demand from time to time. All Royalty and Marketing Contributions due based upon the Gross Revenue for the preceding week will accompany the report.

2.9 **Audits**. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than **2%** or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Marketing Contributions and late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under this Agreement or by law. Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

2.10 **You are to Pay all Franchise Costs**. All the costs of the Franchise, including opening and operating costs, will be your sole obligation. We will have no costs, liability or expense whatsoever with respect to your opening and operation of the Franchise. You will not use or employ the Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them.

2.11 **Attendance at Retreats**. We may hold retreats or conventions for the franchisees that make up our franchise system. These retreats or conventions may be held at a different location each time. They include programs on sales and marketing techniques, performance specifications, advertising programs, training suggestions, and committee elections, among other things. Your attendance at each retreat or convention is strongly encouraged. You will bear all expenses of attending, including travel, lodging, meals and entertainment.

2.12 **Application of Payments**. We have the right, in our sole discretion, to apply any payment from you to any past due indebtedness you owe to us or our affiliates, whether from fee payments, purchases, late payment charges, or for any other reason. This section will apply regardless of how you may designate a particular payment is to be applied.

2.13 **Overpayments**. If you overpay the Weekly Royalty Fee, Weekly Marketing Contribution, or any other ongoing fees under this Agreement as a result of miscalculation, error in entering information into your computer system, or other error, you will be entitled to a refund of such overpayment only if you notify us in writing within 30 days of the overpayment and provide sufficient proof of such overpayment.

3 TRAINING

3.1 **Mandatory Training**. We will provide a mandatory training program for you (or one of your principal owners if you are an entity) at a location we will designate (the "***Initial Training Program***"). Notwithstanding any contrary provision in this Agreement, we reserve the right to provide some or all initial and additional training via remote technology. All or a significant portion of the Initial Training Program may be conducted remotely via webcast or other remote methods at our discretion. This training course will cover various aspects of the operation of the Franchise, which will vary depending upon the type of franchise you purchase. You must complete the course at least 60 days before opening the Franchise for business (and within 90 days of signing this Agreement), unless we otherwise agree to schedule the training program closer to your planned grand opening. You must ask us to schedule a training session at least 20 days before the session is to start. If you or your principal owners will not be directly involved in the supervision of the franchise business, you must employ a designated manager of your choice who also has completed the Initial Training Program to our satisfaction. We shall not have the right to hire, fire, direct, supervise or discipline your manager(s). You must complete this mandatory training program to our exclusive satisfaction or we may terminate this Agreement.

Our training program may be amended.

You are encouraged to begin training before incurring any costs or expenses related to the planned opening of the Franchise. We will not be liable for any costs or expenses you incur if we terminate this Agreement because you or your manager fails to satisfactorily complete the mandatory training course.

The Initial Training Program is included in the Initial Franchise Fee. You will pay the transportation, board and lodging expenses you or the manager incur related to this training. Training and training materials may be delivered in the formats or media we choose. This may include course books or training exercises on paper, video, or other electronic format, via web cast or an intranet. You will participate in and pay for the training, including costs of computer equipment and Internet services needed to participate.

If the Franchise is managed by any persons other than you, you will notify us of these managers. Each of your employees will complete a training program conducted under the direction of you or your designated manager who has successfully completed our mandatory Initial Training Program.

Individuals:

If you will be operating your franchised business as an individual, we strongly recommend that you devote your full time and best efforts to the day to day operation of your franchised business with no operational or management commitments in other businesses except other franchises offered by us. You may, however, continue to operate such other businesses, (if any), in which you are engaged as of the date of this Agreement that are family owned. If you continue to operate other businesses, you must employ separate personnel for the businesses, market services under one or more trading designations separate from the Marks, maintain separate offices and customer reception space and have the personnel related to such other businesses wear apparel that does not feature any of the Marks.

Partnerships:

If you will be operating your franchised business as a partnership, one or more partners may be required to participate in the actual day to day operation of your franchised business or you must have in your employ a manager who runs your day to day operations. The partner or partners who are in charge of running your franchised business or your manager must have successfully completed our Initial Training Program.

Corporations, Limited Liability Companies:

If you will be operating your franchised business as a corporation, limited liability company, or other legal entity, you must have in your employ a manager. This manager can be you, any member of your board, an officer of your corporation, a member of your limited liability company, or an individual otherwise designated for this purpose. The store manager who is in charge of running your franchised business must have successfully completed our Initial Training Program.

Opening Assistance. We may choose to provide additional training and support, at our expense, in connection with your commencement of business in your Franchise Territory if we deem it necessary or desirable.

3.2 **Supplemental Training**.

A. Additional Training at Your Request. At your option and upon not less than 35 days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations. The timing for this training depends upon our availability. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then-current rates. This additional training may also consist of visits by us to your Franchise Territory or by you to other franchised territories (as applicable). In such case, you are exclusively responsible for our and your reasonable travel, lodging, meals, and training costs and expenses.

The duration of training is negotiable depending upon your needs and our availability. You will

not receive any compensation for services rendered by us or the trainee during this or any other training. We may designate qualified franchisees or others to conduct some or all of your training.

B. Retreats, Seminars, and Webinars. From time to time we may provide optional or required franchisee retreats or refresher training programs or seminars and may recommend or require that you or your managers attend them each year and complete them to our satisfaction. Online webinars and similar types of training are typically required rather than optional.

Franchisee retreats, seminars, and similar programs will be held at locations we designate and will be provided without charge to you. If we make attendance optional and you choose to attend, then you will be exclusively responsible for paying all of your travel, living and other expenses and employee compensation of attending these programs and seminars. If we make attendance mandatory, then we may cover your direct out-of-pocket travel and lodging expenses.

C. Additional Training We May Require. We may deem it appropriate or necessary to provide additional training and supervision to you and your managers in your Franchise Territory. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Operations Manual in the future. You will pay our then-current training fees. Also, if we travel to your location, then you will bear our reasonable travel, room and board expenses for such training and supervision.

4 COMMENCEMENT OF OPERATIONS

4.1 **Opening Deadline**. You must open the Franchise for business within six months of the Effective Date (the "***Opening Deadline***"). Before you open, you must comply with all pre-opening requirements in this Agreement and our Operations Manual, which include, without limitation, the following: (1) you and your designated manager (if any) must complete to our exclusive satisfaction the mandatory training defined above; (2) you must obtain Franchise-related vehicle(s), supplies, and other items required by us or otherwise necessary for the operation of your Franchise; (3) you must procure all necessary licenses and permits for the operation of your Franchise; and (4) you must get our prior written approval to open (email will be sufficient for this purpose). Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a period of time that is reasonable under the circumstances.

4.2 **You Are to Obtain Permits and Licenses**. Prior to commencing business operations, you will obtain all local permits and licenses necessary to operate the Franchise.

You will comply with all the provisions of all other applicable federal, state or local statutes, rules or ordinances.

5 FRANCHISE STANDARDS OF OPERATION

5.1 **Operations Manual**. We agree to lend to you a copy of our Operations Manual or

give you access to the digital Operations Manual portal once you have paid to us the Initial Franchise Fee, in full. In general, the Operations Manual is intended to establish standards and recommendation for outcomes to protect our systems and brand while giving you the flexibility, as an independent contractor franchisee, to determine the means to accomplish such outcomes. You are responsible for the day-to-day operation of your franchised business.

If you operate your Franchise below the standards we require, customers who patronize your Franchise will be less likely to patronize other operations within our franchise system. This would damage the business of others. It will be difficult for us to obtain new franchisees if a prospective purchaser observes that you do not maintain the required standards.

The Operations Manual describes the System, including specifications and standards, which may pertain to operating procedures, accounting and bookkeeping methods, marketing ideas, service techniques, plans and specifications, supply requirements, opening public relations and other standards and recommendations that we may prescribe from time to time and identify as part of the Operations Manual. Among other things, the Operations Manual may contain information, standards and recommendations related to:

- Standards of conduct
- Benefits and services
- Money handling
- Computer use policy
- Support staff contact information
- Approved product list
- Logos and branding guidelines
- Intranet usage guidelines
- Franchisee chart of accounts and reporting
- Disaster preparedness
- Industry reports
- Vendor partnerships
- Grooming manual
- Marketing manual
- Brand manual
- Training Center (Pet nutrition, Marketing, Services, Financial Management)
- New-outlet contractors book
- Computer system requirements

The "***Operations Manual***" may include documents, writings, podcasts, videos, and other materials and media in whatever form (including digital) we provide to you (or provide you access to) that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials. It includes amendments, supplements, and new documents made and identified by us as part of the Operations Manual. The Operations Manual may be delivered to you by hard paper copy, via an intranet or other online access, computer download, or via another medium chosen at our discretion.

The Operations Manual is and will remain confidential and our exclusive property. You will not disclose, copy or duplicate any part of the Operations Manual for any reason. Nothing in this

Agreement may be construed as an incorporation of the terms of the Operations Manual or as making the Operations Manual part of this Agreement. The Operations Manual, in part, may consist of confidential:

A. manual or manuals, and

B. other documents, writings, and materials (which may be accessible only online), and

C. any Intranet or password protected portion of an Internet site, and

D. any other embodiment of the Methods of Operation, including notices of new standards and techniques including all media identified by us as part of the Operations Manual, and

E. any amendments, supplements, derivative works, and replacements; whether embodied in electronic or other media.

We develop minimum requirements for the operation of your Franchise, which may include guidelines and specifications related to supplies, services, forms, advertising, use of our Marks, and specifications, among other things. These requirements are outlined in the Operations Manual. You will purchase all supply items and additional items specified from time to time in the Operations Manual. We may amend the Operations Manual, including changes which may affect minimum requirements for your franchise operations. You will strictly adhere to the requirements of the Operations Manual as we amend it from time to time. You will implement immediately all changes at your cost unless we otherwise specify. This may include, for example, new computer systems and/or upgrades to existing computer systems. We reasonably may restrict you from producing, stocking, and selling certain services and goods, from time to time, as specified in the Operations Manual.

You must purchase items that bear the Marks from us or suppliers we approve from time to time. Proprietary items and supplies may be private labeled by us.

We may require you to purchase private label products from us or mandatory suppliers in amounts we reasonably specify in our Operations Manual.

We retain the right to make a reasonable profit on any items, supplies and materials you buy from us. We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you.

We may obtain money, goods, services, or other benefits from persons and entities with whom you do business, on account of that business with you. These may include rebates, refunds, commissions, co-operative payments, or discounts. We will accumulate them, annually account to the Franchise system for them and either add them to the Marketing Contribution program, use them for programs that benefit all franchisees such as conventions, use them to provide supplemental training and promotional services to our franchisees, or return them at reasonable

times to our franchisees pro rata, based upon the volume of related business.

There are no required quotas as to quantity of purchases you must make from us or from approved vendors. You must only have enough supplies on hand to meet customer demand. If you elect to purchase any of the Franchise Supplies and Services from us at our then-current prices, payment must be made when you place your order. The items we offer may include, among other things, items that bear the Marks.

Any products and goods sold, licensed, or leased by or through us to you will be sold, licensed, or leased in accordance with the terms expressly set forth in the Operations Manual or as otherwise provided for in writing by us or the manufacturer of the products and goods. **EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY US, WE MAKE NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS AND GOODS, AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT RESTRICTED TO, THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. UNDER NO CIRCUMSTANCES WILL OUR LIABILITY IN CONNECTION WITH ANY PRODUCTS OR GOODS EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE OR LICENSE FEE PAID BY YOU FOR THE PRODUCTS OR GOODS. IN NO EVENT WILL WE BE LIABLE TO ANY PARTY, INCLUDING BUT NOT LIMITED TO, YOU AND YOUR CUSTOMERS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL, ARISING IN CONNECTION WITH THE USE (OR INABILITY TO USE) THE PRODUCTS OR GOODS FOR ANY PURPOSE WHATSOEVER, EVEN IF WE ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES**.

We will not be liable to you if we are unable to deliver supply items to you because of any loss, damage, or delay caused by strikes, riots, fire, insurrection, war, elements, embargoes, failure of carriers, inability to obtain transportation facilities, forces majeure, acts of God or of the public enemy, or any other cause beyond our control.

You will purchase all products, supplies and materials required for the operation of the Franchise from manufacturers, suppliers or distributors approved by us. All specifications that we require of you and lists of approved suppliers will be provided to you in writing. We will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the franchise system.

You must sell, offer for sale, distribute or deliver only such services or products that meet the specifications and standards of quality and quantity in the Operations Manual. You must sell or offer to sell all approved items and services. You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any such items as we may, in our discretion, disapprove in writing at any time.

You are required to maintain approved supplies sufficient in quantity to satisfy customer demand.

Except for items exclusively supplied by us or another exclusively designated supplier, with advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to quality, taste, texture, composition, absorbency, strength, sourcing of ingredients, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use. You will reimburse us for the actual cost of the tests. We will license any supplier that can meet or exceed our quality control and confidential formula requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential manufacturing requirements, equipment, designs, systems and formulas will be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently adhere to our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We may require a Confidentiality and Non-Disclosure Agreement signed by the proposed supplier prior to release of any confidential information. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

From time to time we or our agents may inspect any proposed or approved manufacturer's, supplier's or distributor's facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. Should we determine from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, together with a notice that unless the failure or deficiency is corrected within **30** days, the manufacturer, supplier or distributor will no longer be approved.

5.2 **Standards to Be Maintained**. You will follow the System and maintain standards of product preparation, merchandising, and service that we prescribe.

A. You will operate the Franchise in a clean, orderly, and respectable manner in strict compliance with this Agreement and the Operations Manual. You will only use Franchise Supplies and Services (as defined in Section 1.3 above) that conform to our specifications to conduct the Franchise.

B. We may enter your Franchise Territory at any time to verify your compliance with the terms of this Agreement. To do so, we may:

1. Inspect the franchise-related vehicle(s);

2. Observe your operation of the Franchise for any consecutive or intermittent periods we deem necessary;

3. Select services, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards;

4. Interview your personnel, customers, vendors and co-branded partners; and

5. Inspect and copy any books, records and documents related to the operation of the Franchise, and any other franchise information we may require.

You and anyone acting as your agent will cooperate fully with us and our agents in connection with these inspections, observations, and interviews. You expressly waive any rights of privacy or confidentiality you have with your personnel, customers, vendors and co-branded partners in reference to these inspections, observations and interviews. We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, shareholders, members and partners. You authorize us to conduct these investigations and to make these inquiries.

Despite the foregoing, our reviews and inspections of your operations do not replace your duty to supervise your own business operations and workers.

C. You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes. You will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal.

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable ordinances and regulations, including without limitation, all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes. You will furnish to us within **120** days after the receipt of equipment, a copy of a receipt for the payment of all use taxes, personal property taxes, and like taxes or assessments.

D. You shall only use Franchise-related vehicle(s) bearing our Marks in the operation of your Franchise and for no other purposes.

E. You will not sell or dispense any products or services or activities other than those we specifically recognize and approve in writing.

F. We may employ professional shopping services to monitor your compliance with this Agreement. You will fully reimburse these shopping services for services and products (if any) they purchase from you in the process of verifying compliance. You will hold us harmless from any such charges incurred by any shopping service. We will pay all other charges made by the shopping services.

G. You, at your expense, will maintain the Franchise-related vehicle(s), supplies, and other items in good repair, attractive appearance, and sound operating condition in compliance with the Operations Manual. At our request, you will make necessary repairs to Franchise-related vehicle(s), supplies, and other items in order to maintain uniform appearance and to protect the reputation of the Marks. You will commence all repairs and changes within a reasonable time after notice from us, and you will proceed with due diligence until completion.

If you do not maintain the Franchise-related vehicle(s), supplies, and other items as required, after notice to you, we at our option, may make the necessary maintenance and repairs and charge the cost to you. If we make or direct the making of repairs, we will not incur any liability to you, including but not limited to, liability for interruption of your business during the course of making the maintenance and repairs.

H. You will keep your franchise open for business every day of the year, except holidays we designate, during the hours specified or approved in writing by us. We may change these requirements from time to time as we may designate in writing.

I. At all times you will ensure that your copy of the Operations Manual and any other manuals and materials given to you are kept current and up to date with the amendments and updates we provide to you. In the event of any dispute as to the contents of the Operations Manual, the terms of our master copies maintained at our principal place of business will be controlling.

5.3 **Marks, Operations Manual, and System Are Our Exclusive Property**. You agree that the Marks, Operations Manual, and System are our sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Marks, Operations Manual, or System. Your license to use the Marks is non-exclusive. We, in our sole discretion, may operate under the Marks and may grant licenses to others to use the Marks on any terms and conditions we deem appropriate. In those states where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Marks. You will not use the Marks as part of any website, social media application, electronic mail address or in any electronic mail message except in accordance with our written standards and prior approval (and only for purposes of the franchise). You will use the Marks only in the manners that we authorize and in strict conformity to the Operations Manual.

You will immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks, including any claims of infringement or unfair competition. While we anticipate making reasonable efforts to protect your rights to use

the Marks (and other intellectual property), we will have sole discretion to take or not to take action, as we deem appropriate. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks (or other intellectual property) or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Marks or the System, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

At any time, you will modify or discontinue use of any franchise names or Marks, or will use one or more substitute names or marks, if we so direct in writing at any time at your sole cost and expense. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Marks will apply with equal force to any modified or substituted names or marks.

You will not contest, directly or indirectly: our ownership, title, right, or interest in the Marks, the Operations Manual, or the System; or our exclusive right to register, use, or license others to use the Marks, Operations Manual, and System. You will not advertise or use the Marks without following our then-current guidelines and requirements. These may include, but will not be limited to, the placement of appropriate © or ® copyright and registration marks, or the designations TM or SM, where applicable.

Any and all goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. You appoint us as your agent and attorney-in-fact to amend or cancel any registered user or business name filings obtained by you or on your behalf that involve or pertain to the Marks.

You will prepare all products offered through your Franchise in strict compliance with the Operations Manual and will apply the Marks to these products as we specifically direct.

You will not use the Marks on products or services that come from any source other than us or sources we approve in writing.

We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Marks.

We and you will use reasonable best efforts to continuously improve the products, processes and services used in the System and to develop new products, processes and services for use as part of the System. All the improvements, inventions and developments you make, develop or create for use in your franchised business or the System will be our property and we alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

5.4 **You Will Not Use Names or Marks in Combination**. Except as provided in this Agreement, you will not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Marks. You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign. The Marks must be used in exact conformity with our written specifications that we may modify periodically.

5.5 **Marks, Operations Manual, and System May Be Changed**. You acknowledge that the Marks, Operations Manual, and System, including any future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Marks, Operations Manual, and System.

We may change or modify any part of the Marks, Operations Manual, or System from time to time at our sole discretion. You will accept, use, and protect, for the purposes of this Agreement, all changes and modifications as if they were a part of the Marks, Operations Manual, and System at the time this Agreement is executed. You will bear all costs and expenses which may be reasonably necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

Complete and detailed uniformity of the Marks, Operations Manual, and System under the varying conditions to be experienced by our franchisees may not be possible or practicable. Therefore, we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular location or territory, density of population, business potential, populations of trade area, existing business practices, requirements of local law or local customers, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. From time to time, we may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs, and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Operations Manual and the System. We will not be required to grant any variance to you under any circumstances. You will not require us to disclose or grant to you a like or similar variation.

5.6 **You Will Not Communicate Confidential Information**. You specifically acknowledge that you will receive valuable specialized and confidential information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, customer lists, manuals, marketing and sales techniques and strategies, and the System. Unless required by court order or applicable law or unless permitted by this Agreement, you agree not to copy, download to internet, intranet, modem, fax, e-mail, mail or send any confidential material or divulge any confidential material directly or indirectly to any other person or enterprise outside of our franchise system. During the

term of this Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on an internet electronic bulletin board, divulge or use in any other manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any confidential or proprietary information, knowledge or know-how concerning the System or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your franchised business.

The System includes valuable proprietary and confidential information. Unless required by court order or applicable law, you agree to not communicate or divulge the contents of our Operations Manuals or any other information related to the System or to the operation of the Franchise or our franchise system to any person or entity except those we authorize in writing to receive the information. You agree that these contents and information are confidential. They include information that is our exclusive property, and you may only use them in the Franchise subject to the provisions and duration of this Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information. You agree to disclose information to your employees only to the extent necessary to perform the franchise business. You will not reverse engineer, decompile or disassemble any items embodying the System or our confidential information.

The System is a technologically advanced program of accounting, identification procedures, management systems, techniques and business operations and systems that would, if used by other persons, firms or entities, give a substantial competitive advantage which we presently enjoy. Any and all information, knowledge and know how, not generally known about the System and our products, services, standards, specifications, systems, procedures and techniques, including information, manuals, contracts, customer data, supplier data, financial data, price lists, methods, techniques, processes, compilations, formulas, programs or patterns related to the operation of a Franchise and its products and services and any other information or material that we may designate as confidential, will be deemed confidential for purposes of this Agreement. This will not apply to information which you can demonstrate came to your attention prior to disclosure by us, or which is or has become a part of the public domain through publication or communication by others. Our confidential information is licensed, not sold, to you. You will not reverse engineer, decompile or disassemble any item that embodies confidential information. The Operations Manual may contain guidelines to protect confidential information, including limited access to the information on a need to know basis, locking of offices and computer files, placement of appropriate legends on materials, limited access for copying and scanning, pass-word protection, and encryption. You will conduct periodic meetings with your managers and employees to instruct them on their responsibilities to maintain the confidentiality of our information.

You shall require that all of your officers, agents, directors, shareholders, trustees, beneficiaries, partners, and independent contractors (who may obtain or who are likely to obtain knowledge concerning our confidential information and who do not directly sign this Agreement) execute a confidentiality and non-compete agreement in the form we prescribe. You must adopt and implement all reasonable procedures we may prescribe periodically to prevent the unauthorized use or disclosure of any of our confidential information. If you become aware of any actual or threatened unauthorized use or disclosure of our confidential information, then you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all

ways we reasonably request to prevent or stop any such unauthorized use or disclosure.

You will use best efforts to assure that you and all your agents, employees, consultants, partners, owners, members, officers, directors, and shareholders and other persons in your control, to whom any information is communicated, will keep, preserve, and protect all confidential information.

You acknowledge that unauthorized disclosure or use of our confidential information would harm our goodwill associated with our Marks and System and would harm our other franchisees.

If you engage in any Competitive Business (as defined in Section 5.7 below) within **2** years of the expiration, termination or transfer of this Agreement, you will prove to us that you have not used our confidential information in that business. This **2**-year period is not intended to limit the duration of your obligation to preserve the confidentiality of the information and to not use the information after expiration, termination or transfer of this Agreement.

We may disclose financial performance information regarding your franchise operations in our franchise disclosure documents and elsewhere. We may share your financial statements and other financial information with our other franchisees. You hereby consent to the disclosure of such information. You agree to provide such information to us promptly upon request.

5.7 **Conflicting or Competing Interests**. You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote, and enhance your franchise. You will not engage in any activity or business enterprise that conflicts with these obligations.

At all times the Franchise must be under your direct supervision if we require. You will devote a substantial enough amount of time and energy to properly operate the Franchise. What constitutes proper operation will be in our sole reasonable discretion. In your absence, the Franchise must be under the direct supervision of a manager who has successfully completed the required training programs and who devotes the necessary time during business hours to the management of the Franchise.

In express consideration for and during the term of this Agreement, neither you nor your owners, shareholders, members, partners, directors, officers, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Operations Manual or System), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee (except for the franchise rights granted to you in this Agreement or any other franchise agreement between us and you), distributor, advisor or agent, or serve in any other capacity in any business (including business in formation) engaged or to be engaged in the offer, sale or rental of products or services (including via e-commerce) related to pet food, pet supplies or pet grooming or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System ("***Competitive Business***"). We may waive this covenant only in writing. During the term of this Agreement, this covenant shall apply worldwide. During all of these periods, you agree to promptly and fully disclose to us any business opportunity coming to your attention or conceived or developed in whole or in part by you, which relates to our business.

You will assure that you and your owners, directors, officers, partners, shareholders, members, consultants, and agents, during the term of this Agreement and for a period of 730 days after expiration or termination of this Agreement do not:

A. divert or directly or indirectly attempt to divert any of our business or any of our customers to any competing establishment;

B. do or perform, directly or indirectly, any other act injurious or prejudicial to our goodwill associated with the Marks and System.

If, for any reason, any provision set forth in this Subsection is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded. Provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than **5%** of the outstanding securities of the corporation.

You will obtain written covenants from your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, and agents in a form satisfactory to us that these persons will comply with the provisions of this Section.

You and we stipulate that, in light of all of the facts and circumstances of the relationship between you and us, the covenants, restrictions and agreements referred to in this Section (including without limitation their scope, duration and geographic extent) are fair and reasonably necessary for the protection of our confidential information, goodwill and other protectable interests. If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, you and we request the court to reform these provisions to restrict your use of confidential information, ability to compete with us, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under applicable law.

5.8 **Computer Systems**

5.8.1 You must purchase and use computer hardware and software (including but not limited to software as a service subscriptions and point of sale system) (collectively "**Computer Systems**") we require from our designated or approved supplier(s) (unless we specify otherwise), which may include us or our affiliates. If we do not designate approved or designated supplies, then your Computer Systems must comply with our minimum standards and specifications. You must comply with any separate software or other license agreement that we or our designee uses in connection with providing services to you.

5.8.2 Without limiting the generality of the foregoing, we require you to use specified software services for grooming-related software. We may cover the base costs for this software,

but we reserve the right to require you to cover this cost at any time. We may grant you the option to choose optional add-ons to the grooming software. You must pay grooming software fees, if any, to us or the provider of the grooming software (as we will designate). We may use the Weekly Advertising Contribution funds to cover our costs for making available these software services.

5.8.3 You are required to have high-speed internet service where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials and corporate news (as applicable). You must have telephone hardware and software that complies with our standards and specifications.

5.8.4 We will have full ability to access your data, Computer Systems and related information by means of direct access whether in person or by electronic means.

5.8.5 We may require reasonable changes, replacements, or additions to the Computer Systems. If we require any such changes, replacements, or additions, you must comply with such requirements within a reasonable period at your sole expense.

5.8.6 You acknowledge your understanding that Computer Systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to such issues, and it is your responsibility to protect your business from such issues. You should also take reasonable steps to verify that others with whom you communicate and do business have reasonable protection from such issues. This may include taking reasonable steps to secure your Computer Systems (including firewalls, password protection, and anti-virus systems) and to maintain backup systems.

5.9 **Service Agreement**. Before you open your Franchise for business, you must sign our then-current form of Service Agreement, which is subject to change. It relates to software services we may require. If you default under any provision of this Agreement or the Service Agreement, including but not limited to your payment obligations, then we may suspend or terminate your access to, and use of, software services.

5.10 **Working Capital Requirements**. At all times during the term of this Agreement, you will maintain and employ as much working capital as may be required to enable you to properly and fully perform all your duties, obligations, and responsibilities.

5.11 **Notice of Court Action**. You will notify us in writing within **5** days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or government instrumentality, which may adversely affect your operation of or the financial condition of the franchise.

5.12 **Terms of Product Sales**.

A. To receive products ordered from us or our affiliates, you must deliver to us a purchase order that specifies the products. All orders you submit are subject to acceptance at our

corporate headquarters. We reserve the right to reject any order that is not credit approved or does not conform to the provisions of this Agreement. All orders accepted for delivery will be governed exclusively by the terms and conditions of this Agreement. Unless we agree in writing, no additional or different terms and conditions appearing on the face or reverse side of any order you issue will become part of that order. Our acknowledgment of your purchase order will not be acceptance of any additional or different terms and conditions.

B. Shipments are subject to availability. Upon notice to you, we may schedule and reschedule any order, at our discretion. We may decline any order for credit reasons or because the order specifies an unreasonably large quantity or makes an unreasonable shipment request.

C. We will use commercially reasonable efforts to meet any scheduled shipment date. However, we will not be liable for delays in meeting a scheduled shipment date for any reason. If products are scarce, we will allocate them equitably, at our discretion, among our customers.

D. Unless otherwise agreed, the products will be shipped only to your approved facility and only after receipt of an order from you.

E. We may refuse to ship or delay the shipment of any products on order if you become delinquent in payment of your obligations, exceed established credit lines, fail to meet our other credit or financial requirements or fail to provide financial information when we request. No cancellation, refusal or delay will terminate this Agreement.

F. All products will be delivered to you F.O.B. origin upon transfer to a common carrier. You will pay all transportation, insurance, rigging and drayage charges.

G. On delivery of products to carrier, title will pass to you and you will assume responsibility for promptly advising the carrier and insurer of the loss, for filing a claim and for recovery of any sums owed by them to you. Upon request, we will cooperate with you to establish a claim.

H. You grant to us a security interest in the products and proceeds as security for your obligations under this Agreement. You agree that we may prepare and file all instruments or documents necessary to perfect any security interest, including a UCC Financing Statement. Upon request, you will execute and file such instruments or documents as needed. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.

I. You will maintain sufficient inventories of products and employ sufficient help to operate your business at a level of capacity and market penetration commensurate with the reasonable demands of the marketplace.

J. You will represent fairly all products you purchase from us.

K. You will comply with all of the obligations and requirements imposed upon you by the manufacturers or distributors of the products.

L. You will use commercially reasonable efforts and good faith to promote, demonstrate and sell the products and services.

M. You may be required to provide to us forecasts of your projected purchases of products.

N. You acknowledge that we are not the manufacturer of the products. The products are subject to the manufacturer's standard warranty. We disclaim all warranties, including the implied warranties of merchantability and fitness for a particular purpose. No representation, affirmation of fact, or statement regarding capacity or suitability, which is not in this Agreement, will be a warranty by us for any purpose.

O. We will not be liable for any loss or damage claimed to have resulted from the use, operation or performance of the products, whatever the form of action. Our maximum liability to you, whether based upon contract, warranty, tort or otherwise, will not exceed the actual amount you pay to us for the specific product that causes the damages. These limitations of liability will not apply to claims for personal injury caused by our negligence. We will not be liable to you for special, indirect, incidental or consequential damages or from any damages resulting from loss of use, data or profits.

P. You will be responsible to install any fixtures or equipment that require installation at your own expense. We will not be responsible for installation.

5.13 **Ownership of Customer Information**. All customer lists, data, and information are proprietary to Franchisor during and after the term of this Agreement.

6 RENEWAL, TERMINATION AND INTERIM MANAGEMENT

6.1 Renewal of Franchise.

A. If you are not in breach, you may renew the Franchise for periods of **10** years under the terms of our then-current Franchise Agreement forms. "***Then-current***," as used in this Agreement and applied to our Franchise Disclosure Document will mean the form then-currently provided to prospective franchisees, or if not then being provided, then the form we select in our sole discretion which previously has been delivered to and executed by a franchisee of ours. You will exercise your renewal option by giving written notice to us. The notice must be given at least three months, but no earlier than six months, before the end of the franchise term established by this Agreement.

There is no fee for renewal of the Franchise. The renewed Franchise Agreement will be evidenced by you signing the Franchise Agreement forms we then are using (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise). These forms may vary materially from this Agreement. Royalty Fees, Marketing Contributions and other fees will be set at the then prevailing rates and terms. Your failure or refusal to execute the Renewal Franchise Agreement forms within **30** days after delivery to you may be regarded as an election

by you not to renew. Upon renewal, Franchisor may modify the Franchise Territory (reducing, expanding, or otherwise changing) to meet our then-current franchise market penetration and demographic standards.

You will reimburse us for our reasonable out-of-pocket costs concerning the renewal.

You will repair and replace the Franchise-related vehicle(s), supplies, and other items to conform to the then-current Operations Manual and System at your sole cost and expense. There will be no limitation on the amount that we may require you to spend on such repairs and replacements.

You must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us.

Before renewal, you or your designated manager will attend and successfully complete any retraining program we prescribe in writing. This will be done at your expense, including travel, meals, lodging, and our then-current training fee.

B. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

C. Continuation. You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express or implied consent, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon **30** days written notice. Otherwise, all provisions of this Agreement will apply while operations continue. Upon termination of this Agreement under this section, all post-termination covenants and obligations in this Agreement will apply.

6.2 **Termination by You**. You may terminate this Agreement if you comply with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure or reasonably to begin to cure that breach within **30** days after receipt of written notice specifying the breach. Termination will be effective **10** days after you deliver to us written notice of termination for our failure to cure within the allowed period.

6.3 **Termination by Us**.

A. Default with Opportunity to Cure. The following provisions are in addition to all other remedies available to us at law or in equity. We will have the option to cure your breaches at your expense. If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may order all product deliveries withheld from you until the payments are received.

You agree that it will be a *default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for termination of this Agreement and any other franchise and related agreements between the parties*, if you (or your owners, officers, or key employees) breach any term or provision of this Agreement and do not cure the breach (or reasonably begin to cure and diligently pursue the cure until the breach is remedied) within **30** days after receipt of our written "Notice to Cure." Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame.

B. Termination Without Opportunity to Cure. You agree that it will be a default constituting a *substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause* for us to immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if you (or your owners, officers, or key employees):

1. Fail to pass the initial training program. (See Section 3.1 above).

2. Fail to operate the Franchise continuously and actively for **5** consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to operate the Franchise in a continuous manner.

3. Receive three or more notices to cure defaults during any consecutive 12-month period whether or not you cured such defaults.

4. On three or more occasions fail to report Revenue on time, understate Revenue by more than **2%,** or distort other material information.

5. Make or have made any material misrepresentation or misstatement on the franchise application or with respect to ownership of the Franchise. If you misrepresented yourself and are a competitor of ours or a competitor of an affiliate of ours, we may keep your entire initial franchise fee, cancel training and terminate this Agreement.

6. Fail to open the Franchise for business by the Opening Deadline in compliance with Section 4.1 above.

7. Are convicted of or plead guilty or no contest to a felony, or any other crime that is reasonably likely to adversely affect the System, the Franchise, or the goodwill associated with the Marks or the

franchise system (as we determine at our sole discretion).

8. Within a period of **10** days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.

9. Fail to pay any Franchise, Royalty, or Marketing Contributions or other amounts owed pursuant to this Agreement within **5** days after receipt of written notice that the fees or amounts are overdue.

10. Operate the Franchise in a manner that creates an imminent danger to public health or safety.

11. Fail to comply with any of the confidentiality, non-disclosure, non-diversion of business, or non-competition covenants of this Agreement, including but not limited to obligations and restrictions described in Sections 5.6 and 5.7.

12. Falsify data in reports or intentionally understate Revenue or other information reported to the Franchisor.

13. Attempt to transfer all or any portion of this Agreement, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement in violation of Section 7.1.

14. Deny us the right to audit your books and records, inspect the Franchise, or access your computer systems and information, as permitted under this Agreement.

15. Engage in any conduct that is reasonably likely, at our sole opinion, to adversely affect the System, the Franchise, or the goodwill associated with the Marks or the franchise system.

16. Fail to pay any amount owed to a vendor within 10 days of the due date.

17. Become insolvent or admit to not being able to meet your obligations as they become due.

18. Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.

C. Automatic Termination Without Notice or Opportunity to Cure. To the

extent permitted by applicable law, this Agreement will automatically terminate without notice or an opportunity to cure if any of the following occur. If automatic termination is not permitted by applicable law, then we will have the right to immediately terminate effective upon written notice to you if any of the following occur.

1. You make a general assignment for the benefit of creditors, have a receiver appointed to administer or take possession of any part of the franchise or your assets, or admit to not being able to meet your obligations as they become due or become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you:

   (1) timely undertake to reaffirm the obligations under this Agreement;
   (2) timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Agreement; and
   (3) timely comply with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code;

   provided, however, that we and you acknowledge that this Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of you and/or your directors, officers, shareholders or partners, as the case may be, to participate personally on a full-time basis in the management and operation of the franchise, and, consequently, we and you agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement will be void.

   or

2. You allow the Franchise or franchise assets to be seized, taken over, or foreclosed by a creditor, lien holder, or lessor; let a final judgment against you remain unsatisfied for 30 days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within five days of the levy.

6.4 **Time Frames Subject to Applicable Laws**. The provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, non-renewal or the like other than according to applicable law. They will be extended or modified to comply with applicable law.

6.5 **Certain Post-Termination Obligations**. Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement. Upon expiration or termination of this Agreement, you will:

A. Immediately cease using the Marks (or any names or marks deceptively similar to them), the Operations Manual and the System.

B. Return to us all copies of the Operations Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the System. You will give us a complete and accurate summary of your advertisers, customers and leads, and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your franchise business to us or to our designated franchisee.

C. Authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, domain names, locators, directories and listings to us or our designee. Notify them of the termination of your right to use the Franchise names and Marks. You authorize the transfer of your business telephone numbers and directory listings; business email addresses; Internet addresses, domain names and locators to us or our designated franchisees. You appoint us as your agent and attorney-in-fact to effect the transfer of these telephone numbers and directory listings and domain names and Internet directory listings to us. You agree that we will be treated as the subscriber for the telephone numbers and directory listings. We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings and numbers. You release and indemnify these companies from any damage or loss because they follow our instructions.

D. Modify the Franchise-related vehicle(s) to eliminate your identification as a part of our brand(s) and franchise system. This includes removing vehicle wraps. You will advise all customers or prospective customers that you are no longer associated with us.

E. Pay to us within seven days all Royalty Fees, Marketing Contributions, and other sums you owe. These sums will include all damages, costs and expenses, including reasonable attorney fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorney fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

F. Abide by all provisions of the restriction upon communication of confidential information set forth above and the post-termination Covenant Not to Compete set forth below. You will immediately return to us all of our confidential information you have received, including any items that embody the confidential information. You acknowledge that you have no continuing ownership interest in the confidential information.

G. At our option exercised by written notice to you within 30 days of termination or expiration of this Agreement, do some or all of the following:

1. Remove all Franchise-related vehicle wraps.

2. Sell all or a portion of (as we designate) the Franchise-related vehicle(s), supplies, and other items to us, at fair market value, free and clear of all liens, restrictions or encumbrances. We will not be liable for payment to you for intangibles, including, without limitation, goodwill.
    i. If we elect this option, then the parties will make good faith efforts to agree on a purchase price and payment terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair value will be determined by appraisal as provided in Section 7.5 (entitled "Appraisals").
    ii. We will have the unrestricted right to assign this option to purchase.
    iii. We will be entitled to all customary warranties and representations in connection with our purchase of assets, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.
    iv. We will have the right (but not the obligation) to appoint an interim manager to operate the business, for our own account, from the date of expiration or termination of this Agreement until we or our designee acquires the pertinent assets under this section.

3. Assign to us (or our designee) the lease(s) for the Franchise-related vehicle(s), as applicable.

4. Assign to us ownership and control of any website and social media accounts you own or control related to the Franchise.

6.6 **We May Assign Territory Upon Termination**. Upon expiration or termination of this Agreement, we may immediately operate, or license or franchise the Franchise Territory to another person to operate a franchised business, within the Franchise Territory.

6.7 **Interim Management**. To protect the System, the Marks, the Confidential Information, and the goodwill associated with the same, Franchisor may (but is not obligated to) assume interim management of the Franchise for any of the following reasons: (a) after Franchisor has given Franchisee written notice that Franchisee is in default under this Agreement and during the pendency of any cure period or in lieu of immediately terminating this Agreement; (b) your business activities are having, or are likely to have, a negative impact upon the value of our Marks, goodwill, or the franchise system (as we determine at our sole discretion); (c) we determine that significant operational problems require us to temporarily operate the Franchise; or (d) while your

Franchise is not being managed by a competent and trained manager after your Death or Disability (as defined in Section 7.3 below). If Franchisor elects to assume interim management of the Franchise, then: (i) Franchisor's election will not relieve Franchisee of Franchisee's obligations under this Agreement; (ii) Franchisor will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchise during any interim management period; (iii) Franchisor will have the right to charge a reasonable fee for the management services; (iv) Franchisee hereby agrees to indemnify, defend and hold harmless Franchisor and its interim manager(s) from and against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with the interim management of the Franchise, other than those arising solely from the gross negligence or willful misconduct of Franchisor; and (v) our operation or appointment of a manager to operate the franchised business will not be deemed an assignment to us of any lease or sublease. We will have no responsibility for payment of any rent or other charges owing on any lease.

6.8 **Post-Term Non-Competition Covenant**. This covenant will apply for **730** days after termination, expiration or transfer of this Agreement. To the extent permitted by applicable law, and in express consideration for this Agreement, you will use your best efforts to assure that you and your owners, shareholders, partners, directors, officers, agents, and the members of their immediate families or households (who have actual knowledge of or access to the Operations Manual or System), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business (including business in formation) engaged directly or indirectly in the offer, sale or rental of products or services (including via e-commerce) related to pet food, pet supplies or pet grooming or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System. This covenant applies within the Franchise Territory, within a **30**-mile radius of the Franchise Territory, within a **30**-mile radius of any location or territory where we operate or have granted the franchise to operate a GROOMBAR, EarthWise Pet, Dee-O-Gee, or Nature's Pet business (or other brands we have developed or will develop in the future), and within the United States of America. To clarify, with respect to e-commerce, during the period of the non-compete covenant you will not establish a warehouse or other facility within, or sell to customers located within, the geographic scope of the non-compete described above.

You acknowledge and confirm that the time, content and geographical restrictions contained in this Section are fair and reasonable. They are not the result of overreaching, duress, or coercion of any kind by us. You further acknowledge and confirm that your observance of the covenants contained in this Agreement will not cause you any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you, or otherwise to obtain income required for the comfortable support of your family and the satisfaction of your creditors. Your knowledge of the System would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees.

If, for any reason, any provision set forth in this Subsection exceeds any lawful scope or limit as

to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

6.9 **No Going Out of Business Sale**. You will not advertise for or conduct any going out of business sale, liquidation sale, or similar sale without our prior written consent, which we may withhold in our discretion (subject to applicable law). You acknowledge that advertising for or conducting such a sale would tarnish our goodwill associated with our Marks and System.

6.10 **Damages and Liquidated Damages**. Upon termination pursuant to any default by Franchisee, Franchisee agrees to pay Franchisor all actual and consequential damages and any costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of such default and termination. Franchisee acknowledges and agrees to the following: (1) Franchisee does not have the right to terminate this Agreement except as provided in Section 6.2, or as otherwise agreed in writing by the parties, and (2) any termination of this Agreement by Franchisee that is not in accordance with the terms of Section 6.2, or any termination of this Agreement by Franchisor in accordance with its terms, may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the Marks, and increased costs to Franchisor to re-develop or re-franchise the market in which the Franchise is located.

Accordingly, in the event that Franchisee terminates this Agreement other than in accordance with the terms of Section 6.2, or if Franchisor terminates this Agreement pursuant to its terms, then Franchisee shall pay to Franchisor within fifteen (15) days of such termination as liquidated damages (and not as a penalty), an amount equal to Royalty Fees, Marketing Contributions, and other ongoing fees Franchisee should have paid, had this Agreement not be terminated, for the lesser of (1) 12 months, or (2) the number of months remaining on the term of this Agreement. Such payment will be calculated based on the average Royalty Fees, Marketing Contributions, and other ongoing fees Franchisee paid (or if unpaid, payable) during the immediately preceding 12-month period (or shorter period if you will have operated for less than 12 months).

The parties hereby acknowledge and agree that the actual damages that would be incurred by Franchisor in the event of any breach or early termination of this Agreement by Franchisee would be difficult to calculate and that the liquidated damages provided for in this Agreement are fair and reasonable under the circumstances. The parties further acknowledge and agree that the liquidated damages specified in this Section are only intended to compensate Franchisor for the early termination of this Agreement and Franchisor's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages incurred by Franchisor, and all remedies applicable thereto remain available to Franchisor.

6.11 **Customers Upon Termination**. All customer lists, data, and information are proprietary to Franchisor during and after the term of this Agreement. Therefore, despite any contrary provision in this Agreement, upon expiration or termination of this Agreement for any reason, all customers that you serviced during the term of this Agreement revert to us, and you will no longer have the right to service those customers in any manner or at any time. You agree that all customer accounts shall be assigned by you immediately to us upon termination or expiration of this Agreement and you agree to execute any and all documents and do such acts as

we may request to carry out such assignment of your customer accounts, in our sole business judgment.

7 TRANSFER

7.1 Sale or Assignment.

A. Your rights and obligations under this Agreement are exclusive to you. Whether voluntarily or involuntarily, neither you, your owners, partners nor others claiming an interest in the Franchise will sell, transfer, assign, encumber, give, lease, or sublease, or allow any other person to conduct business in or through (collectively called "***transfer***") the whole or any part of: this Agreement, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement. Any attempted transfer without our prior written consent will be a breach of this Agreement. Our consent will not be unreasonably withheld. We need not consent to any transfer before the date the Franchise opens for business.

We need not consent to any transfer to a competitor of ours.

We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your shareholders, members or partners, if you are a corporation, limited liability company, partnership or other entity).

You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. Our consent to a transfer by you will remain a subjective determination. Before the effective date of a transfer we approve:

1. The transferee must assume your Franchise obligations. You will remain bound by your covenants in this Agreement to not disclose confidential information and to not compete with us or our franchisees.

2. You will pay all ascertained or liquidated debts concerning the Franchise.

3. You may not be in breach of this Agreement or any other agreement between the parties. Our consent to the transfer will not constitute a waiver of any claims we may have against you.

4. The transferee will pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise.

5. You or the transferee will pay a Transfer Fee according to our then-current Transfer Fee Schedule. This fee will reimburse us for our

reasonable legal, accounting, credit check, and investigation expenses that result from the transfer. This also covers the cost for the training program to the extent we require training. The Transfer Fee is currently $20,000. We may discount the Transfer Fee in our discretion if we deem that the transferee has been trained previously by us to our then-current standards or otherwise does not require our full training program.

6. You will pay us a **10%** commission on the gross transfer price (excluding the price of real property) if we obtain the transferee for you.

7. The transferee will execute all documents we then require of new franchisees. This includes a new franchise agreement in the form we are then using. The new franchise agreement may contain economic and general terms that are materially different from those contained in this Agreement. The term of the new agreement will be for the unexpired term of this Agreement or for a new full term as we will elect.

8. The transferee will meet our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.

9. You and your owners, members, partners, officers, and directors will execute a general release in our favor. The release must be in a form we prescribe, following applicable law, to release us from any claims you may have against us.

10. If the Initial Franchise Fee has not yet been paid in full, it must be paid in full despite the due date for payment established by this Agreement.

11. If the lease(s) (if any) for the Franchise-related vehicle(s) requires, the lessor(s) must have consented to the assignment of the Franchise-related vehicle(s) to the transferee.

12. You shall repair or replace all Franchise-related vehicles, supplies, and other items to comply with our then-current System standards and specifications.

12. You will enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all franchise fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to

our approval.

B. With our prior written consent, you may transfer your rights and obligations under this Agreement to a corporation or other entity in which you continuously own a majority of the issued and outstanding shares of each class of stock or other evidence of ownership. The entity must be newly organized with its activities confined exclusively to act as the franchisee under this Agreement. The entity must contemporaneously agree in writing to be bound by the terms of this Agreement. You must contemporaneously agree in writing to guarantee the obligations of the entity and to remain personally liable in all respects under this Agreement. (You and all other owners will personally and unconditionally guarantee the obligations of the new entity and you will remain personally subject to and bound by all terms, conditions, restrictions and prohibitions contained in this Agreement. You as an owner of the entity agree to separately and personally, for you and for your successors, heirs and personal representatives, will act as surety for the full and faithful performance of all of the obligations, commitments and payments required of the entity. In that capacity, you agree that we do not have to pursue any remedies we may have against the entity, but rather, may proceed directly and primarily against you with or without joining the entity as principal or as a named party in any proceeding.)

You will be in breach of this Agreement if you at any time dispose of any interest sufficient to reduce your ownership in the entity to less than a majority of any class of stock or other evidence of ownership. From time to time, at our request, you will provide to us a current list of all your owners, shareholders, members, directors, officers, partners, and employees, with a summary of their respective interests in you.

C. We may transfer this Agreement. If we do, it will be binding upon and inure to the benefit of our successors and assigns. Specifically, you agree that we may sell any or all of our assets, the Marks, or the System to one or more third parties, may go public, may engage in a placement of some or all of our securities, may merge, acquire other entities or be acquired by other entities, or may undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

We will not be required to remain in any particular form of business or to offer to you products, whether or not bearing our Marks.

D. You may offer your securities or partnership interests to the public, by private offering, or otherwise, only with our prior written consent. Consent may not be unreasonably withheld. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us for review prior to their use. No offering by you will imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed

offering, including legal and accounting fees. You will give us at least **60** days written notice before the effective date of any offering or other transaction covered by this subsection.

E. You may not grant a sub-franchise or transfer less than all of your rights under this Agreement.

F. Our consent to a proposed transfer will not be a waiver of any claims we may have against you (or your owners), nor will it be a waiver of our right to demand exact compliance with this Agreement. Our consent to a transfer will not constitute or be interpreted as consent for any future or other transfer.

G. You will comply with and help us to comply with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

7.2 **Your Death or Disability**.

A. In the case of your death or incapacity (such that you are unable to perform your functions as franchisee as determined by Franchisor at its reasonable discretion) if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning **50%** or more of you if you are a limited liability company or corporation or other entity (your "**Death or Incapacity**"), the executor, administrator, conservator, or other personal representative of the deceased or permanently disabled person, or the remaining owners, must appoint a competent manager within a reasonable time, not to exceed 30 days after the date of Death or Incapacity. The appointment of this manager is subject to satisfactory completion of our required training program(s). In addition to the right to appoint a temporary manager as described in Section 6.7 (entitled "Interim Management"), the following will apply in case of Death or Incapacity. Within 180 days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual may:

1. Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in Section 7.1 above (entitled "Sale or Assignment") except that no transfer fee will be required; or

2. Transfer your interest according to the provisions of Section 7.1. If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to transfer will be computed from the date of rejection. For purposes of this Subsection, on an application for the right to continue to operate, our silence through the **180** days following the event of death or incapacity will be deemed an acceptance made on the last day of the period.

B. If a suitable transferee purchaser is not found within **180** days from the date of Death or Incapacity, we may at our sole option enter into a contract to purchase the Franchise. We

will have the right to elect this option by written notice to you (or one or more of your heirs, beneficiaries, devisees or legal representatives) within 60 days of the expiration of the 180-day period. If we elect this option, then the parties will make good faith efforts to agree on a purchase price and payment terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair value will be determined by appraisal as provided in Section 7.5 (entitled "Appraisals").

C. If the provisions of this Section 8.2 have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

7.3 **First Right of Purchase**. You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. You agree to notify us in writing if you desire to sell or transfer any interest in you or in your franchised business. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We will elect to exercise our option to purchase within **30** business days after our receipt of your written notification and due diligence information. If we offer you an amount that you do not agree to, you may try to sell to a third party but on no better terms for the purchaser than we offered to you. If you later receive an offer from a third-party purchaser on better terms than we offered to you, you are obligated to re-offer to us pursuant to the subsection entitled "First Right of Refusal". You are obligated before any transfer to a third party to comply with all criteria set forth in the subsections entitled "Sale or Assignment" and "First Right of Refusal." If you do not complete a transaction with a third party within six months, you agree we will again have the right of first purchase before any subsequent contemplated transaction.

We may elect to purchase all of the franchise business regardless of your intent to sell, assign or transfer a lesser interest. We can pay the purchase price in cash up front or 120 equal monthly payments that amortize the principal amount with interest calculated at prime plus 1% as of the date of purchase. The choice of payment type is in our sole discretion.

7.4 **First Right of Refusal**. If you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you, or substantially all of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Our credit will be deemed to be equal to the credit of any proposed purchaser. At our option, we may pay the entire purchase price at closing. Within **6** days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We may exercise this right to purchase within **30** days after receipt of notice from you and due diligence information. If the interest which is the subject of the offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest. In such case, the consideration to be received, as set forth in the offer shall be divided by the percentage interest subject to the offer and the resulting quotient shall be the price to be paid for the entire ownership interest. Terms and conditions for the purchase of the entire ownership interest shall be as similar to the terms and conditions set forth in the offer as

practicable, except for the substitute provisions noted above in this section.

If we do not exercise our right to purchase within the **30** days, you may make the proposed transfer to a third party. The transfer will not be at a lower price or on more favorable terms than disclosed to us. Any transfer will be subject to our prior written permission described in the section entitled "Sale or Assignment," above. If the Franchise is not transferred by you within **6** months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must re-offer to transfer to us before a transfer to a third party.

7.5 **Appraisals**.

7.5.1 This Section 7.5 will apply to any other provisions of this Agreement that require determination of value by appraisal if the parties are unable to agree on value. The fair value of the relevant asset(s) will be determined by a single appraiser selected by you from a list of two appraisers provided by us. Franchisor and Franchisee will equally share the cost of the appraisal. The parties may then present evidence of the value of the relevant asset(s). For purposes of Section 4.3 (entitled "Real Property Security Assignments") and Section 6.5.G.4 (our right to acquire your franchise upon termination or expiration), the appraiser must *exclude* from its decision any amount or factor for the "goodwill" or "going concern" value. For purposes of Section 7.2.B (our right to acquire your franchise upon your Death or Disability), the appraiser may *include* in its decision a factor for the "goodwill" or "going concern" value of the franchise.

7.5.2 Any time within 30 days after receiving the appraiser's decision, at our option we may enter into the transaction at the price determined by the appraiser.

7.5.3 For purposes of Section 6.5.G.4 (our right to acquire your franchise upon termination or expiration) and Section 7.2.B (our right to acquire your franchise upon death or permanent disability or incapacity), terms of payment will be 10% of the purchase price payable upon contract signing, the balance payable in 60 equal monthly payments of principal and interest, with interest calculated at the prime rate published by our principal bank at time of execution of the purchase contracts.

8 **INDEMNITY AND INSURANCE**

8.1 **Indemnity**.

8.1.1 Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, owners, agents, representatives, employees, related companies, and assigns (collectively "***Franchisor Indemnified Parties***") from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, contingent or otherwise, including fines, penalties, interest, attorneys' fees, and all other types of costs or expenses, directly or indirectly arising from or related to any of the following: (1) the establishment or operation of the Franchise business; (2) the Franchise-related vehicle(s), supplies, services, or other items (including but not limited to latent defects); (3) the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees, agents, or representatives; (4) the acts or omissions of Franchisee's vendors or suppliers (even if approved or mandated by Franchisor); or (5) Franchisee's performance or breach of any obligation under this Agreement (collectively

"***Claims***"). Without limiting the foregoing, this indemnity applies to Claims alleging that you and we (or one or more other Franchisor Indemnified Parties) were negligent or otherwise liable. Your indemnification obligation includes claims by your employees under a theory of joint employer liability or similar theories. This indemnity will apply to claims that we were negligent or failed to train, supervise or discipline you, and to claims that you, your owners, employees, brokers or your independent sales associates are our employees, agents or part of a common enterprise with us, including claims regarding violations of labor or employment laws or regulations. The obligations under this Section survive the expiration or termination of this Agreement.

8.1.2 You will defend us at your own expense in any legal or administrative proceeding subject to this Section. The defense will be conducted by attorneys we approve. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against us in any proceeding, including any settlement that we approve in writing. You will not settle any claim against us without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against us at your expense, including attorney fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding.

All references in this Agreement that provide that you will indemnify or defend us or that you will name us under any insurance policy will also mean that our affiliates, directors, officers, and employees will be also and equally indemnified, defended or named.

8.2 **Insurance**.

8.2.1 During the term of this Agreement, you shall, at your own cost and expense, acquire and maintain with carriers reasonably satisfactory to us, sufficient insurance to adequately protect the respective interests of the parties to this Agreement, including your indemnity obligations under this Agreement. Specifically, you must maintain in force policies of insurance with the following minimum limits of coverage for each Franchise:

A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual liability, and products liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate for each coverage;
B. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, equipment, and signs;
C. Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;
D. Plate glass insurance (if applicable);
E. Worker's compensation and employer's liability insurance in statutory amounts as

required by governing laws;

F. Unemployment insurance and state disability as required by governing laws;

G. Employment practices liability insurance with minimum limits of not less than $1,000,000 per occurrence/aggregate including third party endorsement;

H. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than $1,000,000 for injuries to persons resulting from any one accident, and $500,000 for property damage resulting from any one accident, or higher as required by governing laws;

I. Animal bailee insurance with reasonable coverage in your discretion or subject to minimum requirements in our Operations Manual (if applicable);

J. Commercial umbrella liability insurance with limits not less than $2,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products and completed operations, personal and advertising injury, automobile and employers liability);

K. Professional (Errors and Omissions) Liability insurance covering Franchisee and its pet groomers for legal liability for damages arising out of the performance of the grooming services with a minimum insurance coverage amount of $1,000,000 per claim and in the aggregate; and

L. Cyber and privacy liability with minimum limits of $50,000, including crisis management and data extortion expense.

8.2.2 Franchisee shall also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance as well as any other insurance required by Franchisee's landlord. Franchisor may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

8.2.3 Each insurance policy shall: (1) name Franchisor and each of its affiliates, owners, officers, directors, agents, and employees (as may be specified by Franchisor) as additional insureds (except for worker's compensation, employer's liability insurance, employment practices liability insurance, and other employer-related insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against Franchisor; (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and (3) provide that coverage applies separately to each insured. In the case of property insurance, the Franchisor parties shall be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Premises is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with this Agreement.

8.2.4 Certificates shall provide 30 days' notice prior written notice to Franchisor of any material modification, cancellation, or expiration of the policy, and due in our office 30 days prior

to expiration and coverages listed above.

8.2.5 Franchisee shall provide Franchisor with evidence of the insurance required at least fifteen (15) days before the Franchise opens. Franchisee shall provide Franchisor with a complete copy of each insurance policy no later than thirty (30) days after delivery of the original proof of insurance, if required by Franchisor. Prior to the expiration of each insurance policy term, Franchisee shall furnish Franchisor with evidence of each renewal or replacement insurance policy to be maintained by Franchisee for the immediately following term and evidence of the payment of the premium thereof. If Franchisee fails or refuses to maintain required insurance coverage or to furnish satisfactory evidence thereof and the payment of the premiums thereof, Franchisor may, at Franchisor's option, and in addition to Franchisor's other rights and remedies hereunder, obtain such insurance coverage on Franchisee's behalf and Franchisee shall fully cooperate with Franchisor in its effort to obtain such insurance policies, promptly execute all forms or instruments required to obtain or maintain any such insurance, allow any inspections of the Franchise Premises which are required to obtain or maintain such insurance and pay to Franchisor on demand any costs and premiums incurred by Franchisor. If Franchisee fails to purchase or maintain any insurance required by this Agreement or fails to reimburse Franchisor for its purchase of insurance on Franchisee's behalf within fifteen (15) days of delivery to Franchisee of Franchisor's written demand for reimbursement, then Franchisor may terminate this Agreement upon notice of termination without opportunity to cure.

8.2.6 The maintenance of sufficient insurance coverage shall be Franchisee's responsibility. Nothing contained in this Agreement will be construed as a representation or warranty by us that the minimum insurance coverage we specify will insure you against all insurable risks or amounts of loss that may or can arise out of or in connection with the operation of your franchise business.

8.2.7 Franchisee's obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by Franchisor nor shall the maintenance of such insurance relieve Franchisee of any indemnification obligations under this Agreement.

8.3 **Casualty**. If the Franchise-related vehicle(s) or other items are damaged by fire or other casualty, you will immediately notify us in writing and expeditiously repair or replace such items.

9 NOTICE AND MISCELLANEOUS

9.1 **Notices**. All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and return receipt requested. They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the most expedited basis available. Notices will be delivered to you at your last-known business or residential address, to us at our headquarters, or to other locations specified in writing.

Notices may be delivered and receipted to you personally at any location.

Notices sent by certified or registered mail will be deemed to have been delivered and received **3** business days following the date of mailing. Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received **1** business day after placement requesting delivery on the most expedited basis available.

9.2 **Business Name**. You will execute any documents we may from time to time direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish, and terminate your right or interest you may claim in or to the Marks and related business name(s).

9.3 **We and You Are Not Joint Venturers, Partners, or Agents**.

A. Independent Contractor Relationship. You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations. You acknowledge that you are not in a fiduciary relationship with us.

B. Display. In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently indicate on your letterheads, business forms, business cards, email signatures and similar mediums that you are our licensed franchisee by using language saying that you operate an independently owned Franchise. If we so require, you shall include such wording as we may specify on your Franchise-related vehicle(s) that your Franchise business is independently owned and operated by you.

C. Your Employees.

1. You will control your own employees and contractors. We shall not have the power to hire, fire, direct, supervise, or discipline your employees.
2. You are solely responsible for setting work schedules for your employees.
3. You will maintain employee records to show clearly that you and your employees are not our employees.
4. You must comply with federal and state labor laws. For example, you must comply with wage and hour laws and pay your employees properly.
5. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits.
6. You must indemnify and hold us legally harmless from any of your violations of federal or state labor laws or similar laws. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent

legal counsel before signing this Agreement.

7. You must place a prominent, boldfaced statement at the top of your employee applications that the applicant is applying to work for you, not for us. We do not provide sample employment applications for your use with your employees. You should acquire such forms from independent sources of your choice.
8. You must display your entire business entity's name, not just the licensed brand, on your payroll checks.
9. We will not post job openings at your Franchise on our website or otherwise. We will not coordinate the sharing of employees among franchisees.

9.4 **Waiver**. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition.

Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Any waiver we grant will not prejudice any other rights we may have and will be subject to our continuing review. We may revoke any waiver, in our sole discretion, at any time and for any reason, effective upon delivery to you of **10** days prior written notice of revocation. Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default. Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

By written notice, we unilaterally may waive any obligation of you, your owners, or the Guarantors.

Our consent, whenever required, may be arbitrarily withheld if you are in breach of this Agreement.

9.5 **Time Is of the Essence**. Time and strict performance are of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this Agreement, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.)

9.6 **Documents**. You and your partners, shareholders, members, officers, and owners agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement.

Any material violation or breach of any of these documents or of any other Franchise or related

agreement between the parties will be a material violation of this Agreement and of all the other documents and agreements. The non-breaching party may enforce or terminate this Agreement and any or all of the other documents and agreements as provided for enforcement or termination of this Agreement.

If you are a partnership, all general partners will sign the documents. If you are a corporation or limited liability company or other entity, all shareholders or members and all officers will personally guarantee your faithful performance.

9.7 **Construction**.

A. Entire Agreement. This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties. It supersedes all prior or contemporaneous agreements, understandings, communications and negotiations, whether written or oral, with respect to the subject matter of this Agreement. There are no other oral or implied understandings between the parties with respect to the subject matter of this Agreement. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you. Except as expressly and otherwise provided in this Agreement, this Agreement may not be modified, nor may any rights be waived or abridged, orally or by course of dealing, but only by a written instrument signed by the parties. The words "***this Agreement***" include any future modifications unless otherwise suggested by the context. No salesperson, representative, or other person has the authority to bind or obligate us in any way, except our president or a vice president at our home office by an instrument in writing.

No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third-party beneficiary of that provision.

B. Format. All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will" and "must" used in this Agreement indicate a mandatory obligation. This Agreement has been prepared in the "you/we" format to simplify it and to facilitate our compliance with state and federal franchise disclosure laws. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement.

C. Captions and Headings. All captions and headings are for reference purposes only and are not part of this Agreement. The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement. If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation:

1. The content and expressed intent and exhibits of our Franchise Disclosure Document(s) previously delivered to you.
2. The content and expressed intent of franchise agreements we have executed with

our other franchises reasonably contemporaneous to this Agreement.

D. Severability. If, any part of this Agreement is declared invalid, that declaration will not affect the validity of the remaining portion which will remain in full force and effect as if this Agreement had been executed with the invalid portion omitted. The parties declare their intention that they would have executed the remaining portion of this Agreement without including any part, parts, or portions which may be declared invalid in the future. Provided, however, that if we determine that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, we may, at our option, terminate this Agreement.

E. Implied Covenants. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. If applicable law implies such a covenant, the parties acknowledge and agree that:

A. This Agreement (and the relationship of the parties which is inherent from this Agreement) grants us the discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests;

B. We will use our business judgment in exercising our discretion based on our assessment of our own interests and balancing those interests against the interests of the owners of our other franchised, company-owned and affiliate-owned businesses generally and specifically without considering the individual interests of you or any other particular franchisee;

C. We will have no liability to you for the exercise of our discretion in this manner, so long as our discretion is not exercised in bad faith toward you; and

D. In the absence of bad faith, no trier of fact in any judicial or arbitration proceeding will substitute its judgment for the business judgment we exercise.

F. Joint and Several. The liability of you and your owners, shareholders, members or partners will be both joint and several. If, at any time during the term of this Agreement, you consist of two or more persons (whether acting in partnership or otherwise and whether or not all have signed this Agreement), the rights, privileges and benefits granted to you in this Agreement may only be exercised and enjoyed jointly; and your obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person. A breach of this Agreement by you or by any shareholder, member or partner will be a breach by all of the shareholders, members or partners and also by you.

G. Definition of "Including." In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise.

9.8 **Enforcement and Dispute Resolution**.

A. Disputes. The mediation and arbitration (if applicable) provisions of this Agreement do not apply to controversies, disputes, or claims related to or based on (1) improper use of the Marks [including those based on the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.)] or any of the Franchisor's other intellectual property; (2) the violation of any of the restrictive covenants in this Agreement by Franchisee or any related entity or individual, which include but are not limited to restrictive covenants under the following sections of this Agreement: Section 5.6 (entitled "You Will Not Communicate Confidential Information"), Section 5.7 (entitled "Conflicting or Competing Interests") and Section 6.8 (entitled "Post-Term Non-Competition Covenant"); or (3) your monetary and payment obligations under this Agreement. The mediation and arbitration (if applicable) provisions of this Agreement shall apply to all other controversies, disputes, or claims between the parties (and/or their respective affiliates, owners, officers, directors, LLC managers, agents, guarantors, and/or employees) arising out of or related to: (a) this Agreement or any other agreement between Franchisee and Franchisor; (b) the franchise relationship between Franchisor and Franchisee; (c) the offer and sale of the Franchise; (d) the validity of this Agreement or any other agreement between Franchisee and Franchisor; or (e) any System standard (referred to herein as "***Disputes***").

B. Mediation. If a dispute arises between the parties, before taking any other legal action, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its commercial mediation procedures (or of any similar organization that specializes in the mediation of commercial business disputes). The Parties agree to equally share the costs of mediation. The party demanding mediation must provide written notice to the other party of the demand for mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.

C. Arbitration. If the parties are unable to resolve a Dispute by mediation as provided above, then such Disputes are subject to binding arbitration. The following provisions will apply to such arbitration:

1. Arbitration will be administered by the American Arbitration Association in accordance with its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Arbitration will be before a single arbitrator. The arbitrator will be required to have at least five years of experience in franchise law.

2. The arbitrator will have power and jurisdiction to decide the controversy or dispute solely according to the express provisions of this Agreement. The arbitrator may not alter, amend, delete, or add to the provisions of this Agreement by implication or otherwise. In any

arbitration the parties will be entitled to injunctive relief or specific performance of the obligations of the other. The arbitrator will determine the prevailing party for purposes of the subsection entitled "Attorney Fees" below and may make a percentage award of reimbursable fees and expenses.

3. The provisions of this Section will be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the laws under which this Agreement will be governed by and construed under, all issues relating to its appropriateness for arbitration or the enforcement of the agreement to arbitrate contained in this Agreement will be governed by the Federal Arbitration Act (9 U.S.C. §_1 et seq.) and the federal common law of arbitration.

D. Injunctive Relief and Specific Performance. Either party may obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. Nothing contained in this Agreement will bar us or you to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause you or us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Without limiting the generality of the foregoing, the provisions of this Section 9.8 will not limit our right to seek and obtain any provisional or final remedy, including, but without limitation, injunctive relief, an order for payment of any monies due and owing by you, an order for recovery or delivery up of possession, or for specific performance, or similar relief, from any court of competent jurisdiction, as may be necessary in our sole judgment to protect the Marks and the System and our confidential information and property rights, to enforce the restrictive covenants of this Agreement, to enforce our contractual rights, and to protect against actual or threatened conduct that on balance would cause or be likely to cause loss or damage if allowed to continue pending completion of an arbitration proceeding.

E. Governing Law. You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement. It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted. This Agreement is accepted by us in the State of Washington. This Agreement and the relationship between the parties will be interpreted under the laws of the State of Washington. Any dispute between you (or your officers, directors, shareholders, members, partners or other owners) and us, whether arising under this Agreement or from any other aspect of the parties' relationship, will be governed by and determined in accordance with the substantive laws of the State of Washington, without regard to Washington choice of law provisions. Following are exceptions to this governing law provision:

1. Washington laws will not prevail to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.).
2. Any law of the State of Washington that regulates the sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met

independently without reference to this Section.

3. No antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law statute, law or regulation of Washington or any other state is intended to be made applicable to this Agreement unless it would otherwise apply absent this paragraph.

The foregoing will not be construed as a waiver of any of your rights under any applicable franchise registration, disclosure or relationship law of another territory, state or commonwealth.

Any portion of this Agreement that requires enforcement in any other state and is enforceable under the laws of that state but not of Washington, will be construed and enforced according to the laws of that state.

F. Venue. The parties have negotiated regarding a venue in which to resolve any disputes arising between them and have agreed to select a venue in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving you (or your officers, directors, shareholders, members, partners or other owners) and us, the parties agree that all issues or disagreements between them will be mediated, arbitrated, tried, heard, and decided in King County, Washington which you agree is the most convenient venue for these purposes. You acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of, and best meets the interest of, all of the members of our franchise system.

G. Additional Remedies. You recognize the unique value and secondary meaning attached to the System, the Marks and our standards of operation and trade practices. You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the System or the Marks will cause irreparable damage to us and our franchisees. You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by laws.

No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations. Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement. If either event occurs, we may recover from you the amount of our reasonable attorney fees and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding.

During the pendency of any breach by you under this Agreement, in additional to other rights granted to us by this Agreement and available pursuant to applicable law and equity, we will have the right to (1) suspend our performance of any of our obligations under this Agreement including, without limitation, the supply of any products or services for which we are an approved supplier; (2) direct our designated and approved suppliers to stop supplying products and services to you; and/or (3) cut off your access to software and other services we provide, designate, or make

available to you.

You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the confidentiality requirements and covenants not to compete described in this Agreement. You acknowledge that any violation of the confidentiality requirements and covenants not to compete would result in irreparable injury to us for which no adequate remedy at law may be available and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete.

You agree that each of the confidentiality requirements and covenants not to compete described in this Agreement will be constructed as independent of any other covenant or provision. If all, parts or any portion of any covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. Each of the covenants described in this Agreement is a separate and independent covenant in each of the separate counties and states in the United States in which we transact business. To the extent that any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state. You understand and acknowledge that we will have the right, in our sole discretion, to reduce the scope of any of covenants, confidentiality requirements or covenants not to compete set forth in this Agreement that apply to you or to any other of our franchisees. We may do so without your consent, effective immediately upon your receipt of written notice. You agree that you will comply with any covenant that pertains to you as we so modify it.

You acknowledge we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of any part of this Agreement that relates to the confidentiality or protection of confidential information and trade secrets or your covenants to not compete against us or our franchise system or your threats or attempts to do so. For this reason, under those circumstances, we, in addition to and without limitation of any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and we will not be required to post a bond as a condition for the granting of this relief. You also agree that your violation of any confidentiality or non-competition covenants will entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation.

You specifically acknowledge the receipt of adequate consideration for the confidentiality and non-competition covenants contained in this Agreement and that we are entitled to require you to comply with these covenants. Those covenants will survive termination or expiration of this Agreement. You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood.

H. Attorneys' Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorneys' fees and previously incurred mediator fees. These will be set by the arbitration, proceeding or court, including costs and attorney fees on appeal or review from the arbitration, proceeding, suit, or action. "***Prevailing party***" means the party who recovers the greater relief in the proceeding.

9.9 **Other Agreements**. If you or any of your shareholders, partners, or officers violate any material provision of any other franchise or similar agreement with us, that breach will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements. You are aware that some present and future franchisees in our franchise system may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances.

9.10 **Agreement Binding on Successors and Assigns**. This Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

9.11 **Counterparts; Electronic Signatures**. This Agreement will be binding upon you at the time you sign it and deliver it to us. This Agreement will not be binding upon us until we accept it in writing by one of our principal officers at our home office. If we do not accept it within **60** days, this Agreement will no longer be binding upon you. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Execution of this Agreement via DocuSign or other reputable e-signature services shall constitute valid and legally binding execution.

9.12 **Approval by Shareholders, Members or Partners**. If you are a corporation, limited liability company, partnership or other entity, we will not be bound until your shareholders, members or partners read and approve this Agreement, agree to the restrictions on them (including restrictions on the transfer of their interest in the Franchise and the restrictions and limitations on their ability to compete with us), and jointly and severally guarantee your performance under this Agreement. We may request a copy of the Resolution approved by your partners, members, shareholders, owners or directors as confirmation of your fulfillment of this requirement and authorizing your execution of this Agreement. At the request of any party, any facsimile or electronic document shall be re-executed in original form by the parties who executed the facsimile or electronic document.

Your ownership certificates will have conspicuously endorsed upon them a statement that they are subject to, and that further assignment or transfer of them is subject to, the restrictions imposed upon assignments by this Agreement.

9.13 **Personal Guarantee**. If applicable, the undersigned Guarantors are all of your partners, members, shareholders or owners. Each of the undersigned Guarantors personally, jointly, severally, irrevocably, and unconditionally (a) guarantees to the Franchisor, and its successor and assigns, for the term of the Agreement (including any renewal terms) and as provided in the Agreement, that the Franchisee will punctually pay and perform each and every

undertaking, agreement, and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and its exhibits, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including but not limited to the provisions related to confidentiality and non-disclosure of confidential information, non-competition, monetary obligations, dispute resolution, and indemnification.

Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency; or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. A fresh cause of action will arise in respect of each breach by you producing a liability of any Guarantor.

The Guarantors agree that it shall not be necessary for us or our assigns to institute suit or exhaust our legal remedies against you in order to enforce this guaranty. Guarantors agree that we may from time to time extend the time for performance or otherwise modify, alter, or change this Agreement, may extend the time for payment of all sums guaranteed, and may receive and accept notes, checks, and other instruments for the payment of money made by you and extensions or renewals without in any way releasing or discharging Guarantors from their obligations. This guaranty shall not be released, extinguished, modified, or in any way affected by our failure to enforce all the rights or remedies available to it under this Agreement. Our release of one or more Guarantor will not operate as a release of the other Guarantors.

9.14 **Security Interest**. Subject to applicable state law, you grant to us a security interest in all tangible and intangible assets of the Franchise (and products and proceeds of them) as security for your obligations under this Agreement. You agree that we may prepare and file all instruments or documents necessary to consummate or perfect any such security interest, including a UCC Financing Statement. Upon request, you will execute and file such instruments or documents as needed. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.

9.15 **Terrorism, Convictions, Immigration Status**. Neither you, nor your spouse, nor your children, nor your parents, nor anyone who has an interest in or who will manage the franchise, nor any of your partners or affiliates:

1. supports terrorism,
2. provides money or financial services to terrorists,
3. receives money or financial services from terrorists or institutions that support terrorists
4. is engaged in terrorism, or
5. is on the current U.S. government lists of persons and organizations that

support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Freedom Act" or its successors.

Neither you nor any of these persons has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with and travel to the United States to fulfill your obligations under your agreements with us.

9.16 **No Guarantee of Income or Refund if Not Satisfied**. Without limiting the generality of the foregoing, you acknowledge that we have not guaranteed that you will derive income from the Franchise that exceeds the price you paid for the Franchise; or that we will refund all or part of the price you paid for the Franchise, or repurchase any of the products, equipment, supplies or chattels supplied by us (as applicable), if you are unsatisfied with the Franchise.

9.17 **Varying Forms of Agreement**. You are aware that our present and future franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances.

9.18 **Additional Representations and Acknowledgments**. You make the following representations and acknowledgments to us:

9.18.1 Receipt of Disclosure Documents. You have received our franchise disclosure document at the earlier of (1) the first personal meeting with us (if required in your state); or (2) 14 calendar days before signing any franchise or related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale (or 10 business days if required in your state). In addition, you acknowledge either:

A. Receipt of this Agreement containing all substantive terms at the time of delivery of the franchise disclosure document; or

B. If we unilaterally and materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the franchise disclosure document (in connection with properly amending our franchise registration in the relevant state(s)), you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than seven calendar days before you signed this Agreement.

9.18.2 You Have Read and Understand this Agreement. You have read and understand this Agreement. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Marks and the confidentiality and value of the System. You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the franchise relationship created by this Agreement. You believe you have made a good decision for yourself (or your partners or your business entity) based upon what you believe is your ability to run and control a business of your own.

9.18.3 Speculative Success. The success of your franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the potential success of the Franchise.

9.18.4 Independent Investigation, No Projections or Representations. You have entered this Agreement after conducting an independent investigation of us and of the franchise we offer. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize. Except as outlined in Item 19 of our franchise disclosure document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our franchise disclosure document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

9.18.5 No Review of Business Plans or Loan Applications. Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third-party loan applications related to your purchase of and proposed operation of the Franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential franchise investment for you. You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your franchise.

9.18.6 Health and Full-Time Participation. You acknowledge that a GROOMBAR business involves hard work and sometimes long hours, similar to most small businesses that are owner-operated. We have not represented that this business is going to be easy for you, your partners, officers or directors. You represent that you or your principals are in good health and able to devote your best efforts in the operations of your Franchise and/or that you have the business management skills necessary to successfully hire a general manager to run the day-to-day operations of your Franchise (to the extent permitted by this Agreement).

9.18.7 Investigate Applicable Laws. You have had ample opportunity to investigate laws applicable to your business with your own independent legal counsel before signing this Agreement.

[SIGNATURES APPEAR ON THE NEXT PAGE.]

IN WITNESS, the parties have executed this Agreement on the day and year first above written.

("we/us"): **NPM FRANCHISING, LLC** (jointly and severally "you"):

By: _____

Title: _____

By:_____
_____, an individual

By: _____

Title: _____

IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY: THIS AGREEMENT MUST BE SIGNED BY A COMPANY OFFICER, DIRECTOR OR OWNER AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY. ADDITIONALLY, THE AGREEMENT MUST BE SIGNED BY ALL OFFICERS AND OWNERS OF THE COMPANY AS INDIVIDUALS.

The undersigned officer _____ being the _____ of _____, pursuant to authority granted to him at a duly called meeting of such company on the ____ day of _____, 20____, executes this instrument, by signing the name of the company, as an officer.

("we/us"): **NPM FRANCHISING, LLC** ("you"):

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

SIGNATURES OF INDIVIDUALS:

Signed: _____

Name: _____

Signed: _____

Name: _____

IF YOU ARE A PARTNERSHIP: THIS AGREEMENT MUST BE SIGNED BY ALL GENERAL PARTNERS. THE AGREEMENT MUST ADDITIONALLY BE SIGNED BY ALL GENERAL PARTNERS, AS INDIVIDUALS.

The undersigned partner, _____, being a General Partner authorized to execute this Agreement on behalf of the partnership, executes this instrument by signing the name of the partnership by himself, as general partner of the partnership.

("we/us"): **NPM FRANCHISING, LLC** ("you"):

By: _____ By: _____
Name: _____ Name: _____

Title: _____ Title: _____

SIGNATURES OF INDIVIDUALS:

Signed: _____

Name: _____

Signed: _____

Name: _____

FRANCHISE AGREEMENT
EXHIBIT 1

FRANCHISE TERRITORY

1) **FRANCHISE TERRITORY**: The Franchise Territory is defined as follows: [_____]

2) **MISCELLANEOUS**: The Franchise Territory must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of outlets or business operations by any party and concerning any territory protections granted to you.

FRANCHISE AGREEMENT
EXHIBIT 2

MULTIPLE FRANCHISE PURCHASE ADDENDUM

(To be Used if Franchisee Purchases Multiple Franchises Simultaneously)

The undersigned parties are simultaneously signing *[#]* franchise agreements (in this Addendum, each is referred to as a "Franchise Agreement" or collectively as the "Franchise Agreements") and corresponding Multiple Franchise Purchase Addenda (including this Franchise Agreement and this Multiple Franchise Purchase Addendum) as part of a multiple franchise purchase.

The following additional provisions are agreed to by the parties with respect to the attached Franchise Agreement of which this Addendum is a part. In the event of conflict, the provisions of this Addendum supersede the corresponding provisions of the Franchise Agreement.

1. Initial Franchise Fees. For the franchises you are purchasing simultaneously from us, you shall pay the Initial Franchise Fees in full upon signing this Addendum.

2. Franchise Territory. Each Franchise Territory must be legally available pursuant to state and federal franchise disclosure and registration laws and pursuant to our commitments to our franchisees, and in compliance with our franchise placement, market development and demographic criteria. Except as specifically outlined or forbidden in the relevant franchise agreements, there are no understandings oral or written concerning the future placement of outlets or business operations by any party and concerning any territory protections granted to you.

3. Development Schedule. You will commence in good faith to perform your obligations under the relevant franchise agreements and commence full and continuous operation within the following time periods after execution of this Agreement (the "Development Schedule"):

Territory Number	**Deadline for Opening**	**Minimum Number of Mobile Grooming Vans in Defined Territory Open and Operating by Deadline for Opening**	**Cumulative Number of Mobile Grooming Vans to Be Open and in Operation No Later than the Opening Deadline**
1	Within 6 months of signing Multiple Franchise Purchase Addendum	1	1
2	Within 12 months of signing Addendum	1	2
3	Within 18 months of signing Addendum	1	3
4	Within 24 months of signing Addendum	1	4

Territory Number	Deadline for Opening	Minimum Number of Mobile Grooming Vans in Defined Territory Open and Operating by Deadline for Opening	Cumulative Number of Mobile Grooming Vans to Be Open and in Operation No Later than the Opening Deadline
5 and thereafter	Additional 6 months thereafter for each franchise	1, 1, 1, etc.	5, 6, 7, etc.

In the event that you do not comply with the Development Schedule, we will have the right to terminate any of your franchise agreements representing franchises that have not yet opened for business. Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control (not including financial circumstances) will be excused for a period of time that we deem reasonable under the circumstances.

4. Default and Termination. The parties have executed a number of franchise agreements contemporaneously with this Agreement as part of a multiple franchise purchase. Any material violation or breach of any such agreement, or of any other franchise agreement between the parties or of any other agreement between the parties related to the franchise system will be deemed a material violation of this Agreement, of all such other franchise agreements, and of all such other agreements. The non-breaching party then will be entitled to enforce the penalties of or to terminate this Agreement and any or all of such other franchise agreements and such other agreements as provided in this Agreement for enforcement or termination.

("we/us"): **NPM FRANCHISING, LLC** ("you"):

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

SIGNATURES OF INDIVIDUALS:

Signed: _____

Name: _____

Signed: _____

Name: _____

FORM OF PROMISSORY NOTE

(To be Used if Franchisee Will Pay Installment Payments Per the Multiple Franchise Purchase Addendum)

$_____ **_____ ___, 20___**

[CITY, STATE]

FOR VALUE RECEIVED, **_____**, a *[State] [Type of Entity]*, and _____, an individual, and _____, an individual (jointly and severally "Maker") promises to pay to the order of **NPM Franchising, LLC**, a Washington Limited Liability Company ("Holder") the principal sum of ***[$_____]*** in lawful money of the United States. Interest will be paid on the principal amount at the rate of ten percent (10%) per annum from the date of this promissory note (this "Note") until paid. Principal and interest will be paid in monthly installments of not less than **$_____** on or before the _____ day of each month for _____ months commencing _____, 20___ until the entire principle balance and accrued interest has been paid. There is a pre-payment penalty of ten percent (10%) of the total amount then due.

If any payment due pursuant to this note is not made when due, then Holder may provide written notice to Maker of its intent to call due the entire indebtedness represented by this note. If Maker does not pay the past due payment within five days of receipt of this written notice from Holder, then the entire indebtedness represented by this note will become due and payable and thereafter will bear interest at the rate of eighteen percent (18%) per annum, provided such interest rate will not exceed the maximum rate permitted by law. Failure or delay of Holder to exercise this option will not constitute a waiver of the right to exercise the option in the event of subsequent default or in the event of continuance of any existing default after demand for the performance of the terms of this note.

The undersigned will pay upon demand any and all expenses, including reasonable attorney fees, incurred or paid by Holder without suit or action in attempting to collect funds due under this note. In the event an action is instituted for the collection of this note, the prevailing party will be entitled to recover, at trial or on appeal, such sums as the court may adjudge reasonable as attorney fees, in addition to costs and necessary disbursements.

The undersigned and its successors and assigns hereby waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection, and consent that the time of payment on any part of this note may be extended by Holder without otherwise modifying, altering, releasing, affecting, or limiting its liability.

This Note will be construed under and in accordance with the laws of the state of Washington, without giving effect to any rules governing the conflicts of law. All issues or disagreements relating to this Note will be mediated, arbitrated, tried, heard, and decided in King County, Washington.

"Maker" (jointly and severally):

_____

By: _____

Title: _____

Print Name: _____

Signature: _____

Personally

Print Name: _____

Signature: _____

Personally

FRANCHISE AGREEMENT
EXHIBIT 3

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this "**Guaranty**") is given this _____ day of _____, 20___, by _____

_____, jointly and severally (collectively, the "**Guarantors**").

1. General. In consideration of, and as an inducement to, t9he execution of that certain Franchise Agreement (including its exhibits) of even date (the "**Agreement**") by NPM FRANCHISING, LLC, a Washington limited liability company (the "**Franchisor**"), with _____ a _____ [corporation/limited liability company] (the "**Franchisee**"), each of the undersigned ("**Guarantor(s)**") personally and unconditionally (a) guarantees to the Franchisor, and its successor and assigns, that the Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and its exhibits, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including but not limited to the provisions related to confidentiality and non-disclosure of confidential information, non-competition, use of trademarks and other intellectual property, monetary obligations, dispute resolution, and indemnification. In this Guaranty, "Agreement" includes the Franchise Agreement and its exhibits and attachments as presently constituted and as they may be renewed, extended or modified.

2. Certain Waivers. Each of the undersigned waives: (1) acceptance and notice of acceptance by the Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right the undersigned may otherwise have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed by this Guaranty; and (6) any and all other notices and legal or equitable defenses to which it may be entitled..

3. Certain Consents and Agreements. Each of the undersigned consents and agrees that: (1) each Guarantor's liability under this undertaking is direct, immediate, and independent of the liability of, and is joint and several with, the Franchisee and the other owners of the Franchisee; (2) the undersigned will render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so; (3) the liability of each of the undersigned is not contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person (including others of the undersigned); (4) the Franchisor may proceed against the Guarantor without having commenced any action, or having obtained any judgment, against the Franchisee; (5) the liability of each of the undersigned will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which the Franchisor may grant to the Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, or any amendment to the Agreement, none of which shall in any way modify or amend this Guaranty, which shall be continuing; (6) neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for the enforcement of this Guaranty will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or

limitation of the liability of the Franchisee or its estate in bankruptcy or of any remedy for the enforcement of this Guaranty, resulting from the operation of any present or future provision of the U.S. Bankruptcy Code or other statute, or from the decision of any court or agency; and (7) any obligations or debt owing from Franchisee to the undersigned shall be subordinate to Franchisee's obligations under the Agreement and this Guaranty.

4. Miscellaneous.

4.1 Guarantor further agrees to reimburse the Franchisor for all costs and expenses which the Franchisor may incur in the enforcement of any of its rights under this Guaranty, including reasonable attorneys' fees.

4.2 Nothing in this Guaranty shall be deemed or taken to be a condition or limitation of any of the rights of the Franchisor against the Franchisee.

4.3 This Guaranty shall continue in full force and effect until all of the obligations of the Franchisee have been satisfied.

4.4 The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the successors and assigns of the Guarantor and Franchisor.

4.5 No provision of this Guaranty or right of Franchisor hereunder can be waived or modified, nor can Guarantor be released from Guarantor's obligations hereunder, except by a writing duly executed by Franchisor.

4.6 This Guaranty may be assigned by Franchisor concurrently with the transfer or assignment of the License Agreement, and, when so assigned, Guarantor shall be liable to the assignees without in any manner affecting the liability of Guarantor hereunder.

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

4.8 This Guaranty shall be governed by and construed in accordance with the laws of the State of Washington. In any action brought under or arising out of this Guaranty, Guarantor hereby consents to the jurisdiction of any competent court within the County of King, State of Washington and hereby consents to service of process by any means authorized by Washington law.

4.9 This Guaranty shall constitute the entire agreement of Guarantor with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Franchisor unless expressed herein.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S):	PERCENTAGE OWNERSHIP IN FRANCHISEE:
Signed: _____ Print Name: _____	_____%
Signed: _____ Print Name: _____	_____%

EXHIBIT E

FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT STATE LAW ADDENDUM

The following modifications and additions are part of our Franchise Disclosure Document ("FDD") and Franchise Agreement ("FA") as required by relevant state laws.

California

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

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

FDD Item 17, FA Sections 5, 6, 7 and 9

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

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

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

(4) You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

(5) The Franchise Agreement provides that all issues or disagreements relating to the Franchise Agreement will be mediated, tried, heard and decided at King County, Washington with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to

consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

(6) The Franchise Agreement requires application of the laws of the State of Washington. This provision may not be enforceable under California law.

(7) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

FDD Item 3

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

FDD Item 17.r; FDD Exhibit I (Confidentiality and Non-Competition Agreement); and FA Section 6.8

Under Business and Professions Code Section 16600, covenants not to compete that extend beyond the termination of the franchise are not enforceable under California law.

FDD Item 6; FA Section 2.7

The late charge is 10% per annum in California (rather than 1.5% per month or 18% per annum).

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

Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

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. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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.

Hawaii

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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

FDD Item 17 and FA Sections 6.1 (renewal); 6.3 (termination); 7.1 (transfer); and 9 (enforcement)

Illinois law governs the franchise agreement(s).

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

Franchisees' rights upon termination and no-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

[SIGNATURE BLOCKS APPEAR ON THE NEXT PAGE.]

Illinois State Law Addendum Signature Page:

DATED this _____ day of _____, 20____.

("we/us"): **NPM FRANCHISING, LLC**

By: _____

Name: _____

Title: _____

("you"):

By: _____

Name: _____

Title: _____

Individuals:

Signed: _____

Name: _____

Signed: _____

Name: _____

Maryland

The franchise disclosure document, franchise agreement and multiple franchise purchase addendum are amended to include the following state specific amendments.

FDD Item 17; FA Sections 6, 7 and 9; Multiple Franchise Purchase Addendum

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

Any provision that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Despite anything to the contrary in the franchise agreement or Disclosure Document, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Act.

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

Franchise Agreements

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.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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.

[SIGNATURE BLOCKS APPEAR ON THE NEXT PAGE.]

Maryland State Law Addendum Signature Page:

DATED this _____ day of _____, 20____.

("we/us"): **NPM FRANCHISING, LLC**

By: _____

Name: _____

Title: _____

("you"):

By: _____

Name: _____

Title: _____

Individuals:

Signed: _____

Name: _____

Signed: _____

Name: _____

Michigan

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are included in these franchise documents, the provisions are void for Michigan franchisees and cannot be enforced against Michigan franchisees. These provisions are:

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise investment law. This will 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 will include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice and a reasonable opportunity, which in no event need be more than 30 days, to cure the 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 six months' advance notice of the franchisor's intent not to renew the franchise.

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a

franchisor from exercising a right of first refusal to purchase the franchise. Good cause will 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 breach 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 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 the franchisee's obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation or endorsement by the Attorney General. A franchisor whose most recent financial statements are unaudited and show a net worth of less than $100,000 will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of the escrow. Any questions regarding this notice should be directed to the Department of the Michigan Attorney General, 6520 Mercantile Way, Suite 3, Lansing, Michigan 48913; (517) 373-3800.

The name and address of the franchisor's agent in Michigan authorized to receive service of process is:

Michigan Department of Commerce
Corporation and Securities Bureau
Office of Franchise and Agent Licensing
6546 Mercantile Way
P. O. Box 30222
Lansing, Michigan 48910

Minnesota

Minnesota law prohibits requiring a franchisee to waive his or her rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar a voluntary arbitration of any matter if the proceeding is conducted by an independent tribunal under the rules of the American Arbitration Association. (Minn. Rules 2860.4400(J)).

FDD Item 17; FA Sections 6.1, 6.3 and 7.1

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

FDD Item 17; FA Sections 6 and 9.8

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of 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.

FDD Item 13; FA Section 5

Minnesota Statutes Section 80C.20, Subdivision 1(g) allows the Minnesota Commissioner of the Department of Commerce to issue a cease and dismiss order or issue an order denying, suspending or revoking any registration, amendment or exception on finding any of the following . . . that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees. Pursuant to this section, the Commissioner requires all franchisors registering in the state of Minnesota to state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logo types or other commercial symbols or indemnify the franchisee from any loss, cost or expenses arising out of any claim, suit or demand regarding the use of the name. We intend to comply with the Minnesota

statute and to protect the franchisee's rights and indemnify the franchisee for any losses to the full extent required by relevant state law.

FDD Item 17, FA Sections 6, 7 and 9

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. The general release provisions in the Franchise Agreement are void and unenforceable in the state of Minnesota.

FA Section 9

Pursuant to Minnesota Statutes Section 80.C.21, this section will not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80.C, including, but not limited to, the right to submit matters to the jurisdiction of the courts in Minnesota.

FDD Item 6, FA Section 2

NSF checks are governed by Minnesota Statute 604.113, which currently puts a cap of $30 on service charges. The Franchise Agreement is hereby amended accordingly.

FDD Item 17, FA Section 9

Under Minnesota Statutes, Section 80C.17, Subd. 5, no action may be commenced pursuant to this section more than three years after the cause of action accrues.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS

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

2. The following is to be added at the end of Item 3: With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

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

Rhode Island

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not

permissible or enforceable under applicable state franchise laws.

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.

Virginia

FDD Items 9 and 17

Additional Disclosure. The following statements are added to Item 17.h.

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 do not constitute "reasonable cause, " as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant 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 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.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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 State Addenda to the Franchise Agreement and Any Related Agreements

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions

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

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

FDD Item 3

Assurance of Discontinuance

On or about October 23, 2019, we received a Civil Investigative Demand ("CID") from the Attorney General of Washington investigating "no-poach" provisions in franchise agreements. In lieu of responding to the CID, we and the Attorney General of Washington signed an Assurance of Discontinuance (AOD), which was entered with the State of Washington King County Superior Court, No. 19-2-29000-5 SEA, November 1, 2019.

In the AOD, we acknowledged the inclusion of no-poach provisions in our franchise agreements,

but expressly denied that such conduct constitutes a contract, combination, or conspiracy in restraint of trade in violation of the Consumer Protection Act, RCW.19.86.030, or any other law, and expressly denied that we have engaged in conduct that constitutes a contract, combination, or conspiracy in restraint of trade. We entered into the AOD to avoid protracted and expensive litigation.

In the AOD, we agreed, among other things, to (1) no longer include no-poach provisions in any of our future franchise agreements; (2) no longer enforce no-poaching provisions in any of our existing franchise agreements and not seek to intervene or defend in any way the legality of any no-poach provision in any litigation in which a franchisee may claim third-party beneficiary status rights to enforce an existing no-poach provision; (3) notify all of our franchisees of the entry of the AOD and provide them a copy; (4) notify the Attorney General's Office if we learn of any effort by a franchisee in Washington to enforce any existing no-poach provision; (5) take affirmative action to amend all existing franchise agreements with entities in Washington to remove any no-poaching provisions in our then-existing franchise agreements; and (6) amend all of our existing franchise agreements on a nationwide basis to remove any no-poach provision as they come up for either renewal or renegotiation during the ordinary course of business. On or about January 21, 2020, we submitted a declaration of compliance to the Attorney General's Office declaring that all provisions of the AOD had been satisfied.

The AOD is binding on, and applies to us and our directors, officers, managers, agents acting within the scope of their agency, employees, successors, assigns, controlled subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, or other entities through which we (at the time of entry of the AOD or thereafter) act with respect to the conduct alleged in the AOD.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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 undersigned does hereby acknowledge receipt of this addendum.

Wisconsin

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits

termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. Item 17 of the Disclosure Document and the corresponding section of the Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, the Wisconsin Fair Dealership 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.

It is agreed that the applicable foregoing state law addendum for the state of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including these State Law Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

DATED this _____ day of _____, 20____.

("we/us"): **NPM FRANCHISING, LLC**

By: _____

Name: _____

Title: _____

("you"):

By: _____

Name: _____

Title: _____

Individuals:

Signed: _____

Name: _____

Signed: _____

Name: _____

Exhibit F to the NPM Franchising, LLC Franchise Disclosure Document

SYSTEMWIDE LIST OF CURRENT FRANCHISEE OUTLETS
As of September 30, 2023

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
AZ	EarthWise Pet	20924 North John Wayne Pkwy	Maricopa	AZ	85139	Kandice Pyper	403-358-4813
AR	EarthWise Pet	3316 SW I St	Bentonville	AR	72712	Michael Anderson	479-319-6324
CA	Protein for Pets by EarthWise Pet	701 South Weir Canyon Rd Suite 111	Anaheim	CA	92808	Lisa Senafe/Tony Smith	714-395-4158
CA	EarthWise Pet	3341 E Imperial Hwy	Brea	CA	92823	Chris Wadlington	714-949-1787
CA	EarthWise Pet	2025 San Elijo Ave, Cardiff	Cardiff	CA	92007	Leslie Hicks	760-230-1331
CA	EarthWise Pet	6986 El Camino Real, Ste H&I	Carlsbad	CA	92009	Teresa Woods	760-448-5905
CA	EarthWise Pet	8901 Atlanta Ave	Huntington Beach	CA	92646	Lisa Senafe/Tony Smith	657-204-2840
CA	EarthWise Pet	5365 Alton Pkwy	Irvine	CA	92604	Chris Wadlington	949-554-8084
CA	EarthWise Pet	23894 Aliso Creek Rd	Laguna Niguel	CA	92677	Chris Wadlington	949-779-1244
CA	EarthWise Pet	2060 Lake Tahoe Blvd	Lake Tahoe	CA	96150	Julie Shaw	503-725-0770
CA	EarthWise Pet	1044 Irvine Ave	Newport Beach	CA	92660	Chris Wadlington	949-922-5741
CA	EarthWise Pet	40101 Monterey Ave, Ste G7	Rancho Mirage	CA	92270	Chris Wadlington	760-340-4542
CA	Protein for Pets by EarthWise Pet	16630 Soledad Canyon Rd.	Santa Clarita	CA	91387	Lisa Senafe/Tony Smith	661-374-1403
CA	EarthWise Pet	255-A Mount Herman Rd	Scott's Valley	CA	95066	Apollo, Zane, & Brett Aeck	831-708-1016
CA	EarthWise Pet	12507 Ventura Blvd	Studio City	CA	91604	Chris Wadlington	818-838-5615
CA	Protein for Pets by EarthWise Pet	25910 McBean Pkwy	Valencia	CA	91355	Lisa Senafe/Tony Smith	661-476-9804
CA	EarthWise Pet	24272 Valencia Blvd	Valencia	CA	91355	Chris Wadlington	661-653-8826
CA	EarthWise Pet	303 Lincoln Blvd	Venice	CA	90291	Chris Wadlington	424-744-7190

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
CA	Protein for Pets by EarthWise Pet	1611 S. Melrose Dr Suite B	Vista	CA	92081	Lisa Senafe/Tony Smith	760-298-0087
CO	Bentley's Pet Stuff by EarthWise Pet	7705 Wadsworth Blvd, Unit F	Arvada	CO	80003	Lisa Senafe/Tony Smith	720-639-6958
CO	EarthWise Pet	5627 Barnes Road, Suite 100	Colorado Springs	CO	80917	Craig Newmaker & Danielle Novotny	719-231-4444
CO	EarthWise Pet	7 Spectrum Loop, Ste 105	Colorado Springs	CO	80921	Craig Newmaker & Danielle Novotny	719-937-6624
CO	EarthWise Pet	5035 S Kipling Pkwy suite b3	Littleton	CO	80127	Marcy Cardona & Lauren Anderson	720-535-8339
CO	EarthWise Pet	13097 S Parker Rd, Unit D	Parker	CO	80134	Craig Newmaker & Danielle Novotny	303-805-3845
CO	Bentley's Pet Stuff by EarthWise Pet	11225 Decatur Street, Suite 600 & 800	Westminster	CO	80234	Lisa Senafe/Tony Smith	303-460-0117
CO	Dee-O-Gee by EarthWise Pet	110 Emery St.	Longmont	CO	80501	Rachel & Tim Shannon	303-552-4928
FL	All 4 Pets by EarthWise Pet	425 Avalon Park S Blvd	Orlando	FL	32828	Giovanni Senafe	407-282-4406
FL	Munchies by EarthWise Pet	2896 West Bay Drive	Belleair Bluffs	FL	33770	Anthony & Maria Fuentes	727-581-1000
FL	EarthWise Pet	4106 NW 16th Blvd	Gainesville	FL	32605	Jeri & Laura Banta	352-373-4738
FL	EarthWise Pet	3846 3rd St South	Jacksonville Beach	FL	32250	Glenn & Regina Henderson	904-372-7822
FL	EarthWise Pet	14029 West Newberry Road, Unit 1	Jonesville	FL	32669	Sharon Vogel	352-554-5655
FL	EarthWise Pet	10651 Narcoossee Rd	Orlando	FL	32832	Nick & Nusa Marchio	407-271-8869
FL	Munchies by EarthWise Pet	3705 Tampa Rd #11	Oldsmar	FL	34677	Anthony & Maria Fuentes	813-925-0449
FL	EarthWise Pet	632 W 23rd St	Panama City	FL	32405	Pat & Kellie O'Brien	850-640-2173
FL	EarthWise Pet	6668-2 Thomasville Rd	Tallahassee	FL	32312	Mac Rabb	850-597-8720
FL	EarthWise Pet	3454 Lithia Pinecrest Rd	Valrico	FL	33596	Mark & Linda Quade	813-999-0858

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
FL	Munchies by EarthWise Pet	1722 Bruce B. Downs Blvd.	Wesley Chapel	FL	33543	Giovanni Senafe/Victor Fonseca	813-803-7226
GA	EarthWise Pet	3300 Hamilton Mill Rd, Ste 103	Buford	GA	30519	Maria Myrie	470-268-7141
GA	Bentley's Pet Stuff by EarthWise Pet	6880 Douglas Boulevard E	Douglasville	GA	30135	Lisa Senafe/Tony Smith	404-809-7059
GA	Bentley's Pet Stuff by EarthWise Pet	473 Pooler Parkway	Pooler	GA	31322	Lisa Senafe/Tony Smith	912-330-8852
GA	Bentley's Pet Stuff by EarthWise Pet	4501 Habersham Street	Savannah	GA	31405	Lisa Senafe/Tony Smith	912-691-8788
GA	Bentley's Pet Stuff by EarthWise Pet	4717 Hwy 80 East	Savannah	GA	31410	Lisa Senafe/Tony Smith	912-231-3718
IA	EarthWise Pet	103 W 2nd Street North	Newton	IA	50208	Zachary Jensen	641-792-0158 (retail) 641-787-0058 (grooming)
IA	EarthWise Pet	816 Main Street	Pella	IA	50219	Zachary Jensen	641-628-4444
ID	EarthWise Pet	1240 W Chinden Blvd	Meridian	ID	83646	Jim Fizznoglia	208-269-1830
IL	Bentley's Pet Stuff by EarthWise Pet	1257 Devon Ave	Chicago	IL	60660	Lisa Senafe/Tony Smith	773-465-0600
IL	Bentley's Pet Stuff by EarthWise Pet	3657 N Southport Ave	Chicago	IL	60613	Lisa Senafe/Tony Smith	773-857-7600
IL	Bentley's Pet Stuff by EarthWise Pet	1201 N. Wells St.	Chicago	IL	60610	Lisa Senafe/Tony Smith	312-255-1955
IL	Bentley's Pet Stuff by EarthWise Pet	5300 NW Hwy Rt. 14, Suite 102/103	Crystal Lake	IL	60014	Lisa Senafe/Tony Smith	815-893-4772
IL	Bentley's Pet Stuff by EarthWise Pet	1014 Ogden Ave.	Downers Grove	IL	60515	Lisa Senafe/Tony Smith	630-324-6904
IL	Bentley's Pet Stuff by EarthWise Pet	743 Chicago Ave	Evanston	IL	60202	Lisa Senafe/Tony Smith	224-307-2906

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
IL	Bentley's Pet Stuff by EarthWise Pet	1504 Essington Rd #6	Joliet	IL	60435	Lisa Senafe/Tony Smith	815-782-4184
IL	Bentley's Pet Stuff by EarthWise Pet	529 N. Milwaukee Ave.	Libertyville	IL	60048	Kara & Brett Tau	847-247-6990
IL	EarthWise Pet	790 Royal St. George Drive	Naperville	IL	60563	Paul & Mary Weber	630-470-9739
IL	Bentley's Pet Stuff by EarthWise Pet	100 Main St	Oswego	IL	60543	Lisa Senafe/Tony Smith	630-551-3647
IL	Bentley's Pet Stuff by EarthWise Pet	263 Rice Lake Square	Wheaton	IL	60189	Lisa Senafe/Tony Smith	630-682-4522
IL	GROOMBAR	2201 Gary Ave.	Wheaton	IL	60187	Lisa Senafe/Tony Smith	630-752-1612
IL	Wags to Whiskers by EarthWise Pet	15420 Illinois Rte. 59 #104	Plainfield	IL	60544	Lisa Senafe/Tony Smith	815-436-5957
IN	Bentley's Pet Stuff by EarthWise Pet	173 US Hwy 41	Schererville	IN	46375	Jesse & Kim Harty	219-225-9450
KS	EarthWise Pet	4701 Bauer Farm Drive, Ste B	Lawrence	KS	66049	John, Doug, & Kathy Funk	785-842-1559
KY	EarthWise Pet	500 Winchester Ave, Ste 148-C	Ashland	KY	41101	Marc Vonderheide	606-777-7387
MD	EarthWise Pet	40845 Merchants Lane, Unit 100	Leonardtown	MD	20650	Suzanne Edgar	240-309-4099
MI	EarthWise Pet	2207-A South Telegraph Rd	Bloomfield	MI	48302	Mark & Dawn Hall	248-322-1310
MI	EarthWise Pet	20748 Pontiac Trail	South Lyon	MI	48178	Shawn Bakewell	248-264-6018
MN	Bentley's Pet Stuff by EarthWise Pet	400 Water Street	Excelsior	MN	55331	Lisa Senafe/Tony Smith	952-855-4329
MO	EarthWise Pet	12730 Olive Blvd	Creve Coeur	MO	63141	David Thorpe & Carl Hennicke	314-576-PETS
MT	Dee-O-Gee by EarthWise Pet	27 Shiloh Rd Suite #1	Billings	MT	59106	Seth Stoval	406-534-4245
MT	Dee-O-Gee by EarthWise Pet	2051 Oak St. Ste #4	Bozeman	MT	59718	Sherri Wright and Brad Jepson	406-600-7925

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
MT	Dee-O-Gee by EarthWise Pet	424 E. Main St, Ste 103.	Bozeman	MT	59715	Sherri Wright and Brad Jepson	406-600-7925
MT	Dee-O-Gee by EarthWise Pet	2030 Cromwell Dixon Ln	Helena	MT	59602	Diane Stilson	406-708-4923
MT	Dee-O-Gee by EarthWise Pet	235 Morning View Drive	Kalispell	MT	59901	Adam Blanton	707-755-1787
MT	Dee-O-Gee by EarthWise Pet	3275 N. Reserve St, Ste G	Missoula	MT	59808	LaToya & Brandon Leedy	406-728-2275
NC	EarthWise Pet	418 S White St	Wake Forest	NC	27587	Hugo Palomo	919-569-5369
NH	EarthWise Pet	380 Lafayette Rd #207	Seabrook	NH	03874	Jeff & Penny Frazier	603-760-2156
NV	EarthWise Pet	2520 W Horizon Ridge Pkwy, Ste 145	Henderson	NV	89052	Scott Brown & Shannon Brown	702-902-2883
NJ	EarthWise Pet	661 A Bridgeton Pike	Mantua	NJ	08051	Fred & Kelly White	856-494-4290
NJ	EarthWise Pet	245 Fries Mill Rd, Ste 4&5	Turnersville	NJ	08012	George & Teresa Davenport	856-245-7229
NJ	EarthWise Pet	154 Route 73	Voorhees	NJ	08043	Kevin & Nicole Minteer	856-767-7387
NY	EarthWise Pet	4148 N.Y. State Route 31	Clay	NY	13041	Shani Campbell-Clarke	351-751-4001
OH	EarthWise Pet	375 Lear Road, Suite C	Avon Lake	OH	44012	Sharon & Felipe Covarrubias (Sharon is franchisee)	440-653-5018
OH	EarthWise Pet	11328 Montgomery Rd	Cincinnati	OH	45249	Dan & Lisa Woods	513-469-7387
OH	EarthWise Pet	7316 Yankee Rd	Liberty Township	OH	45044	Troy Dessauer	513-777-5777
OH	EarthWise Pet	5275 Detroit Rd	Sheffield	OH	44054	Sharon & Felipe Covarrubias (Sharon is franchisee)	440-695-8370
OK	EarthWise Pet	3000 SW 104th Street, Suite 8	Oklahoma City	OK	73159	Ashkan Rahimi	405-676-8529
OR	Nature's Pet by EarthWise Pet	2305 Ashland St., Ste 1E	Ashland	OR	97520	Mark & Vickie Pagan	541-708-0707
OR	Nature's Pet by EarthWise Pet	16165 SW Regatta Lane, Ste 100	Beaverton	OR	97006	Tim Dunn, Claudia & Philip Katz	503-992-6427

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
OR	Nature's Pet by EarthWise Pet	19570 Amber Meadow Dr #180	Bend	OR	97702	Karin Turner	541-241-9244
OR	Nature's Pet by EarthWise Pet	1477 SE 1st Ave. #113	Canby	OR	97013	Eileen Anderson	503-266-1611
OR	Nature's Pet by EarthWise Pet	2864 Willamette St., Ste 200	Eugene	OR	97405	Mark Dunn	541-653-9247
OR	Nature's Pet by EarthWise Pet	901 SW Highland Dr, Ste P	Gresham	OR	97080	Karen Sottile	971-220-1501
OR	EarthWise Pet	12960 SE 162nd Ave #203	Happy Valley	OR	97086	Kevin & Chanda Ennis	503-454-0140
OR	Nature's Pet by EarthWise Pet	1330 NE Orenco Station Pkwy	Hillsboro	OR	97124	John & Jolene Mitchell	503-693-3151
OR	Nature's Pet by EarthWise Pet	900 North Hwy 99W	McMinnville	OR	97128	Alan Wetaz	503-434-5900
OR	Nature's Pet by EarthWise Pet	969 Medford Center Dr	Medford	OR	97504	Mark & Vickie Pagan	541-500-8484
OR	Nature's Pet by EarthWise Pet	111 NW 21st Ave	Portland	OR	97209	Tim Dunn, Claudia & Philip Katz	503-360-1244
OR	Nature's Pet by EarthWise Pet	8169 N Lombard St	Portland	OR	97203	Celeste Scheibold & Matt Richards	503-572-5720
OR	Nature's Pet by EarthWise Pet	4555 Liberty Rd. S., Ste 130	Salem	OR	97302	Julie Owrey	503-362-4555
OR	Nature's Pet by EarthWise Pet	20345 SW Pacific Hwy, Ste 300	Sherwood	OR	97140	Matt & Jenny Flanagan	503-625-3530
OR	Nature's Pet by EarthWise Pet	5656 Hood St, Ste 101	West Linn	OR	97068	Mason & Kristen Hartman	503-305-8628
OR	Nature's Pet by EarthWise Pet	9740 SW Wilsonville Rd, Ste 210	Wilsonville	OR	97070	Matt & Jenny Flanagan	503-826-5125
PA	EarthWise Pet	4727 Freemansburg Ave	Easton	PA	18045	Kelley & Robert Spellman	610-829-9809
PA	EarthWise Pet	140 Eagleview Blvd	Exton	PA	19341	Matt & Janette Bachman	484-873-3901
SC	EarthWise Pet	224 Fresh Dr Unit C	Myrtle Beach	SC	29579	Pete & Tracy Mills	843-236-3129
SC	EarthWise Pet	2700 Woodruff Rd	Simpsonville	SC	29681	Tim & Vickie Tuck	864-631-2745
SC	EarthWise Pet	655 Fairview Road, Ste B	Simpsonville	SC	29680	Annie Griseta & Geralyn McDonough	864-757-1599

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
SD	EarthWise Pet	6223 S Western Ave	Sioux Falls	SD	57108	Scott & Julie Ward	605-271-4673
TN	EarthWise Pet	7028 Nolensville Rd, Ste 101	Nolensville	TN	37135	Jane Reising & Laura and John JeanBaptiste	615-776-2888
TN	Dee-O-Gee	6001 Hughes Crossing Suite 120	Franklin	TN	37064	Shawn Day	(615) 790-1121
TX	EarthWise Pet	5625 Saratoga Blvd #119	Corpus Christi	TX	78414	Rick & Jennifer Baird	361-353-PETS
TX	EarthWise Pet	2311 Cross Timbers Rd, Ste 307	Flower Mound	TX	75028	David & Deana Otis	972-355-5939
TX	EarthWise Pet	252 W. Stonebrook Pkwy, Ste 650	Frisco	TX	75034	Angie Meenan	972-301-8277
TX	EarthWise Pet	1310 West Campbell Rd #128	Richardson	TX	75080	Pavan & Deeva Shree	(469) 677-5005
TX	EarthWise Pet	100 W. Southlake Blvd	Southlake	TX	76092	Blake Pritchard	817-912-1471
WA	EarthWise Pet	3701 88th Street NE	Marysville	WA	98270	Daniel & Ray Crisologo	360-322-6592
WA	EarthWise Pet	114 N 36th St	Seattle	WA	98103	Daniel & Ray Crisologo	206-632-4567
WA	Nature's Pet by EarthWise Pet	512 Ne 81st Suite F	Vancouver	WA	98665	Tristan Sperry	360-450-5049
WA	EarthWise Pet	212 5th Street, Ste #9B	Wenatchee	WA	98801	Thomas Manning & Kinda Summers	509-888-7877
WA	EarthWise Pet	215 Whitesell St NW	Orting	WA	98360	Brett & Lori Stevens	253-259-0198
WA	EarthWise Pet	6530 W Nob Hill Blvd	Yakima	WA	98908	Thomas Manning & Kinda Summers	509-367-6123
WI	Bentley's Pet Stuff by EarthWise Pet	2910 Golf Road	Delafield	WI	53018	Melanie Wollner	262-646-3000
WI	EarthWise Pet	6071 Gemini Drive	Madison	WI	53718	Jeff Clark & Tim Hagen	608-230-6210
WI	EarthWise Pet	3260 University Ave	Madison	WI	53705	Jeff Clark & Tim Hagen	608-284-9007
WI	Bentley's	3701 S Moorland Rd	New Berlin	WI	53151	Melanie Wollner	262-505-6566

State	Brand	Address	City	State	Zip code	Primary Owner/Manager Name(s)	Phone #
	Pet Stuff by EarthWise Pet						

SYSTEMWIDE LIST OF CURRENT FRANCHISEES THAT HAD SIGNED FRANCHISE AGREEMENTS BUT HAD NOT OPENED FOR BUSINESS
As of September 30, 2023

State	Brand	Primary Owner/Manager Name(s)	Owner/Manager Contact Phone #
AZ	EarthWise Pet	Aaron & Amy Strunk	602-540-4022
AZ	EarthWise Pet	Aaron & Amy Strunk	602-540-4022
AZ	EarthWise Pet	Jeromy Siebenaler	623-565-0562
AZ	EarthWise Pet	Jeromy Siebenaler	623-565-0562
AZ	EarthWise Pet	Jeromy Siebenaler	623-565-0562
AZ	EarthWise Pet	Jeromy Siebenaler	623-565-0562
AZ	EarthWise Pet	Jeromy Siebenaler	623-565-0562
AZ	EarthWise Pet	Jeromy Siebenaler	623-565-0562
AR	EarthWise Pet	Michael Anderson	479-319-6324
AR	EarthWise Pet	Michael Anderson	479-319-6324
AR	EarthWise Pet	Michael Anderson	479-319-6324
AR	EarthWise Pet	Michael Anderson	479-319-6324
CA	EarthWise Pet	Richard Vatinelle	954-258-1635
CA	EarthWise Pet	Leslie Hicks	760-525-4595
CO	EarthWise Pet	Haddy Jallow	720-557-9978
CO	EarthWise Pet	Jeffrey Meier	630-886-3068
CO	EarthWise Pet	Jeffrey Meier	630-886-3068
CO	EarthWise Pet	Jeffrey Meier	630-886-3068
FL	EarthWise Pet	Glenn & Regina Henderson	904-372-7822
FL	EarthWise Pet	Glenn & Regina Henderson	904-372-7822
FL	EarthWise Pet	Chris & Lisa Black	407-375-3488
FL	EarthWise Pet	Jessica Geisler	941-462-8495

State	Brand	Primary Owner/Manager Name(s)	Owner/Manager Contact Phone #
FL	EarthWise Pet	Jessica Geisler	941-462-8495
FL	EarthWise Pet	Maria & Anthony Fuentes	813-400-5827
FL*	EarthWise Pet	Mac Rabb	312-961-2155
FL*	EarthWise Pet	Mac Rabb	312-961-2155
FL*	EarthWise Pet	Mac Rabb	312-961-2155
GA	EarthWise Pet	Thomas Hunze	770-864-8804
GA	EarthWise Pet	Thomas Hunze	770-864-8804
ID	EarthWise Pet	Jim Fizznoglia	818-321-3622
IL	EarthWise Pet	Paul & Mary Weber	630-618-8112
IL	EarthWise Pet	Paul & Mary Weber	630-618-8112
IL	EarthWise Pet	Pet Stuff America, LLC	708-214-4197
IL	EarthWise Pet	Pet Stuff America, LLC	708-214-4197
IL	EarthWise Pet	Omalley Abel & Josh and Sarah Lopez	239-222-7324
IL	EarthWise Pet	Omalley Abel & Josh and Sarah Lopez	239-222-7324
IL	EarthWise Pet	Omalley Abel & Josh and Sarah Lopez	239-222-7324
IN	EarthWise Pet	Kim & Jesse Harty	219-406-2546
IN	EarthWise Pet	Kim & Jesse Harty	219-406-2546
IN	EarthWise Pet	Kim & Jesse Harty	219-406-2546
MD	EarthWise Pet	Alana Futrell & Amina Mack	919-225-3994
MI	EarthWise Pet	Kathy McKee	616-901-5626
MI	EarthWise Pet	Daren Jones	810-824-7262
MO	EarthWise Pet	Aaron Green & Angela Lopez	509-952-0144
MO	EarthWise Pet	Aaron Green & Angela Lopez	509-952-0144
MO	EarthWise Pet	Aaron Green & Angela Lopez	509-952-0144
MO	EarthWise Pet	Bryan Backenstoss	801-661-7172
MO	EarthWise Pet	Bryan Backenstoss	801-661-7172
MO	EarthWise Pet	Bryan Backenstoss	801-661-7172

State	Brand	Primary Owner/Manager Name(s)	Owner/Manager Contact Phone #
NC	EarthWise Pet	Ben Cornwell	864-477-0977
NC	EarthWise Pet	Ben Cornwell	864-477-0977
NC	EarthWise Pet	Ben Cornwell	864-477-0977
NJ	EarthWise Pet	George & Teresa Davenport	856-245-7229
NJ	EarthWise Pet	George & Teresa Davenport	856-245-7229
NY	EarthWise Pet	Bryan Dimit	719-679-8439
OK	EarthWise Pet	Ashkan	405-301-7913
OK	EarthWise Pet	Ashkan	405-301-7913
OR	EarthWise Pet	Mark & Vickie Pagan	541-261-1557
PA	EarthWise Pet	Matt & Janette Bachman	610-620-3467
PA	EarthWise Pet	Matt & Janette Bachman	610-620-3467
PA	EarthWise Pet	Robert Spellman	973-216-9222
SC	GROOMBAR	Annie Griseta & Geralyn McDonough	516-655-6509
SD	EarthWise Pet	Scott & Julie Ward	605-271-4673
SD	EarthWise Pet	Scott & Julie Ward	605-271-4673
TN	EarthWise Pet	Jane Reising & Laura and John JeanBaptiste	812-449-9397
TX	EarthWise Pet	Amit Kadiwar & Zia Rahman	210-721-3165
TX	GROOMBAR	CJ Woods	979-739-2228
WA	EarthWise Pet	Thomas Manning & Kinda Summers	509-679-6646
WA	Nature's Pet by EarthWise Pet	Tristan Sperry	360-355-2942
WI	EarthWise Pet	Jeff Clark & Tim Hagen	414-687-5132
WV	EarthWise Pet	Marc Vonderheide	606-923-4587

* These franchises for Mac Rabb may be opened in any U.S. state in which we are legally authorized to offer and sell franchises.

SYSTEMWIDE LIST OF FRANCHISEES THAT LEFT THE FRANCHISE SYSTEM DURING OUR LAST FISCAL YEAR
As of September 30, 2023

Terminations:

Name	City and State	Telephone
Anil & Bindu Varre	Woodinville, WA	864-603-8900
Sylvia, Fred, Keith Sovalesky	Naples, FL	239-263-7387
Tim Dunn, Claudia & Philip Katz	Beaverton, OR	503-579-2403
Jack Levy	Punta Gorda, FL	518-859-2596

Reacquired by Franchisor:

Name	City and State	Telephone
Sabino & Zeke Arredondo (18 locations)	Multiple cities in WA	503-548-3545
Lisa Senafe/Tony Smith (1 location)	Rancho Cucamonga, CA	773-991-7404
Lisa Senafe/Tony Smith (5 locations)	Multiple cities in IL	773-991-7404
Lisa Senafe/Tony Smith (4 locations)	Multiple cities in WI	773-991-7404

Ceased Operations for Other Reasons:

Name	City and State	Telephone
Russ & Mary Anne Novak	San Diego, CA	619-379-8759
Lisa Senafe/Tony Smith	Ventura, CA	773-991-7404
Lisa Senafe/Tony Smith	San Clemente, CA	773-991-7404
Giovanni Senafe	Orlando, FL	708-214-4197
Giovanni Senafe	Winter Park, FL	708-214-4197
Maria Myrie	Suwanee, GA	470-268-7141
Lisa Senafe/Tony Smith	Batavia, IL	773-991-7404
Lisa Senafe/Tony Smith	Hoffman Estate, IL	773-991-7404
Lisa Senafe/Tony Smith	Bannockburn, IL	773-991-7404
Lisa Senafe/Tony Smith	Des Plaines, IL	773-991-7404
Lisa Senafe/Tony Smith	Elmhurst, IL	773-991-7404
Lisa Senafe/Tony Smith	Glenview, IL	773-991-7404
Lisa Senafe/Tony Smith	Skokie, IL	773-991-7404
Lisa Senafe/Tony Smith	Ann Arbor, MI	773-991-7404
Giovanni Senafe	Grafton, WI	708-214-4197
Giovanni Senafe	Wauwatosa, WI	708-214-4197
Giovanni Senafe	Menomonee Falls, WI	708-214-4197
Lisa Senafe/Tony Smith	Brookfield, WI	773-991-7404

SYSTEMWIDE INFORMATION CONCERNING OUR AREA REPRESENTATIVES

The following is a list of our area representatives listed alphabetically by state. The listed information responds to Items 1 ("Name, Address, and Business Organization of the Area Representative"), 2 ("Identity and Experience of Persons Affiliated with the Area Representative"), 3 ("Litigation"), and 4 ("Bankruptcy") of the attached Franchise Disclosure Document.

DEVELOPMENT AREA: California

ITEM 1.

Entity Name:	SUNNY SEVENTY TWO INVESTMENTS LLC
Name:	Christopher Wadlington
Business Address:	33871 Golden Lantern St., Dana Point, CA 92629
Business Phone:	847-846-0640

ITEM 2. Christopher Wadlington has served as an area representative in the State of California since January 2022. He has been CEO and Managing Member of SUNNY SEVENTY TWO INVESTMENTS LLC in Dana Point, California since February 2021. He was Founder and CEO of Aspire Brands, Inc. (dba Aspire drinks) in Chicago, Illinois from May 2015 to September 2020.

ITEM 3. No litigation is required to be disclosed in this Item for this area representative.

ITEM 4. No bankruptcy information is required to be disclosed in this Item for this area representative.

DEVELOPMENT AREA: Texas, Florida, Arizona, Ohio, and North Carolina

ITEM 1.

Entity Name:	GM Franchise Development, LLC
Name:	Giovanni Senafe & Marcus Lemonis
Business Address:	16416 Burniston Dr., Tampa, FL 33647
Business Phone:	

ITEM 2. Giovanni Senafe is an owner of GM Franchise Development, LLC, which became area developer for TX,AZ, FL, NC and OH in September 2023. Giovanni was Chief of Staff of Marcus Lemonis LLC, a family office, from July 2021 to December 2023. He was VP Business Development and Real Estate for Marcus Lemonis LLC in Chicago, Illinois from March 2017 to July 2021. He was Vice President of the Lemon-Aid Foundation (see Marcus Lemonis' work history below) in Long Grove, Illinois from May 2020 to July 2021. He co-founded Bentley's Pet Stuff April 2008, which had over 90 locations in 13 states and was a pioneer in the natural pet space.

Marcus Lemonis is an owner of GM Franchise Development, LLC, which became area developer for TX,AZ, FL, NC and OH in September 2023. He

has been the star of CNBC's prime time reality series, The Profit, since June 2013. Lemonis' notoriety has been established by his tenacity, shrewdness, and determination. He is Chairman of the Board for Beyond, Inc. in Midvale, Utah since December 2023. Since January 2003, Marcus has been the Chairman and CEO of Camping World, the nation's largest RV and outdoor retailer, and Good Sam, the world's largest RV owner's organization. He is the Founder of the Lemon-Aid Foundation, established January 2020, which provides grants, loans, and investments to entrepreneurs' businesses. He is the Founder of The Learning Center, established in January 2020, through which Marcus provides education to new and existing business owners.

ITEM 3. No litigation is required to be disclosed in this Item for this area representative.

ITEM 4. No bankruptcy information is required to be disclosed in this Item for this area representative.

Exhibit G to the NPM Franchising, LLC Franchise Disclosure Document

CONDITIONAL ASSIGNMENT

_____ ("you") operate your franchise business at _____. In consideration of the granting of a franchise to you and other valuable consideration given by **NPM FRANCHISING, LLC**, a Washington limited liability company ("us"), you assign to us all business telephone numbers; internet listings (including social media); website addresses and domain names; and business email addresses and listings you use in the operation of the franchise. We assume the performance of all of the terms, covenants and conditions of your agreement with the Telephone Company concerning the telephone numbers and telephone listings with the full force and effect as if we had been originally issued the telephone numbers and telephone listings. We will hold this assignment and will deliver it to interested third parties only upon termination of the Franchise Agreement between us and you dated _____.

DATED this ___ day of _____, 20__.

("we/us"): **NPM FRANCHISING, LLC** ("you"):

By: _____ By: _____
Name: _____ Name: _____

Title: _____ Title: _____

SIGNATURES OF INDIVIDUALS:

Signed: _____

Name: _____

Signed: _____

Name: _____

Exhibit H to the NPM Franchising, LLC Franchise Disclosure Document

TERMINATION OF ASSUMED BUSINESS NAME

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of NPM FRANCHISING, LLC, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name GROOMBAR / EARTHWISE PET / NATURE'S PET / [_____] (as applicable):

1. Name of Applicant who is Using the Assumed or Fictitious Business Name:

   _____

   _____

   a(an) individual/partnership/corporation organized and doing business under the laws of the State of

   _____

2. Date When Original Assumed or Fictitious Business Name was Filed by Applicant:

   _____

3. Address of Applicant's Registered Office in the State of: _____

   _____

   _____

4. Please cancel the Applicant's registration to use the name GROOMBAR / EARTHWISE PET / NATURE'S PET / [_____] (as applicable).

DATED: _____

_____
Applicant

By:_____

Title:_____

Exhibit I to the NPM Franchising, LLC Franchise Disclosure Document

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (this "***Agreement***") has been entered effective on the following date: _____. It is by and between NPM FRANCHISING, LLC, a Washington limited liability company ("***Franchisor***" and "***we/us***") and _____ ("***you***").

RECITALS

A. We own valuable goodwill and have valuable Confidential Information (defined below), and distinctive business format and color scheme and utilize distinctive, uniform business formats, formulae, signs, equipment, layouts, systems, methods, procedures, designs and marketing and advertising standards and formats (the "***System***"). The Confidential Information and System are connected with the development and operation of pet services businesses using our marks.

B. Franchisor and _____ ("***Franchisee***") signed that certain franchise agreement ("***Franchise Agreement***") on or about _____ [DATE]. The Franchise Agreement requires the Franchisee's owners, officers, directors, and persons occupying similar positions (who may obtain or who are likely to obtain knowledge concerning our Confidential Information) to execute a confidentiality and non-competition agreement.

AGREEMENT

Therefore, in consideration of the mutual promises and covenants contained in the Franchise Agreement and herein, the parties agree as follows:

1 PROTECTION OF CONFIDENTIALITY

1.1 **Confidential Information Defined**. In this Agreement, "Confidential Information" shall mean:

a) Any information that relates to our proprietary ideas, trade secrets, business, products, technology, customers, finances, plans, proposals, or practices of us, including, but not limited to, plans and specifications for new products, discoveries, ideas, know-how, research and development, inventions, techniques, marketing strategies, customer lists, financing sources and suppliers, non-public financial information, budgets, data, and projections;
b) Our proprietary information and information we mark or designate as confidential;
c) Information, whether or not in written form and whether or not designated as confidential, which is known to you as being treated by us as confidential;
d) Information provided to us by third parties, which we are obligated to keep confidential.

The Confidential Information shall include information in any form in which such information exists, whether oral, written, video, digital, electronic, or other format or medium.

Confidential Information loses that status if: (1) The information becomes publicly available (unless because you breached this Agreement); (2) You get it without restriction from a third party who had the right to disclose it without restriction; or (3) You develop it independently, or already knew it when we gave it to you.

1.2 **Our Exclusive Property**. You acknowledge and agree that our System and all Confidential Information is and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement will give you or others any right, title, or interest whatsoever in or to them. The Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

1.3 **Safeguard of Confidential Information**. You agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure. You agree to accord to the Confidential Information the same degree of care and use the same confidentiality protection practices as you exercise or employ with respect to your confidential or proprietary information (but no less than a reasonable degree of care). This includes obligating employees and consultants who receive Confidential Information to covenants of confidentiality and non-use.

1.4 **Notice**. You agree that if you or your employees and agents are served with any subpoena or other compulsory judicial or administrative process calling for production of Confidential Information, you will immediately notify us in order that we may take such action as we deem necessary to protect our interests. You agree to execute any and all documents and to do all acts and things in the opinion of our counsel are necessary or advisable to protect our interests.

2. COVENANT OF NON-DISCLOSURE. You specifically acknowledge that you will receive valuable specialized and Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques and the System. You agree not to disclose Confidential Information to any third party and to limit disclosure within your association to designated employees approved by us. Disclosures to designated employees will be done on a "need to know" basis to the extent necessary for them to perform the duties of their employment with you. Unless required by court order or applicable law, you agree not to copy, download, send, or divulge any Confidential Information directly or indirectly to any other person or enterprise outside of our franchise system. You will never communicate, divulge, or use in any manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information or proprietary information, knowledge or know-how concerning the System or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your business.

3 COVENANT OF NON-USE. You agree not to use Confidential Information or the System, except as authorized by us. You will obligate your owners, board of directors, your employees, and your agents to the same non-use covenant. We must approve in writing any use of Confidential Information or System by you or your owners or your directors or employees.

4 RETURN OF CONFIDENTIAL INFORMATION. You agree that all originals and copies of records, data, reports, documents, lists, plans, drawings, correspondence, memoranda, notes, and other materials related to or containing any Confidential Information, in whatever form they exist, whether written, visual, audio, video, or other form of media, shall be our sole and exclusive property. Upon cessation of your association with Franchisee, or upon our earlier request, you will promptly return to us (or irretrievably delete or destroy) all documents or other tangible property that contains Confidential Information.

5 NON-COMPETITION COVENANT.

5.1 Covenant. During the term of your association with Franchisee and for two years thereafter, you will not directly or indirectly (including by or through any other person or entity) participate as an owner, director, officer, employee, consultant, licensor, licensee, distributor, or agent, or serve in any other capacity in any business engaged in the offer, sale, or promotion of: products or services related to pet food, pet supplies or pet grooming or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System.

5.2 Geographic Scope. During the term of your association with Franchisee, the covenants described in Section 5.1 above shall apply worldwide. During the two-year period after your association with Franchisee, such covenants will apply within the Territory (as defined in Franchisee's Franchise Agreement), within a 30-mile radius of the Territory, and within a 30-mile radius of any location or designated territory where we operate or have granted the franchise to operate a GROOMBAR, EarthWise Pet, Dee-O-Gee, or Nature's Pet business (or other brands we have developed or will develop in the future).

6 NON-DIVERSION OF BUSINESS. During the term of your association with Franchisee and for two years thereafter, you will not:

A. divert or attempt to divert any of our business or any of our customers to any competing establishment; or

B. do anything harmful to our goodwill associated with the Marks and System.

7 REMEDIES: INJUNCTION AND DAMAGES. You acknowledge that any disclosure of Confidential Information will cause irreparable harm to us. You agree that it may be difficult to measure damage to us from any breach by you or your employees and agents of this Agreement. You agree that monetary damages may be an inadequate remedy for any such breach. Accordingly, you agree that if you breach or take steps preliminary to breaching this Agreement, we shall be entitled, in addition to all other remedies we may have at law or in equity, to a restraining order, temporary and permanent injunctive relief, specific performance, or other appropriate equitable relief, without showing or proving that we actual sustained any damage.

8 MISCELLANEOUS

8.1 Duration. The obligations set forth in this Agreement related to non-disclosure and non-use of Confidential Information will continue during and beyond the term of your relationship with the Franchisee and for as long as you possess any Confidential Information in any manner.

8.2 Waiver. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver to this Agreement's provisions must be made in signed writing by the granting party.

8.3 Governing Law. This Agreement will be governed by the substantive laws of Washington without regard to Washington choice of law provisions. Washington laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.). This choice of laws will not include and does not extend the scope of application of any Washington franchise or business opportunity laws except as they may otherwise apply pursuant to their terms and definitions. Any portion of this Agreement that requires enforcement in any other jurisdiction, and is enforceable under the laws of that jurisdiction but not of Washington, will be construed and enforced according to the laws of that jurisdiction.

8.4 Venue. The venue for any action or legal proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement will be King County, Washington. Each of the parties waives any objection to this venue provision.

8.5 Injunctive Relief and Specific Performance. Either party may obtain in any court of

competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement.

8.6 Remedies Not Exclusive. No right or remedy conferred upon either party is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

8.7 Attorneys' Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorneys' fees. These will be set by the arbitration, proceeding or court, including costs and attorneys' fees on appeal or review from the arbitration, proceeding, suit, or action. "Prevailing party" means the party who recovers the greater relief in the proceeding.

8.8 Lawful Scope. If, for any reason, any provision set forth in this Agreement exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law.

IN WITNESS, the parties have executed this Agreement on the date written above.

Franchisor: NPM FRANCHISING, LLC

By: _____

Name: _____

Title: _____

You: _____

Signed: _____

Name: _____

Title/Position with Franchisee:

_____

Acknowledged by Franchisee:

_____

By: _____

Name: _____

Title: _____

Exhibit J to the NPM Franchising, LLC Franchise Disclosure Document

ELECTRONIC DEBIT AUTHORIZATION FORM

The undersigned (the "Franchisee") acknowledges that on or about _____, 20__, Franchisee and **NPM FRANCHISING, LLC** (the "Franchisor") entered into a franchise agreement (the "Franchise Agreement") for the operation of a Franchise.

To enable Franchisor to receive automatic payments pursuant to the Franchise Agreement and Franchisor's Operations Manual, Franchisee hereby authorizes (the "Authorization") Franchisor to withdraw funds from and otherwise initiate debit entries to Franchisee's checking account, indicated below, and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: _____
Branch: _____
City State and Zip: _____
_____
Transit/ABA#:_____
Bank Account Name: _____
Bank Account Number: _____
Tax ID for Account: _____

This Authorization is to remain in full force and effect until the underlying obligations of the Franchise Agreement have been satisfied in full or expressly released in writing by Franchisor. Franchisee expressly agrees that this Authorization will apply to any and all depositories and bank accounts which Franchisee opens during the term of the Franchise Agreement and any renewal terms. Without limiting the above, Franchisee acknowledges and agrees that if Franchisee closes any bank account, Franchisee will:

1) immediately notify Franchisor in writing;
2) open or otherwise establish another bank account;
3) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means.

Franchisee expressly acknowledges and agrees that this Authorization will be the only written authorization needed from Franchisee in order to initiate debit entries/ACH debit originations to Franchisee's bank account(s) established with any depository in the future.

Name of Franchisee(s):

_____

_____

Outlet #: _____

Signature: _____
Print Name: _____
Title: _____
Date: _____

Notice to Franchisee

1) ATTACH ONE VOIDED CHECK HERE.
2) ENSURE TO COMPLETE ALL BLANK SPACES ABOVE.
3) RETURN **2** ORIGINAL COPIES OF THIS FORM TO FRANCHISOR IMMEDIATELY.

Exhibit K to the NPM Franchising, LLC Franchise Disclosure Document

Exhibit K to the NPM Franchising, LLC Franchise Disclosure Document

FORM OF GENERAL RELEASE

The Franchise Agreement provides that the franchisee must sign a General Release in a form satisfactory to NPM Franchising, LLC in certain circumstances. Following is a form of General Release that is subject to change.

GENERAL RELEASE

This General Release Agreement ("Agreement") is made this __ day of _____, 20__. It is among NPM FRANCHISING, LLC, a Washington limited liability company ("Franchisor"), _____ and _____ (jointly and severally "Franchisee" or "you") and _____ and _____ (jointly and severally "Transferee").

RECITALS

On or about ____ day of _____, 20__, Franchisor and Franchisee entered into a Franchise Agreement (the "Franchise Agreement[s]") for the operation of a(n) [GROOMBAR] [EarthWise Pet] [Nature's Pet] franchise ("Franchise") in the following Franchise Territory: _____.

[NOTE: Describe the circumstances relating to the release, such as circumstances related to transfer or renewal of the franchise and relevant agreement dates.]

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

[**1.** **Renewal of Franchise Agreement**. The parties covenant and agree:

A. The Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated. The provisions of the Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Contemporaneously with execution of this Agreement, you agree to execute our current franchise agreement forms. These forms may vary materially from the Franchise Agreement. Fees will be set at the currently prevailing rates and terms. [The Franchise Territory is modified as follows: _____.]

C. You shall reimburse us for the following reasonable out-of-pocket costs we incur concerning the renewal: _____.

D. You shall repair and replace the Franchise-related vehicle(s), supplies, and other items to conform to the current Operations Manual and System. This includes: _____.

E. You or your designated manager will attend and successfully complete the following retraining programs at your expense, including travel, meals, lodging, and our current training fee of **$_____**:_____.]

[**1.** **Franchise Transfer.** The Parties covenant and agree:

A. The Franchise Agreement between Franchisor and Franchisee, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties are terminated, as between them. The provisions of the Franchise Agreement concerning the obligations of Franchisee upon termination and transfer will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Transferee agrees to fully assume and to be bound by the terms, covenants and conditions of the Franchise Agreements as if Transferee had been named as the original franchisee in the Franchise Agreement. Transferee will execute all documents Franchisor or Franchisee may reasonably require to complete the transfer and assumption of the Franchise Agreements, including but not limited to execution of a new franchise contract in the form currently being used by Franchisor. The new franchise contract may contain economic and general terms which are materially different from those contained in the Franchise Agreement.

C. Franchisor enters into this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of Transferee.

D. All obligations of Franchisee in connection with the Franchise Agreement and the franchise are assumed by the Transferee. Franchisee will remain bound by its covenants in the Franchise Agreements that neither it nor its owners, officers, partners, nor other persons enumerated in the Franchise Agreement, will disclose confidential information nor compete with Franchisor or Franchisor's franchisees.

E. [All now ascertained or liquidated debts in connection with the franchise have been paid by Franchisee.] [Franchisee owes $--- in current obligations and will owe additional funds for franchise fees, marketing contributions, and product purchases through the closing of this transfer transaction. Franchisee will pay all sums due to Franchisor and to product suppliers within 10 days of the relevant invoice or due date. All other now ascertained or liquidated debts in connection with the franchises have been paid by Franchisee.]

F. Franchisee is not in default in any way under the Franchise Agreement or any other agreement between it and Franchisor.

G. Transferee will pay for and complete to Franchisor's exclusive satisfaction the training programs now required of new franchisees. [Transferee has completed to Franchisor's satisfaction the training programs now required of new franchisees.] [Transferee has demonstrated to Franchisor's satisfaction sufficient ability to successfully operate the franchise]. Franchisee or Transferee has submitted to Franchisor, upon execution of this Agreement, a Transfer Fee in the amount of $---. Franchisor acknowledges receipt of this Fee in consideration for Franchisor's legal, accounting, credit check, training and investigation expenses incurred as a result of this transfer. [In addition, Franchisee has paid to Franchisor, contemporaneous with execution of this Agreement, a ____ %

commission on the gross transfer price (excluding the price of real property), in the amount of $___. Franchisor acknowledges receipt of this amount in consideration for having obtained Transferee for Franchisee.]

H. Transferee has met the standards established by Franchisor for quality of character, financial capacity and experience required of a new or renewing franchisee in our franchise system. Franchisee and Transferee have provided to Franchisor such information as Franchisor reasonably requested to evidence that Transferee meets these standards.

I. If the lease(s) (if any) for the Franchise-related vehicle(s) requires, the lessor(s) has consented to the assignment of the Franchise-related vehicle(s) to the transferee.

J. Franchisee and Transferee agree to subordinate to Transferee's obligations to Franchisor (including, without limitation, the payment of all franchise fees) any obligations of Transferee to Franchisee.

K. Transferee will assume possession and control of the supplies and other tangible personal property related to the Franchise, except as follows:

_____

L. Franchisee will properly operate the Franchise and maintain the Franchise-related vehicle(s), supplies, and other items in clean and proper working order and will continue the employment of all current employees until Transferee assumes control of the business.

M. Franchisee will maintain sufficient supplies on hand to provide for normal business operations after Transferee assumes control of the business.

N. Franchisee and Transferee have entered into this Agreement for the transfer of Franchisee's rights under the Franchise Agreements after their own independent investigation. The transfer of the franchise rights and the amount of consideration for them have been determined by them independently. Franchisee and Transferee acknowledge that they have not relied upon any representation, warranty, promise or other consideration from or by Franchisor in entering into this Agreement or in evaluating the advisability of the transfer or the value of the Franchise-related assets or any of the franchise rights. *The immediately preceding sentence shall not apply to any Franchisee or Transferee in the State of Washington.*

O. Transferee shall repair and replace the Franchise-related vehicle(s), supplies, and other items to conform to the current Operations Manual and System within *[90]* days of the transfer. This includes: _____.

[NOTE: The following Section 2 is for franchise transfers but not for franchise renewals:]

[**2.** **Franchisee to Cease Using Trade Names, Marks, and Logos**. Upon completion of the transfer, Franchisee will immediately cease using Franchisor's trade names, service marks, logos, and other marks, symbols or materials indicating that Franchisee is or was related to Franchisor in any way, except as otherwise provided in writing. Franchisee acknowledges that all such names, service marks, logos, and symbols are the exclusive property of Franchisor and that Franchisee has been allowed to use them, only in conjunction with the franchise relationship as outlined in this Agreement. Franchisee will remain jointly and severally bound to comply with the covenants in the Franchise Agreement which expressly or by reasonable implication are intended to apply to Franchisee after termination of the Franchise Agreement, including any applicable non-disclosure requirements. Franchisee will:

A. deliver to Transferee or Franchisor all copies of the Operations Manuals, training and franchise-related materials in Franchisee's custody, control or possession;
B. take action as required to transfer to Transferee all registrations relating to the use of all assumed names;
C. notify the telephone company and all listing agencies of the transfer of Franchisee's rights to use the franchise names and logos and classified and directory listings of the franchise;
D. cease use of the franchise trademarks, service marks, trade names, copyrights, and other intellectual or intangible property; and
E. refrain from doing business in any way that might tend to give the public the impression that Franchisee still is or was a franchisee in the franchise system;]

3. **Communication of Confidential Information**. Neither Franchisee nor its owners, officers, directors, or other persons enumerated in the Franchise Agreements will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Franchise Agreement, the substance of Franchisor's franchise operations manuals (including but not limited to all documents, writings and materials related to the franchise System), or any other nonpublic information related to the operation of the NPM Franchising franchise system. Franchisee represents and warrants that neither it nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. This paragraph is not intended to and shall not limit or reduce the scope of the confidentiality and non-disclosure covenants in the Franchise Agreement. Franchisee will continue to comply with all the confidentiality and non-disclosure covenants of the Franchise Agreements.

[Nothing contained in this Agreement will preclude Franchisor or Franchisee from disclosing the fact of this Agreement or the amount paid by Transferee to Franchisor or to Franchisee.]

4. **Release**.

A. General. In consideration of the covenants and understandings set forth in this Agreement, Franchisee (for itself and on behalf of its affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents) ("***Releasing Parties***") does release and forever discharge and covenants not to sue Franchisor and its affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents ("***Released Parties***") from all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in

contract or under statute (each a "***Claim***" and collectively "***Claims***"), arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of the Franchise Agreement and any related agreements between the parties and out of any other action or relationship between the parties, or any of the Released Parties, arising before the date of this Agreement (except provisions in the Franchise Agreement concerning Franchisee's obligations upon termination).

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, including all the effects and consequences thereof.

The purpose of this release is to make a full, final and complete settlement of all Claims against Franchisor, known or unknown, arising directly or indirectly out of the Franchise Agreement and any relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.

B. Waiver of Statute. With the advice of legal counsel, the Releasing Parties expressly waive any statute, legal doctrine or other similar limitation upon the effect of general releases. If applicable, the parties waive the benefit of California Civil Code Section 1542, which states: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

C. Covenant Not to Sue. The Releasing Parties covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any of the Released Parties with respect to any Claim.

D. Washington Franchise Investment Protection Act. The release contained herein does not apply to claims that arise under the Franchise Investment Protection Act, RCW 19.100 RCW, and the rules adopted thereunder.

[D. Certain Obligations Not Released. The parties agree that the provisions of the Franchise Agreement concerning the obligations of Franchisee upon termination will continue in full force and effect. Without limiting the generality of the foregoing, Franchisee shall be liable to Franchisor for royalties and any other fees that accrue prior to the Effective Date.]

E. Releasing Parties' Acknowledgments. EACH OF THE RELEASING PARTIES HEREBY ACKNOWLEDGE THAT THEY HAVE READ THIS RELEASE THOROUGHLY AND FULLY UNDERSTAND IT; THEY ARE VOLUNTARILY EXECUTING THIS RELEASE; THEY HAVE GRANTED THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE BEFORE EXECUTING THIS RELEASE; AND THEY ARE AWARE THAT BY SIGNING THIS RELEASE THEY ARE WAIVING CERTAIN LEGAL RIGHTS THAT THEY MAY HAVE AGAINST THE RELEASED PARTIES.

[In consideration of the covenants and understandings set forth in this Agreement, Transferee does release and discharge Franchisor and its current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of Transferee's existing franchise or license agreement(s) with us and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

Transferee represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, arising directly or indirectly out of Transferee's existing franchise or license agreement(s) with us and the relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.]

5. Indemnification. Franchisee, for themselves and their heirs, successors, representatives, assigns, subsidiaries, divisions, and agents and each of them, agree to indemnify and hold harmless Franchisor and its affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents and each of them against any liabilities, losses, damages, deficiencies, claims, costs, expenses, actions, suits, proceedings, investigations, demands, assessments, judgments, and costs of any nature resulting, directly or indirectly, from the operation of the franchise by Franchisee or Franchisee's agents or employees. This paragraph is not intended to and shall not limit or reduce the scope of the indemnities in the Franchise Agreement.

6. Miscellaneous.

A. Entire Agreement. This writing is the entire agreement between the parties and may not be modified or amended except by written agreement signed by the parties.

B. Joint and Several Liability. If Franchisee consists of more than one individual or entity, then their liability under this Agreement will be joint and several.

C. Waiver. No waiver of any covenant or breach of this Agreement will be a waiver of any subsequent breach of the same or any other covenant or authorize the subsequent breach of any covenant or condition.

D. Time of Essence. Time is of the essence of this Agreement.

E. Injunctive Relief. In addition to other remedies available at law or in equity, any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement.

F. Dispute Resolution. If a dispute arises, before taking any other legal action, the parties agree to participate in good faith mediation in accordance with the Mediation Procedures of the American Arbitration Association or of any similar organization that specializes in the mediation of commercial business disputes. The party demanding mediation must provide written notice to the other party of the demand for mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs

of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.

G. Costs and Attorneys' Fees. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its arbitration and court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal.

H. Governing Law and Venue. This Agreement is accepted in the State of Washington and will be governed by the laws of Washington, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of the Washington franchise or business opportunity laws. Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Washington, will be construed and enforced according to the laws of that state. All issues or disagreements relating to this Agreement, will be mediated, tried, heard, and decided in King County, Washington.

I. Successors and Assigns. This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

J. Legal Representation. The parties acknowledge they have been represented by counsel and have been advised of the significance and ramifications of executing this Agreement.

K. Counterparts. This Agreement may be executed simultaneously in counterparts, each of which will be deemed an original, but all of which, together, will constitute one and the same instrument.

L. Definition of "Including." In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement.

NPM FRANCHISING, LLC ("Franchisor")

By:_____

Title:_____

("Franchisee"):

By:_____

Title:_____

By:_____
, as an individual

("Transferee"):

By:_____

Title:_____

By:_____
, as an individual

Exhibit L to the NPM Franchising, LLC Franchise Disclosure Document

The Franchise Agreement provides that you must sign a Service Agreement with us. Following is a form of Service Agreement that is subject to change.

FORM OF SERVICE AGREEMENT

This service agreement ("***Agreement***") is between:

A. NPM FRANCHISING, LLC, a Washington limited liability company (referred to as "***we/us***" in this Agreement) with its principal business address at 19400 144th Ave NE, Ste. E, Woodinville, WA 98072

and

B. (1) Business Entity:
Company Name: _____
a(n)_____ *[indicate LLC, corporation, sole proprietorship, other entity]* formed in the state of _____

(2) Individual:
Individual Name: _____ Individual Name: _____

(referred to as "***you***" in this Agreement)

Your Address: _____
City, State, Zip Code: _____
Contact Person(s): _____
Phone: _____
Email Address: _____

This Agreement is effective as of the following date: _____ (the "***Effective Date***").

RECITALS

We and you entered into a(n) GROOMBAR, EarthWise Pet, or Nature's Pet Franchise Agreement ("***Franchise Agreement***"). Per the Franchise Agreement, we may (but are not required to) offer specific software services to our franchisees as described in this Agreement. Entering into this Agreement is optional for you.

Upon execution of this Agreement, we will provide the designated Services (defined below).

AGREEMENT

In consideration of the mutual covenants outlined below, the parties agree as follows:

1. **Services**. We agree to provide to you the following access to software ("***Services***"). Initial one or both of the following services:

_____ *Grooming* online software service

_____ *[Other: _____]*

The Services are described in more detail in the attached Appendix. The parties agree to the following in respect to the provision of the Services:

1.1 Delegation. You acknowledge that the Services described in this Agreement are provided by one or more third parties.

1.2 Excusable Delay. Notwithstanding anything to the contrary contained herein, we shall not be required to perform any Services (including those provided by our through our designated third party vendor(s)) if and to the extent that (a) we (or our designated third party vendor(s)) cannot provide the Services due to causes which are outside of our reasonable control as determined under the Section of this Agreement entitled "Force Majeure" or (b) if providing such Services would be prohibited by, or violate, any law, rule or regulation or any order of any court, arbitrator or government authority.

1.3 Standard of Care and Errors. Except as set forth in this Agreement, our sole responsibility to you with respect to errors and delays in performing the Services hereunder are as follows:

(i) for errors or omissions in Services, shall be to furnish correct information and/or adjustment in the Services, at no additional cost or expense to you; provided, you must promptly advise us of any such error or omission of which you become aware after having used reasonable efforts to detect any such errors or omissions; and

(ii) for failure to deliver any Services shall be to use reasonable efforts, subject to the other provisions hereof, to make the Services available and/or to resume performing the Services as promptly as reasonably practicable.

1.4 Cooperation. The parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include exchanging information, performing reconciliations and adjustments, and, upon request, obtaining all third-party consents, licenses, sublicenses or approvals necessary to permit us to perform our obligations hereunder (including, rights to use any third-party software needed for the performance of the Services).

1.5 No Warranties. EXCEPT AS SET FORTH IN THIS AGREEMENT, WE DO NOT MAKE ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, BUSINESS CONTINUITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT

TO THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT.

IN NO EVENT SHALL WE BE LIABLE TO YOU FOR ANY LOST PROFITS, LOSS OF DATA, LOSS OF USE, BUSINESS INTERRUPTION OR OTHER SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, PUNITIVE DAMAGES, UNLESS INCURRED AS A RESULT OF OR IN CONNECTION WITH OUR FRAUDULENT OR INTENTIONAL MISCONDUCT.

WE ASSUME NO RESPONSIBILITIES OR OBLIGATIONS WHATEVER, OTHER THAN THE RESPONSIBILITIES AND OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

1.6 Limitation of Liability. Notwithstanding anything contained to the contrary herein, our maximum total liability, and that of any of our affiliates and our and their officers, directors, employees, agents and representatives, arising out of, relating to or in connection with this Agreement shall in no event exceed the amount of compensation and fees paid to us pursuant to the terms of this Agreement in the twelve (12) month period ending immediately prior to the event giving rise to such liability, unless such liability resulted from or arose in connection with our fraudulent or intentional misconduct. The provisions of this paragraph will apply regardless of the form of action, damage, claim, liability, cost, expense, or loss whether in contract, statute, tort (including without limitation, negligence) or otherwise.

2. Use of Marketing Contributions. We may use the weekly Marketing Contribution funds we receive from our franchisees to cover our costs for making available to our franchisees the Services described in this Agreement. If you default under any provision of this Agreement or your Franchise Agreement with us, including but not limited to your payment obligations, then we may suspend or terminate your access to, and use of, the Services.

3. Term and Renewal; Expiration and Termination.

3.1 Term and Renewal. The term of this Agreement shall begin as of the Effective Date and continue until the earlier of (1) expiration without renewal or termination of your franchise agreement (or renewal franchise agreement) or (2) cessation of our relationship with the designated third-party vendors that provide the Services.

3.2 Termination of Agreement for Cause. Either party may terminate this Agreement if the terminating party complies with the terms of this Agreement and the other party substantially breaches any material provision of this Agreement and fails to cure (or reasonably to begin to cure) that breach within 15 days after receipt of written notice specifying the breach. Termination will be effective immediately upon delivery of written notice of termination (by the non-breaching party to the breaching party) for failure to cure within the allowed period.

3.3 Survival. Certain Sections of this Agreement by their nature survive the expiration or termination of this Agreement. Those include, for example, Sections related to confidentiality, indemnification, limitation of liability and attorneys' fees.

4. Hold Harmless and Indemnification. Except to the extent required by applicable law, neither we nor any of our employees, officers, managers, agents or members (collectively,

"Indemnitees") shall be liable to you, and you agree to indemnify and hold harmless the Indemnitees from and against any and all liabilities, losses, damages, costs and expenses (including, without limitation, attorneys' and accountants' fees), deficiencies, judgments, actions, causes of action, proceedings, demands or claims of whatever nature (collectively, "***Damages***") arising from or in any way related to (i) services provided by us pursuant to this Agreement unless due to our fraudulent or intentional misconduct, or (ii) any accident, injury or damage whatsoever during the conduct of your business caused to any person or to the property of any person, occurring on or after the Effective Date and before the termination or expiration of this Agreement, except to the extent such Damages are caused by or result from any fraudulent or intentional misconduct by us or our employees, officers, directors or agents. The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an action or inaction involves fraudulent or intentional misconduct. These indemnities are not intended to limit or reduce the scope of the indemnities in the Franchise Agreement.

5. Confidentiality. You acknowledge that in the course of our relationship in conjunction with this Agreement, you may acquire knowledge (both orally and in writing) relating to our confidential affairs and confidential or proprietary information including: (a) matters of a technical nature such as know-how, trade secrets, secret processes, inventions or research projects; (b) matters of a business nature such as information about costs, profits, pricing policies, markets, sales, suppliers, customers, plans for future development, plans for future products, marketing plans or strategies; and (c) personnel and other information which is not generally disclosed by the party to the public (collectively, "***Confidential Information***").

You agree not to use or disclose our Confidential Information, in any form, for any purpose, without our prior written consent. You will return to us all Confidential Information, including all copies in any form, immediately upon termination of this Agreement. You acknowledge that you will obtain no right, title or interest in the our Confidential Information, or any related information or data, and that the Confidential Information and related information will remain our sole property.

6. Miscellaneous.

6.1 Independent Contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. You acknowledge that you are not in a fiduciary relationship with us.

6.2 Company Support of Services. You acknowledge that the timely, complete and accurate provision of the Services may require assistance, cooperation, information and data from you and your officers, agents, managers, partners, members and employees, and suitably configured computers and software, and that our ability to complete any Services is dependent upon the same. If any of the aforementioned items are not provided or provided in such a way that we are hindered in our ability to effectively perform the Services, then we shall so inform you. Failure on our part to meet our obligations under this section may result in increased cost, delayed schedule and/or a breach of this Agreement. We and you shall cooperate and work in good faith independently and together to remedy any such instances.

6.3 Headings. All article and section headings in this Agreement are for

convenience only and shall not be deemed to control or affect the meaning or construction of any provisions hereof.

6.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6.5 Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, pertaining thereto.

6.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement binding on the parties hereto.

6.7 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Washington, without giving effect to its principles of conflicts of laws.

6.8 Enforcement. In the event of any suit, action or arbitration to interpret or enforce this Agreement, the prevailing party will be entitled to its attorney fees, costs, and out-of-pocket expenses, at trial and on appeal. Any mediation, action or legal proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement will be mediated, arbitrated, tried, heard, and decided in King County, Washington. Each of the parties waives any objection to this venue provision.

6.9 Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.

6.10 Amendments. This Agreement may not be amended or modified, nor may any provision hereof be waived, other than by a written instrument signed by the parties hereto.

6.11 No Waiver. Failure by either party hereto to enforce at any time or for any period of time any provision or right hereunder shall not constitute a waiver of such provision or of the right of such party thereafter to enforce each and every such provision.

6.12 Assignment. Either party hereto shall have the right to assign this Agreement with the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided that no such consent shall be needed in connection with any merger, consolidation or reorganization or in connection with a transfer of all or substantially all of such party's business and assets.

6.13 Force Majeure. We will be excused for any failure or delay in performing any of our obligations under this Agreement if such failure or delay is caused by Force Majeure. "Force Majeure" means any act of God or the public enemy, any accident, explosion, fire, storm, earthquake, flood, strike, computer outage or virus, telecommunications failure or any other circumstance or event beyond our reasonable control.

6.14 Notices. Any notice, request, consent or communication (collectively a "Notice") under this Agreement shall be effective only if it is in writing and (a) personally delivered, (b) sent by certified or registered mail, return receipt requested, postage prepaid, (c) sent by a nationally recognized overnight delivery service, with delivery confirmed, or (d) telexed or telecopied, with receipt confirmed, as indicated below. A Notice shall be deemed to have been given as of the date when (i) personally delivered, (ii) three days after when deposited with the United States mail properly addressed, (iii) the next day when delivered during business hours to said overnight delivery service, properly addressed and prior to such delivery service's cutoff time for next day delivery, or (iv) when receipt of the telex or telecopy is confirmed, as the case may be, unless the sending party has actual knowledge that a Notice was not received by the intended recipient.

Notices sent by mail will be directed to the parties at their respective addresses indicated

at the beginning of this Agreement. The address for notices may be changed by a party by 10 days advance written notice to the other party.

In witness whereof, the parties have executed this Agreement.

"***We/Us***":
NPM FRANCHISING, LLC

By: _____

Name: _____

Title: _____

"***You***":

Entity Name: _____

By: _____

Name: _____

Title: _____

Personally:

Signature: _____

Print Name: _____

Appendix to Service Agreement

Grooming Software Services = custom grooming scheduling software services provided and administered by *[our designed third party]*

EXHIBIT M

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Washington	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT N
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 NPM Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days (New York and Rhode Island law require delivery at the first personal meeting or within 10 business days and Michigan, New York, Rhode Island and Wisconsin law require delivery within 10 business days) before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If NPM Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit B.

The names, principal business addresses, and telephone numbers of each franchise seller offering the franchise are: Michael Seitz and Daniel Webb, NPM Franchising, LLC, 19400 144th Ave NE, Ste. E, Woodinville, WA 98072, (800) 314-9765 and _____.

Date of Issuance: January 12, 2024

See Exhibit B for our registered agents authorized to receive service of process.

I have received a disclosure document dated as indicated above that included the following Exhibits:

A. Financial Statements
B. List of State Agents for Service of Process and State Administrators
C. Operations Manual Table of Contents
D. Sample Franchise Agreement and its Exhibits
E. State Addenda
F. Area Representative Disclosures
G. Conditional Assignment
H. Termination of Assumed Business Name
I. Confidentiality and Non-Disclosure Agreement
J. Electronic Debit Authorization Form
K. Form of General Release
L. Service Agreement
M. State Effective Dates

DATED this ___ day of _____, 20___.

Signatures of All Prospective Franchisees:

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Name of Corporation/LLC/Partnership (if applicable): _____

By: _____ Title: _____

KEEP THIS COPY FOR YOUR RECORDS.

EXHIBIT N
RECEIPT

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J. Electronic Debit Authorization Form
K. Form of General Release
L. Service Agreement
M. State Effective Dates

DATED this ___ day of _____, 20___.

Signatures of All Prospective Franchisees:

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Name of Corporation/LLC/Partnership (if applicable): _____

By: _____ Title: _____

Please sign this copy of the receipt, date your signature, and return it to NPM Franchising, LLC by mail at 19400 144th Ave NE, Ste. E, Woodinville, WA 98072 or by electronic means specified by us.