FRANCHISE DISCLOSURE DOCUMENT

Vetama, Inc.
A Delaware Corporation,
793 Foothill Blvd Ste A,
San Luis Obispo, ~~CA~~California 93405
Tel: 805.~~423.3550~~391.7377
Hello@vetama.com
www.vetama.com

The franchise that we offer is for a Vetama business, each, referred to as a "Franchised Business," that, either: (1) offers and sells mobile veterinary wellness and illness care and laboratory services and related products and services to customers under the Vetama name and marks, or; (2) offers and sells management, marketing and facility based services to medical practices and licensed professionals offering and providing mobile veterinary wellness and illness care and laboratory services and products and services under the Vetama name and marks.

The estimated initial investment necessary to begin operation of a Franchised Business under a ~~Franchise Agreement~~franchise agreement when leasing a Vetama vehicle is $~~108,200~~72,500 to $~~188,500.~~103,500, and $125,000 to $194,500 when purchasing a Vetama vehicle. This includes $~~20,000~~54,500 to $~~30~~67,000~~.~~ that must be paid to the franchisor or its affiliates for the leased vehicle option, and $107,000 to $158,000 to be paid to the franchisor or its affiliates for the purchased vehicle option.

This Disclosure Document summarizes certain provisions of your ~~Franchise Agreement~~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 government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Jacob Wright, Vetama, Inc., 793 Foothill Blvd Ste A, San Luis Obispo, California 93405.

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

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

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

Issuance Date: ~~July 19, 2022~~ April 17, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
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 D 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 Vetama business in my area?	Item 12 and the "territory" provisions in the ~~Franchise Agreement~~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 Vetama franchisee?	Item 20 or Exhibits F and G list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this

	Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

Business model can change. The ~~Franchise Agreement~~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~~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~~franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your ~~Franchise Agreement~~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~~franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your ~~Franchise Agreement.~~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~~franchise agreement require you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in California. 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 California than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all your financial obligations under the ~~Franchise Agreement~~franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets at risk if your franchise fails.

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

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.

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

The Michigan Franchise Law states in Sec. 445.1527, Sec.27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than ~~five (5)~~10 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 ~~(6)~~ months advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

Vetama
Franchise Disclosure Document

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Vetama, Inc., the franchisor of the Franchised Business is referred to in this Franchise Disclosure Document (the "Disclosure Document") as "we", "us" or "our" as the context requires. A franchisee is referred to in this Disclosure Document as "you" and "your" as the context requires. If you are a corporation, partnership or other legal entity (a "Corporate Entity"), our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor

We are a Delaware corporation established on March 22, 2022 and our principal business address is 793 Foothill Blvd Ste A, San Luis Obispo, California 93405. We conduct business under our corporate name Vetama, Inc. and under the Vetama trade name. Our business is operating the Vetama franchise system and granting franchises to third parties like you to develop and operate an individual unit Franchised Business. We began offering franchises as of the Issuance Date of this Disclosure Document. Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We do not have any predecessors and we do not have any parent company. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

The Franchised Business

We license a system (the "System") for the development and operation of a Franchised Business, that depending on your qualifications and applicable local, state and federal laws and regulations involves either, as described below:

Clinic – Your development and operation of a Franchised Business that owns and operates a Clinic ("Clinic") that provides veterinary medicine services that include mobile veterinary wellness and illness care and laboratory services and animal related services and retail products (the "Approved Clinic Products and Services") under the Vetama name and marks and such other trade-names, trademarks, and logos as we may designate, modify and adopt from time to time (collectively referred to as the "Licensed Marks"). If your Franchised Business directly operates a Clinic the gross sales and revenues of your Franchised Business will be generated from the sale of Approved Clinic Products and Services to customers of the Clinic. You may only enter into a Franchise Agreement to own and operate a Clinic if you have a license in good standing to practice veterinary medicine. You must directly hire your own attorney to independently, evaluate, review, and advise you may or may not engage in respecting the operation and management of a Clinic. You may only offer and provide the Approved Clinic Products Services on-site at customer locations within your ~~Designated~~Operating Territory. Clinics shall offer and provide the Approved Clinic Products and Services and shall include and use those products, supplies and equipment including, a branded and wrapped vehicle and specialized equipment and supplies for treatments involving veterinary care and laboratory work designated by us (collectively, the "System Supplies") and shall be managed using the point of sale and business management systems (collectively, the "Business Management System") designated by us; or

Clinic Management Business – In some states, applicable law requires us to franchise to an entity that does not render veterinary medicine services. In such states, the development and operation of a Franchised Business will be to own and operate a management business ("Clinic Management Business") that provides management, marketing, and clinic facility based services (the "Clinic Facility and Management Services") to medical practices, professional corporations, and licensed professionals authorized to offer and provide the Approved Clinic Products and Services (referred to as "Authorized Care Providers") at a clinic that is directly operated and, potentially owned, by the Authorized Care

Providers authorized to directly offer and provide the Approved Clinic Products and Services. You will enter into a management agreement ("Management Agreement") with the Authorized Care Providers to provide them with the Clinic Facility and Management Services and grant them a license to use the Licensed Marks at the location of your Franchised Business. If your Franchised Business operates as a Clinic Management Business the gross sales and revenues of your Franchised Business will be generated from management and other fees paid by Authorized Care Providers for Clinic Facility and Management Services. Although your Management Agreement must be approved by us and although we provide a sample management agreement (See~~, Exhibit 8 to our~~ Franchise Agreement, Exhibit 7), you must directly hire your own attorney to independently, evaluate, review, and ensure that your Management Agreement complies with all applicable laws, rules and regulations. The Clinic Management Business is only offered to franchisees who are not licensed medical professionals.

Your Franchised Business may be managed as a home-based business that, if permitted by law, may be administratively managed from a home office (an "Administrative Office") provided that you only provide the Approved Services and Products, on-site, at customer locations within your designated operating territory ("Customer Locations").

Franchise Agreement

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate one ~~(1)~~ Franchised Business within ~~a designated territory~~an Operating Territory and in conformity with the requirements of our System. Depending on applicable laws, rules and regulations your Franchised Business will either own and operate a Clinic or a Clinic Management Business.

Affiliates

Central Coast Veterinary Services

Our affiliate Central Coast Veterinary Services is our affiliate that maintains a principal business address at 793 Foothill Blvd Ste A, San Luis Obispo, ~~CA 93405.~~California93405. This affiliate operates a business that is similar to the Franchised Business and is the owner of the Licensed Marks. You will not be required to do business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Market and Competition

The general market for the services and products offered by your Franchised Business typically includes other clinics and wellness centers that offer and provide veterinary medicine and other services for animals. The market for the services and products offered by a Franchised Business are not seasonal in nature but are extremely competitive.

Industry Specific Laws

When engaging in this industry, federal, state, and local jurisdictions have laws, rules, and regulations that may apply to your Franchised Business, including: rules and regulations related to the provision of veterinarian services and the practice of veterinary medicine; health and safety; flow of funds; licensing of veterinary professionals; licensing and requirements as to the ordering, supply, and administration of procedures and services; ownership and control of Franchised Business; advertising; ownership and control of a professional entity; construction, zoning, health and safety requirements; employee practices; equal access for the disabled including, requirements imposed by The Americans with ~~Disability~~Disabilities Act of 1990; and numerous others that may affect the operation, construction and location requirements of your Franchised Business.

If required by local law, you are responsible for ensuring that the professional corporation or professional limited liability company that receives the Clinic Facility and Management Services (a "PC") meets all

licensing, permitting, certification and/or other requirements with respect to the practice of veterinary medicine and that both the PC and the Clinic Management Business meet all other licensing, permitting, certification and/or other requirements with respect to operating a business in the locality in which you will practice. If the Franchised Business or PC employs veterinary care providers other than veterinarians, you must ensure that the PC and those employees follow the laws relating to those providers' professions. Each state and many localities have their own licensing, permitting or certification schemes and so requirements may vary from Franchised Business to Franchised Business.

We have prepared a sample form of Management Agreement, which is attached as Exhibit ~~8~~7 to the Franchise Agreement. However, you should consult with your own advisors and the government agencies in your state and locality for information on how federal, state and local laws apply to you, the Franchised Business and the PC. You will be responsible for compliance with all laws that are applicable to the Clinic Facility and Management Services and ensuring that the Franchised Business and PC are in compliance with all laws that are applicable to the services that each renders.

You will also be subject to federal and state laws and regulations that apply to businesses generally, including rules and regulations involving employment practices, wage and hour laws, immigration and employment laws. You must review federal minimum wage and overtime laws, as well as similar laws within your state to ensure compliance with labor and wage laws currently in existence and those that may later be adopted. You should consult with your attorney concerning these and other local laws, rules and regulations that may affect the operation of your Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

Jacob Wright, Chief Executive Officer
Jacob Wright, MBA is our CEO and Jacob Wright has served in this role since our formation on March 22, 2022. Since 2020 and, continuing to date, Jacob Wright has served in similar positions with our affiliate company, Central Coast Veterinary Services located in Morro Bay, California. From 2021 to present, Jacob Wright was Efficiency Analyst, Commercial Support Specialist at Morris & Garritano Insurance Services in San Luis Obispo, California. From 2019 to 2020, Jacob Wright was Veterinary Technician at North County Animal Hospital in Paso Robles, California. From 2018 to 2020, Jacob Wright was Student Farm Manger at California Polytechnic State University Swine Unit in San Luis Obispo, California. From 2017 to 2020, Jacob Wright was Ranch Manager at La Lomita Ranch in San Luis Obispo, California. From 2016 to 2018, Jacob Wright was Veterinary Technician at Adobe Veterinary Hospital in San Miguel, California.

Daniel Gutman, Chief Operating Officer
Daniel Gutman, DVM is our Chief Operating Office and Daniel Gutman has served in this role since our formation on March 22, 2022. Since 2021 and, continuing to date, Daniel Gutman has served as Managing Partner of our affiliate company, Central Coast Veterinary Services located in Morro, California. From 2020 to 2021, Daniel Gutman was Associate Veterinarian at VCA, Arroyo Grande in VCA, Arroyo Grande. From 2017 to 2020, Daniel Gutman was Associate Veterinarian at VCA, 4 Paws San Diego in San Diego, California. From 2013 to 2017, Daniel Gutman was a Veterinary Student at Western University College of Veterinary Medicine in Pomona, California.

Raffy Dorian, Chief Veterinary Officer
Raffy Dorian, DVM is our Chief Veterinary Officer and Raffy Dorian has served in this role since our formation on March 22, 2022. Since 2016 and, continuing to date, Raffy Dorian has served as Managing Partner of our affiliate company, Central Coast Veterinary Services located in Morro Bay.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Franchise Agreement

When you sign a Franchise Agreement, you will pay to us a non-refundable initial franchise fee in the amount of $~~15~~40,000 (the "Initial Franchise Fee"). The Initial Franchise Fee is fully earned by us upon payment ~~and is used to defray our costs for providing initial training, pre-opening assistance, and to offset certain franchise recruitment expenses~~. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document.

Opening Inventory

You must purchase your opening inventory of certain System Supplies from us or our affiliate. We estimate that your initial opening inventory of System Supplies, which includes the vehicle, whether you purchase and need to build-out the vehicle or whether you lease the vehicle, that you must purchase from us or our affiliates will range between $~~5~~12,500 to $22,000 ~~to $15~~for the leased vehicle option or $65,000 to $113,000 for the purchased vehicle option. Your initial opening inventory fees will be fully earned by us upon payment and are non-refundable.

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ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty (Notes 2 and 3)	6% of Gross Sales. Subject to adjustment and to alternative fixed fee royalty structure The Royalty Rate is 6% of Gross Sales for Out of Territory Customers	Monthly on the first Thursday of each month for the preceding month	Will be debited automatically from your bank account by ACH or other means designated by us. If applicable laws or regulations prohibit a percentage-based royalty, then we may increase the royalty rate or, at our election, charge you a fixed fee royalty ~~as set forth in Note 2~~. The Royalty Rate is 6% for Out of Territory Customer Gross Sales. See Note 2 for further clarification.
Brand Development Fund (Note 4)	2% of Gross Sales	Monthly on the first Thursday of each month for the preceding month	Will be debited automatically from your bank account by ACH or other means designated by us.
Local Marketing (Note 5)	2% of Gross Sales	As incurred or Monthly on the first Thursday of each month for the preceding month	You must spend not less than 2% of your Gross Sales each month on pre-approved marketing within your ~~designated~~operating territory. We may also elect to collect all or a portion of your local marking expenditure and spend it on local marketing specific for your Franchised Business in your market as we deem best in our sole discretion.
Grand Opening Marketing Expense	Up to $5,000	As incurred	Payable if we require you to pay your grand opening marketing expense to us to spend on your behalf. See Item 7.
Local and Regional Advertising Cooperatives (Note 6)	As established by cooperative members	As established by cooperative members	Established by cooperative members.
Technology (Note 7)	Up to $500 per month.	Monthly as invoiced	This payment will be debited automatically from your business bank through ACH.
Additional Employee Initial Training	Our then current fee, plus expenses.	When billed and on demand	Under our pre-opening initial training, we will train you or your Managing Owner and one ~~(1)~~

	Current fee is $800 per person per day		designated manager at no additional charge. This fee is for initial training, either before or after you open. Initial training is conducted at facilities we designate and you must pay for all other expenses of your trainees, including salary, travel and accommodations.
Supplemental On-Site Training	Our then current fee, plus expenses. Current fee is $800 per trainer per day	When billed and on demand	If you request or we require on-site training at your Franchised Business, you must pay our then current trainer fee plus our expenses related to travel and accommodations.
Annual Conference Attendance Fee (Note 8)	Our then current fee, not greater than $1,500	When billed and before conference	Will be debited automatically from your bank account by ACH or other means designated by us.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
Reporting Non-Compliance	$500 per occurrence	14 days of invoice	Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Operations Non-Compliance	$1,000 per occurrence	14 days of invoice	Payable for failure to comply with operational standards as required and specified under Franchise Agreement, plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	$150 per occurrence	On demand	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
Audit	Cost of audit	On demand	For costs incurred by us for each audit, provided the audit determines underreporting of 2% or greater during any designated audit period. Includes fees incurred by us including audit, legal, travel and reasonable accommodations.

NSF Check Fee of Failed Electronic Fund Transfer	5% of amount or $50, whichever is greater, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Supplier Review	Varies	Within 14 days of invoice	You must pay us the costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval.
Costs, expenses, and legal fees	Costs incurred by us	On demand	For costs and expenses incurred by us in collecting fees due to us, and/or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement.
Management Service	Actual costs incurred by us	As invoiced	Payable if we elect to manage the Franchised Business due to a failure by you to have the Franchised Business managed by an authorized Managing Owner or Manager.
Transfer	$20,000	On demand	After our approval, but prior to execution of final transfer agreements and authorization.
Renewal	50% of the then current initial franchise fee payable by a franchisee who is new to the System	On signing renewal Franchise Agreement	Payable if we approve your renewal request and upon signing our then current Franchise Agreement.

Explanatory Notes to Item 6
Other Fees

Note 1: Type of Fee – The above table describes fees and payments that you must pay to us, our affiliates, or that our affiliates may impose or collect on behalf of a third party. All fees are uniformly imposed for all franchises offered under this Disclosure Document, are recurring, are not refundable, and are payable to us, unless otherwise specified. All fees are payable to us unless otherwise noted and are not refundable unless otherwise noted. Payment is subject to our specification and instruction, including, our election to have all fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH Authorization Form (Franchise Agreement, Exhibit ~~7~~6) permitting us to electronically debit your designated bank account for payment of all fees payable to us as well as any amount owed to us or our affiliated for goods or services. You must deposit all Gross Sales of your Franchised Business into the designated bank accounts that are subject to our ACH authorization. You must install and use, at your expense, the pre-authorized payment, point of sale, automatic payment, automated banking, electronic debit and/or electronic funds transfer systems that we designate and require in the operation of your Franchised Business. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Note 2: Royalty Fees – The royalty fee is a continuing monthly fee equal to 6% (the "Royalty Rate") of your monthly Gross Sales (defined below), except that, if any federal, state, and/or local government

agency, entity, law, rule and/or regulation, and/or any court order or order from any legal proceeding prohibits and/or invalidates or prohibits your payment of royalty fees based on Gross Sales related to services and/or products related to and/or associated with services performed by and/or administered by an Authorized Care Provider and/or the Franchised Business, then we may either: (a) increase your Royalty Rate, as applied to the permissible portion of your Gross Sales that is not otherwise restricted or prohibited, to a rate/amount determined by us so that the net amount of the royalty fees paid to us shall not be less than the royalty fees we would have received had the federal, state, and/or local government agency, entity, law, rule and/or regulation not prohibited your payment of royalty fees based on Gross Sales related to a restricted activity; or (b) charge you a fixed fee royalty in accordance with the following royalty schedule (the "Franchisor's Optional Fixed Fee Royalty Fee"):

Franchisor's Optional Fixed Fee Royalty Structure	
Months 1 to 13	$1,600 per month
Months 14 to 26	$2,300 per month
Months 27 to 39	$3,125 per month
Months 40 to 52	$3,300 per month
Months 53 to 65	$3,600 per month
Months 66 and each month there after	$4,000 per month
Renewal Term: During any applicable renewal term, Franchisor's Optional Fixed Fee Royalty shall be not less than the Minimum Monthly Royalty applicable in months 66 and after and shall be subject to increase as determined by us provided that within each calendar year of any renewal term we shall not increase Franchisor's Optional Fixed Fee Royalty by more than $600 per month.	

If you are authorized to provide System Services and Products to Out of Territory Customers in an Open Area (See, Item 12) the Royalty Rate is 6% for Gross Sales related to Out of Territory Customers.

Note 3: Gross Sales – "Gross Sales" means the greater of either total dollar sales from all business and customers of your Franchised Business or, the Clinic operated by the company that your Clinic Management Business manages in connection with your Franchised Business. Without limitation to the foregoing, Gross Sales shall mean and include the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you or any other person or entity in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person (including Authorized Care Providers) or Corporate Entity involving or relating to either (a) the Approved Clinic Products and Services, or (b) business conducted or which started in, on, from, related to, or through your Franchised Business, your Administrative Office, and, if applicable your Clinic Management Business, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales shall further include the total gross amount of revenues and sales from whatever source derived from and/or derived by you (including any person and/or Corporate Entity acting on your behalf and/or an Authorized Care Provider) from business conducted within and/or outside your ~~designated territory~~Operating Territory that is related to your Franchised Business, the underlying Clinic associated with your Franchised Business and/or a competitive business located and/or operated at your Administrative Office, within your ~~designated territory~~Operating Territory, outside your ~~designated territory~~Operating Territory, and/or otherwise. Gross Sales do not include (a) sales taxes that you collect and remit to the proper taxing authority, (b) authorized promotional discounts that you provide to customers, (c) employee tips, and (d) revenue received during a previous monthly accounting period, yet redeemed in the current accounting period ("Redemptions"), provided that the revenue received shall be deemed Gross Sales during the monthly accounting period it is received.

Note 4: Brand Development Fund – The brand development fund fee is a continuing monthly fee equal to 2% of your monthly Gross Sales (the "Brand Development Fund Fee").

Note 5: Local Marketing – On a monthly and on-going basis, you are required to spend not less than to 2% of your monthly Gross Sales on the marketing and promotion of your Franchised Business for the duration of your Franchise Agreement, commencing on the opening of your Franchised Business. Your local marketing efforts and expenditures must be targeted to a market comprised of your ~~designated territory~~Operating Territory and must be pre-approved by us and limited to the marketing mediums, channels, copy and messaging, that we may designate and approve from time to time. We reserve the right to collect all or a portion of your local marketing expenditure for us to spend on local marketing we implement on your behalf as we deem appropriate.

Note 6: Local and Regional Advertising Cooperatives – If two ~~(2)~~ or more Franchised Businesses are operating within a market designated by us we reserve the right to establish and require your participation in a local or regional advertising cooperative within a geographic area, region, or market designated by us. If a local or regional advertising cooperative is established within a market that includes your Franchised Businesses, you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Franchised Business franchisee will have one ~~(1)~~ vote for each Franchised Business location located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote based on a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate shall count toward the satisfaction of your local marketing obligations and shall not the amount of your monthly minimum local marketing obligation.

Note 7: Technology Fee – The continuing monthly technology fee is an administrative fee and is not associated with any particular service but is used, at our discretion, to defray some of our costs related to system website and intranet (the "Technology Fee"). Currently we do not charge a monthly Technology Fee but reserve the right to implement one at any time in the future provided that the monthly technology fee shall not exceed $500 per month.

Note 8: Annual Conference Attendance Fee – If we offer a franchisee annual conference in a given year you will be required to attend the conference on the dates and at the location that we designate. You will be responsible for all travel and lodging expenses. We may charge you an annual conference fee in an amount not exceeding $1,500. We reserve the right to charge the annual conference fee to those franchisees that do not attend. We will not require your attendance at an annual conference for more than three ~~(3)~~ business days during any calendar year.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 1)	$~~15~~40,000	Lump sum	When Franchise Agreement is signed	Us
Initial Inventory (Note 2)	$5,000 - $~~15~~8,000	As billed	As incurred	Us or our affiliate
Grand Opening Marketing Expenses (Note 3)	$2,000 - $5,000	As arranged	As incurred	Us, our affiliates or Suppliers
Computer, Software and Point of Sales System	$~~5,000 - $7~~1,500 - $3,500	As arranged	As incurred	Suppliers, us or our affiliate
Utility Deposits (Note 4)	$0 - $1,500	As arranged	As incurred	Suppliers
Insurance Deposits (Note 5)	$1,000 - $3,000	As arranged	As incurred	Insurers
Travel for Initial Training (Note 6)	$1,500 - $3,500	As arranged	As incurred	Airlines, hotels, restaurants
Professional Fees (Note 7)	$~~7,500 - $10~~3,000 - $7,000	As arranged	As incurred	Attorneys, accountants, architects, advisors
Licenses and Permits (Note 8)	$1,000 - $3,000	As arranged	As incurred	Government
Vehicle (Note 9)	$~~60~~40,000 - $~~105~~65,000.	As arranged	As incurred	Us, Automobile dealers
Vehicle ~~Wrap~~ Build-Out (Note ~~10~~9)	$~~200 - $5~~20,000 – $40,000	As arranged	As incurred	Us, Suppliers
Vehicle Lease (Three Months) (Note 9)	$7,500 – $14,000	As arranged	As incurred	Us, Automobile dealers
Additional Funds – Three ~~(3)~~ months (Note ~~11~~) 10)	$10,000 - $15,000	As incurred	Before opening	Us, employees, suppliers, landlord, utility suppliers

Total Estimate – Vehicle Purchased	$~~108,200 – $188~~125,000 – $194,500
Total Estimate – Vehicle Leased(Note ~~12~~11)	$72,500 – $103,500

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Explanatory Notes to Item 7
for Franchise Agreement

Note 1: Initial Franchise Fee – The Initial Franchise Fee for a Franchised Business under a Franchise Agreement is $~~15~~40,000.

Note 2: Initial Inventory – Before opening your Franchised Business you must purchase from us or our affiliates your initial supply of non-retail supplies that include veterinary medical supply inventory used for providing services for customers of your Clinic. This is only an initial supply and will require replenishment on a regular an on-going basis based on the volume of sales of your Franchised Business.

Note 3: Grand Opening Marketing Expenses – You must spend a minimum of the amount we designate of between $2,000 and $5,000 commencing not later than 30 days prior to the opening of your Franchised Business for the purpose of promoting your grand opening. We will provide you with a selection of approved marketing plans, strategies and mediums to utilize in your grand opening marketing. You will be required to adopt or develop a marketing plan specific to the grand opening of your Franchised Business. You must submit your grand opening marketing plan to us for our pre-approval not less than 60 days prior to the opening of your Franchised Business.

Note 4: Utility Deposits – To secure the appropriate utilities required for the operation of your Franchised Business including gas, electric, water, sewer and internet access, you will be required to pay upfront deposits to each applicable utility company.

Note 5: Insurance Deposits – You are required to maintain certain insurance coverage. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and agent. This estimate is for the cost of an initial deposit to obtain the minimum required insurance and we estimate this deposit to be equal to the amount of three ~~(3)~~ months of monthly insurance premium payments. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

Note 6: Travel for Initial Training – You must complete our pre-opening training program before opening your Franchised Business. We do not charge a fee for our pre-opening initial training. This estimate is for estimated travel and lodging expenses that you will incur to attend our pre-opening initial training.

Note 7: Professional Fees – These fees are representative of the costs for engagement of professionals. You will be required to hire a licensed architect and engineer to prepare and have approved architectural and engineering plans for the construction and build-out of your Franchised Business facility which must conform to our brand standards and specifications and comply with local applicable laws, rules and regulations. You will also incur fees with an attorney and, potentially an accountant, for the initial review and advisory services and representation consistent with the start-up of a Franchised Business. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting the Franchised Business. There are significant health care regulations and requirements related to the operation of a Franchised Business, you should retain specialized health care legal counsel before signing any Franchise Agreement to advise you as to whether or not you may own and operate a Franchised Business and the types of activities that your Franchised Business may or may not engage in.

Note 8: Licenses and Permits – You must apply for, obtain and maintain all required permits and licenses necessary to operate a Franchised Business. The licenses will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the government authorities when incurred and, are due prior to opening the Franchised Business. This estimate does not include the cost of specialized licenses such as, for example, licenses that may or may not be required by individuals performing services at your Franchised Business.

Note 9: Vehicle – You must use a branded and wrapped service vehicle for all customer visits~~.~~, which can either be purchased in full or leased. We estimate ~~(1)~~one vehicle to cost between $40,000 to $65,000 with a buildout cost of ranging from $20,000 to $40,000~~.~~, including the purchase of the vehicle wrap, which is subject to our design vehicle signs and displays as we designate. The total vehicle ~~worth~~cost when purchased and owned by you is estimated to range between $60,000 to $105,000. The lease estimate represents the deposit and lease payments for three months. The service vehicle must meet our standards and specifications, be registered and insured as a commercial vehicle, be wrapped in accordance with our brand standards and specifications and, be in a relatively new and clean condition. Typical vehicles that we approve include, the Ford Transit 2500 and Ford E-Transit ~~Electric~~. If you elect to lease the vehicle for your Franchised Business, we estimate an ongoing lease installment or purchase financing payments between $~~975~~800 to $~~1,700~~2,000 per month, with a down payment ranging from $~~12~~5,000 to $~~21~~8,000.

~~Note 10: Vehicle Wrap – You are required to purchase, subject to our design vehicle signs and displays that we designate. This estimate is for the cost to produce the vehicle wrap. This estimate includes other elements of brand identification within the Franchised Business.~~

~~Note 11~~Note 10: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial 3-month period following the opening of your Franchised Business. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Franchised Business. This is only an estimate for your initial three ~~(3)~~ months of operations and more working capital and additional funds may be required depending on the sales and performance of your Franchised Business. Before signing a Franchise Agreement, you should consult with your accountant and advisor to budget and, determine the amount of additional funds that should be reserved and set aside by you to support and capitalize the long-term operations of your Franchised Business.

Note ~~12~~11: About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a Franchised Business. We have based these estimates on the experiences of our affiliate in developing

a Clinic. These are only estimates and your costs and, the range of those costs, may vary. Factors that may influence your costs include: the size of your Clinic; local geographic market and economic conditions including rent, labor, and construction rates; local licensing costs; competition; the facilities and existing build-out of the Administrative Office that you select; landlord funded tenant improvements and allowances; the capabilities of your management team; and the level of sales achieved by your Franchised Business. These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. You should carefully review these estimates with your business, accounting, and legal advisors before making any decision to sign a Franchise Agreement. These estimates are for one ~~(1)~~ Administrative Office only.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell services and products that we designate (the "Approved Clinic Products and Services"). You may only use, lease, and/or install those products, services, furniture, fixtures, equipment, and other materials and supplies that we authorize and designate in writing that are now a part of our System or that we may designate as a part of our System in the future (the "System Supplies"). You must operate and/or manage the Franchised Business in strict conformity with the Franchise Agreement and the methods, standards, specifications, and sources of supply that we designate and prescribe in the Manuals.

Source Restricted Purchases and Leases - Generally

We require that you purchase or lease certain source restricted goods and services for the development and operation of your Franchised Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier, that may include us or our affiliates, as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, verbal and other forms of communication. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System.

Suppliers and Supplier Criteria

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If there is no designated supplier for a particular item, you will purchase all products, supplies and services from suppliers who meet our specifications and standards.

We are currently designated as an approved supplier of the Opening Inventory of System Supplies~~.~~, including the purchase or lease of the service vehicle and its build-out, if applicable. Otherwise, currently, we are not and our affiliates are not approved suppliers of the source restricted goods and services identified below. Except as to us, no officer of ours currently owns an interest in any of our designated suppliers.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information that we may request. We may charge you a fee equal to the costs and expenses that we incur in reviewing and/or evaluating an alternate supplier, product, and/or service requested by you. We may request that you send us samples from the supplier for testing and documentation from the supplier for

evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time, not to exceed 60 days after we receive your written request for approval and all additional information and samples that we may request. We may, in our discretion, withhold our approval. We do not make our procedures or criteria for approving suppliers available to our System franchisees, except that when evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the suppliers quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the suppliers approval, in our sole determination, will allow us to advance the overall interests of the System.

May states have restrictions as to who can make decisions regarding veterinary medical equipment and supplies to be used in the operation of the Franchised Business.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers, to represent approximately 90% of your total purchases and leases in establishing the Franchised Business and approximately 90% of the on-going operating expenses of the Franchised Business. As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services:

1. System Supplies – Your Franchised Business must maintain an initial and ongoing inventory of System Supplies. You must purchase the System Supplies exclusively from us, our affiliates, or our designated supplier. The System Supplies includes, among other things, the supplies used to perform the services offered by a Clinic and the retail products sold to Clinic customers. You must purchase your Initial Supply Inventory, and your Initial Retail Inventory exclusively from us or our affiliate, or approved suppliers.

2. Point of Sale and Computer Equipment – You will be required to purchase the computer systems, point of sale systems and software systems designated by us in the Manuals. ~~Furniture and Fixtures – Your Franchised Business must be equipped with branded and unbranded furniture and fixtures that we designate and that meet our standards and specifications. You may purchase unbranded furniture and fixtures from any supplier of your choosing, provided that the furniture and fixtures meet our specifications and standards, which may also include specified manufacturers and brands. Without limitation to the foregoing, you must purchase your Initial Service Equipment, Furniture, and Branded Fixtures from us or our affiliates.~~ You must license and use Shepherd Veterinary Software as the point of sale software for your Franchised Business.

~~3. Signage – The signage for your Franchised Business must meet our standards and specifications and must be purchased from our designated suppliers.~~

~~4.~~ 3~~Point of Sale and Computer Equipment – You will be required to purchase the computer systems, point of sale systems and software systems designated by us in the Manuals.~~ ~~You must license and use Idexx/Neo as the point of sale software for your Franchised Business.~~

~~5~~. Credit Card Processing – You must use our designated supplier and vendor for credit card processing which may be integrated with the point of sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Sales.

~~6~~4. Branded Items and Marketing Materials – All materials bearing the Licensed Marks (including, but not limited to, stationary, business cards, brochures, apparel, signs and displays) must meet our standards

and specifications and must be purchased from either us directly or our designated suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Franchised Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us, or our affiliates, or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.

~~7~~5. Service Vehicles – Your service vehicles must meet our standards and specifications, be designated and insured for commercial purposed, and be wrapped with our approved branding and vehicle wrap. You may only operate your Vetama Business from service vehicles that meet our specifications and approved wrap.

~~8~~6. Insurance – You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the chart below and in the Franchise Agreement (Franchise Agreement, Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

Insurance Requirements

(a) Coverage against direct physical loss or damage to real and personal property, including improvements and betterments, for all-risk perils, including flood and earthquake, if the relevant property is situated in a flood or earthquake zone, equal to at least 100% of your Franchised Business' full insurable value;

(b) Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products liability and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least $1,000,000 per occurrence and $3,000,000 in the aggregate;

(c) Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which your Franchised Business is located, including statutory workers' compensation limits and employers' liability limits of at least $1,000,000;

(d) Business interruption insurance equal to 12 months of your net income and continuing expenses including Royalty Fees;

(e) Commercial umbrella liability insurance with total liability limit of at least $1,000,000;

(f) Cyber insurance in the amount of at least $1,000,000 protecting against first party and third party claims;

(g) Employment practices liability insurance with a limit of at least $2,000,000 including actions of a third party and a minimum limit of $100,000 for wage and hour disputes;

(h) Professional liability malpractice insurance for all veterinary medical providers with a limit of at least $2,000,000 per claim and $3,000,000 annual aggregate for all veterinary medical providers with license defense coverage; and

(i) All other insurance that we require in the Manual or that is required by law or by the lease or sublease for your Franchised Business.

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Franchised Businesses under the System and, in doing so, we may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently, there are no purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. As of the Issuance Date of this Disclosure Document we have not received revenue from suppliers from franchisee purchases of source restricted products or services. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers.

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ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Article(s) in Agreement	Disclosure Document Items
a. Site selection and acquisition/lease	2.A, 3.A, 3.B	7, 11
b. Pre-opening purchases and leases	3, 8	7, 8
c. Site development and other pre-opening requirements	3, 4, 7.F, 7.G, 7.I, 7.J, 8, 9.B	6, 7, 11
d. Initial and ongoing training	4, 7.J	11
e. Opening	2, 3, 4, 9.B	11
f. Fees	3, 4.A, 5, 9, 12, 13, 14, 15, 16, 18.N.	5, 6, 7

g. Compliance with standards and policies/manual	3, 4, 7 8, 9, 12	8, 11
h. Trademarks and proprietary information	6, 7, 11	13, 14
i. Restrictions on products and services offered	3, 4.C, 7.F, 7.G. 7.H, 7.I, 7.J, 8	8, 11, 16
j. Warranty and customer service requirements	7	16
k. Territorial development and sales quotas	2	12
l. Ongoing product and service purchases	3, 4.C, 5, 7	8
m. Maintenance, appearance and remodeling requirements	7	7, 17
n. Insurance	8	7, 8
o. Advertising	3.H, 4.C, 7.I, 9, 11	6, 11
p. Indemnification	10	6
q. Owner's participation, management, staffing	4, 6, 7	11, 15
r. Records and reports	5, 12	6
s. Inspections and Audits	13	6, 11
t. Transfer	14	17
u. Renewal	15	17
v. Post-termination obligations	6, 17, 18	17
w. Non-Competition Covenants	6, 17, 18	17
x. Dispute Resolution	18.F, 18.G	17
y. Other: Individual guarantee of franchisee obligations	2.C, 6, 14.C, 14.E	9

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

1. Grant of Franchise – We will grant you the right to operate and/or manage a Franchised Business from a single Administrative Office that is located within ~~a designated territory.~~an Operating Territory. (Franchise Agreement, Article 2);

2. Franchise Agreement ~~Designated~~Operating Territory – Once you secure an Administrative Office that we approve, we will define the ~~Designated~~Operating Territory for your Franchised Business and include the geographic boundaries and/or a description of your ~~Designated~~Operating Territory within the Schedules or Exhibits to the Franchise Agreement. (Franchise Agreement, Article 2, and Schedule 1);

3. Manuals – We will loan you a copy of our confidential and proprietary Manuals. You must operate the Franchised Business in accordance with the Manuals and all applicable laws, rules and regulations. At all times, we reserve the right to supplement, modify and update the Manuals. (Franchise Agreement, Article 4.C.). The operations manual as of the Issuance Date of this Disclosure Document consists of 56 pages and the table of contents to the operations manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). The major subjects contained in the operations manual consists of establishing, developing, marketing and operating the Franchised Business;

4. Site Review, Approval and ~~Designated~~Operating Territory – We will review the proposed site that you select for your Administrative Office and we will notify you of our approval or disapproval. Once you select a site that we approve for your Administrative Office, we will designate your ~~Designated~~Operating Territory. However, if you negotiate and we agree to designate and grant to you ~~a Designated~~an Operating Territory prior to your selection of an Administrative Office, then you must locate your Franchised Business within the ~~Designated~~Operating Territory and at a site that we approve as your Administrative Office. You must obtain our approval of your Administrative Office. Additional information about site selection is discussed in more detail below in this Item 11;

5. Approved Suppliers and Distributors – We will provide you with a list of our approved suppliers and distributors (to the extent that we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3 and 4);

~~6. Signs, Equipment, Furniture, and Fixtures – We will provide you with a list of our approved signage, equipment, furniture and fixtures (to the extent that we have designated them), either as part of the Manuals or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide assistance in delivering or installing signs, equipment, furniture, or fixtures. (Franchise Agreement, Articles 3 and 4);~~

~~7.~~ Website and Digital Media – We will identify and locate your Franchised Business on our website. You may not utilize any websites, web based media or digital media unless expressly approved by us in writing. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.H. and 9); and

~~8~~7. Initial Training – Not less than 45 days prior to the opening of your Franchised Business you or your Managing Owner and one ~~(1)~~ management level employee or Owner must attend and complete our initial training program. We will provide you (and up to one ~~(1)~~ of your designated managers) with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner and one ~~(1)~~ operating manager at our training facility located in San Luis Obispo, California. The training program takes place over a 14 day period and is described below in this Item 11 in more detail.

Site Selection

If permitted by local law, you may locate your Administrative Office within your home residence. Otherwise you are responsible for selecting a site for your Administrative Office you must obtain our approval of your Administrative Office. Generally, we do not own or lease the real property that will serve as your Administrative Office and you are responsible for all costs and expenses in locating and evaluating proposed sites for your Administrative Office and the demographic data associated with your proposed sites. Before you enter into a lease or other agreement for your Administrative Office you must obtain our approval. We will provide you with site selection guidelines. If your Franchise Agreement specifies and designates ~~a Designated~~an Operating Territory, your Administrative Office must be located within your ~~Designated~~Operating Territory at a site that we approve.

Although there is no specified time limit for us to review the proposed site for your Administrative Office, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request. In determining whether to approve or disapprove a proposed site for your Administrative Office, factors that we take into consideration include: characteristics of the proposed site; whether or not the proposed site meets our criteria; the location of your proposed site relative to your overall ~~Designated~~Operating Territory and proximity to other Franchised Businesses.

Within 90 days of signing your Franchise Agreement you must secure an Administrative Office and lease that we approve (Franchise Agreement, Article 3.A.). If you do not meet this requirement for any reason, including our disapproval of a proposed site location, we may terminate your Franchise Agreement without refunding any fees to you. It is your obligation to consult with government agencies, architects and legal professionals to evaluate and determine that your Administrative Office permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a Franchised Business that offers and sells the Approved Clinic Products and Services. (Franchise Agreement, Articles 2, 3, 7 and 16).

Time to Open

You may not open your Franchised Business until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your ~~Designated~~Operating Territory, obtained and provided us with written proof of the required insurance. Within 90 days from the signing of your Franchise Agreement you must open and offer services and products of your Vetama Business to the customers within your Operating Territory. We estimate that the length of time between the signing of your Franchise Agreement and opening your Vetama Business to be one ~~(1)~~ to three ~~(3)~~ months. Factors that may affect this estimated time period include, the length of time undertaken by you to satisfactorily complete our initial training program, obtaining third party lender financing, if necessary, obtaining the necessary licenses, training staff, and, leasing and wrapping a service vehicle that meets our standards and specifications.

Post-Opening Obligations

1. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. We may provide, in our discretion, supplemental training on-site at your Administrative Office. You will be required to pay our then current supplemental training fee, which is currently $800 per on-site trainer, per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);

2. Initial Training for Replacement Operating and Employee Manager(s) – Your Operating Manager and designated employee managers must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager and employee managers our initial training program which must be complete to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our Vetama located in San Luis Obispo, California and at the certified training Vetama that we designate in San Luis Obispo, California. You will be required to pay our then current supplemental training fee for the replacement Operating Manager or employee managers, which is currently $800 per person per day for each replacement manager attending our initial training. You will also be responsible for all costs incurred by your managers in attending our initial training (Franchise Agreement, Articles 4.A. and 4.C.);

3. Communication of Operating Standards – We may establish, update and provide you with consultations and communications, provided in writing, verbally or through other forms of media, as to the standards,

procedures and System requirements as to the operation of your Franchised Business including, but not limited to, Approved Clinic Products and Services, System Supplies, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals which we may, in our discretion, modify from time to time. (Franchise Agreement, Articles 4.B. and 4.C.);

4. Marketing Standards and Approval – We may establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that you may utilize. We will respond to your request respecting the communication of our approval or disapproval of marketing materials and mediums that may be requested by you for use in the marketing and promotion of the Franchised Business. On a continuous basis and no later than 60 days before each calendar year quarter, you must submit to us a quarterly marketing plan for our review and approval. We maintain full discretion as to the marketing standards and the marketing materials and media that you may use in the marketing and promotion of the Franchised Business (Franchise Agreement, Article 4.B.);

5. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Clinic Products and Services and the System Supplies. (Franchise Agreement, Articles 4.B. and 4.D.);

6. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. We may charge an annual conference fee not exceeding $1,500. You will be responsible for all travel and accommodation expenses associated with your attendance at the conference. (Franchise Agreement, Article 4.B.);

7. Administration of Marketing Funds – We may administer and manage System-wide marketing funds comprised of a Brand Development Fund. (Franchise Agreement, Article 9.A.);

8. Hiring and Training of Employees – We do not provide assistance with the hiring of your employees. You will be directly responsible for the management and supervision of your employees. For the protection of the System you must ensure that all employees wear and maintain the proper uniforms with our approved System branded apparel and uniforms including, but not limited to the apparel and uniforms comprising System Supplies and comprising a portion of the Initial Supply Inventory required prior to the opening of your Clinic. You must monitor and ensure that all System Supplies and Approved Clinic Products and Services are prepared, maintained, and served in accordance with the System standards and Manuals; and

9. Pricing – You will exclusively determine the prices that you charge for the Approved Clinic Products and Services served and sold by your Franchised Business. However, we may suggest pricing levels that we recommend.

Advertising

1. Generally – All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of your Franchised Business must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize those advertising and marketing materials and mediums that we designate and approve in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 30 days of your submission of the written request and

sample marketing materials. We are not required to spend any amount on your behalf on advertising in your ~~designated territory~~Operating Territory and we are not required to conduct any advertising on behalf of the franchise System or on your behalf. (Franchise Agreement, Article 9);

2. Local Marketing – You are not authorized to engage in any marketing unless it is pre-approved by us, in our discretion. (Franchise Agreement, Article 9.B.). You are required to spend not less than 2% of your monthly Gross Sales on the local marketing of your Franchised Business payable to us. We will review your local marketing programs and notify you if we approve same. We will make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. In those instances where we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. However, you will incur the direct costs associated with customizing, duplicating, and using such marketing campaigns and in having them printed, distributed and/or placed with media sources. We have the right to require you to pay all or a portion of your local marking expenditure to us for us to spend on local marketing we implement on your behalf, as we deem appropriate in our sole discretion (Franchise Agreement, Article 9);

3. Digital Media and Website – All digital media and marketing must be approved by us. We will designate for your ~~Designated~~Operating Territory information about your Franchised Business on the vetama.com webpage or such other websites as we may designate for the System. (Franchise Agreement, Article 9);

4. Brand Development Fund – We may control and administer a brand development fund (the "Brand Development Fund") (Franchise Agreement, Article 9.A.). As disclosed in Item 6 of this Disclosure Document, you must contribute a monthly sum not to exceed 2% of monthly Gross Sales to the Brand Development Fund. We may use the Brand Development Fund for market studies, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned Clinics may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will maintain unaudited financial records detailing its expenditures and will make available to you, no more frequently than one ~~(1)~~ time in any 12 month period, an unaudited accounting of how monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your Clinic or the marketing area in which your Clinic will be located. (Franchise Agreement, Article 9.A.). We may use the Brand Development Fund to develop and test various media and technologies for potential use and/or improvement of the operations of Clinics and the marketing of Clinics. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of Clinics. You may or may not benefit from these technology developments and improvements. The Brand Development Fund will be uniformly imposed upon all franchisees. (Franchise Agreement, Article 9.A.).

We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing,

developing and managing media of the Brand Development Fund. We will not use the Brand Development Fund to directly market the sale of Clinics, but may do so indirectly by requiring and including information as to the availability of Clinic franchises for sale and contact information for franchise inquiries on and within advertising, marketing and brand development materials, including the System website, developed with the Brand Development Funds;

5. Local and Regional Advertising Cooperative – We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Franchised Business you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one ~~(1)~~ vote per Franchised Business located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine ~~(9)~~ franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Franchised Business, you will be required to participate in the cooperative in accordance with the provisions of our operations manual which we may supplement and modify from time to time.

As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future; and

6. Advertising Council – We have not established an advertising council but reserve the right to do so in the future. (Franchise Agreement, Article 9.A.).

Computer System

You must purchase, license and use the computer, point of sale, business management, and ordering systems that we designate. Presently, you are required to license and use ~~an Idexx/Neo~~the Shepherd Veterinary Software point of sale system as designated in the Manuals with a minimum of two ~~(2)~~ configured hardware terminals. The cost of the point of sale, including the initial license fee, and computer system that you will be required to purchase is estimated to be $5,000 to $7,500. You are obligated to install and/or access all required point of sale and software upgrades as recommended by the manufacturer of the computer and the licensor of point of sale system. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. Your estimated costs for the maintenance, repair and updates for the computer and point of sale systems is estimated to not exceed to exceed $3,000 per year. We will have independent access to all of the information and data that is electronically transmitted on your point of sale system and will have access to all data related to the financial performance of your Franchised Business. There are no contractual limitations on our right to access your point of sale system. There is no contractual obligation for the maintenance, repairs, updates and updates to your Franchised Business Computer System. Subject to applicable laws, such as privacy-related laws, there are no contractual limitations on our right to access the information from your Computer System.

Initial Training

If this is your first Franchised Business, we will provide initial training for you or, if you are a Corporate Entity, your Managing Owner plus five ~~(5)~~ designated employees. You, your manager, plus your five ~~(5)~~

designated employees must successfully attend and complete the initial training program to our satisfaction no later than 45 days prior to the opening of your Franchised Business. The initial training program takes place over an approximate two ~~(2)~~ week period. If more than six ~~(6)~~ individuals attend initial training, you will be charged an additional fee per additional persons attending initial training (Item 6). Although we provide you plus your general manager with initial training at no additional fee or charge, you will be responsible for paying for all travel expenses and employee wages that you incur in your initial training attendance and participation. (Franchise Agreement, Article 4). Currently, we provide our initial training program no less frequently than quarterly and on an as-needed basis. Training for an unlicensed franchisee will focus exclusively on the operation of the business, retail and back-office functions. It will not include training that could be considered the practice of medicine.

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TRAINING PROGRAM

The following chart summarizes the subjects covered in our initial training program:

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Software Introduction	8	0	Online or San Luis Obispo, CA
Financial Comprehension	8	0	
Van Orientation	0	8	
Vendor training	4	0	

Inventory Management	4	0	
Franchise Commutations	4	0	
Schedule Management	4	0	
Client Interaction Training	0	4	
Subtotal Hours	32	12	
Total Hours	44		

Instructional materials that will be used in the initial training process includes our Manuals, live instruction, and handouts. Initial training will be conducted under the direction and supervision of our Chief Veterinary Officer, Raffy Dorian. Raffy Dorian is our Chief Veterinary Officer and Raffy Dorian has served in this role since our formation on March 22, 2022. Since 2016 and, continuing to date, Raffy Dorian has served as Managing Partner of our affiliate company, Central Coast Veterinary Services located in Morro Bay. The level of experience of our trainers will, at a minimum, include each trainer's satisfactory completion of our initial training program. In addition to initial training you will also be required to participate in and satisfy all other training programs that we may designate respecting the Franchised Business. (Franchise Agreement, Articles 4 and 7.J.).

After the opening of your Franchised Business we reserve the right to require that you (or your Managing Owner if you are a Corporate Entity) attend a system-wide training program (the "System-Wide Training Program") that we may establish in our discretion. If we establish a System-Wide Training Program, the program will be offered from our affiliate owned Vetama in San Luis Obispo, California or a designated training location and you will be responsible for all travel, lodging, food, automobile rental expenses, and employee wages that you incur in connection with your attendance. We will not require your attendance at a System-Wide Training Program for more than a total of five ~~(5)~~ days in any calendar year.

ITEM 12
TERRITORY

Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate one ~~(1)~~ Franchised Business within ~~a Designated~~an Operating Territory (your "~~Designated~~Operating Territory"). Your Administrative Office may be located within your home or from a location that we approve of within your ~~Designated~~Operating Territory.

Grant of Territory

At the time of signing your Franchise Agreement, we will designate your ~~Designated~~Operating Territory. Once you identify a site that we approve for your Administrative Office we will designate an area around your site as your ~~designated territory (the "Designated~~Operating Territory~~").~~ (the "Operating Territory"). While there is no minimum size for ~~a designated territory~~an Operating Territory, the scope and size of the area comprising your ~~Designated~~Operating Territory will, generally, be the smaller of a distance of ~~one (1) mile~~five miles from the Administrative Office in all directions travelable by road or, a territory encompassing a population of 35,000 people as of the date of the Franchise Agreement. Our determination as to the number of people within your Operating Territory will be made at the time of signing your Franchise Agreement~~,~~ and will be based on raw data and without regard to demographics or other qualifying factors. We may identify your ~~Designated~~Operating Territory by zip code, boundary streets, highways, county lines, designated market area, and/or other recognizable demarcations.

Relocation

Your right to relocate your Clinic is not guaranteed and approval of a request by you to relocate your Clinic is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Clinic's, our expansion plans, the ~~designated~~

~~territory~~Operating Territory, demographics and other factors that, at the time of a relocation request, are relevant to us.

Establishment of Additional Clinics
You do not have the right to establish additional Clinics.

Options and Rights of First Refusal to Acquire Additional Franchises
You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Rights
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, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and, except as to our Reserved Rights set forth below, we will not open and operate, and, we will not grant another franchisee the right to open and operate a Franchised Business within your ~~Designated~~Operating Territory.

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2.D.) to engage in the following activities (our "Reserved Rights"): (a) operate and grant to others the right to develop and operate Franchised Businesses and Franchised Businesses using the System and Licensed Marks at locations outside your ~~Designated~~Operating Territory and, if applicable, Development Territory, as we deem appropriate and irrespective of the proximity to your ~~Designated~~Operating Territory and, if applicable, Development Territory; (b) acquire, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, the Franchised Business, and after such acquisition, merger or affiliation to own and operate and to franchise, or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to a the Franchised Business (but not using the Licensed Marks) within your ~~Designated~~Operating Territory and, if applicable, within your Development Territory; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to the Franchised Business (but not utilizing the Licensed Marks) within your ~~Designated~~Operating Territory and, if applicable, your Development Territory; (d) use the Licensed Marks and System to distribute the Approved Products and Services offered and sold by the Franchised Business or products and services similar to the Approved Products and Services offered and sold by the Franchised Business in alternative channels of distribution including Internet, other forms of media now or in the future developed, wholesale and mail order channels, retail outlets including pet stores, within or outside your Operating Territory; (e) use the Licensed Marks and System to distribute the Approved Products and Services offered and sold by the Franchised Business or products and services similar to the Approved Products and Services offered and sold by the Franchised Business on behalf of regional and/or national customer accounts (such as national or regional businesses and organizations that maintain outlets, locations, offices, facilities, and/or businesses throughout a region or nationally (referred to as "National Accounts") within or outside your ~~Designated~~Operating Territory; and (f) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

Soliciting by You Outside Your Territory and Territory Rules
You must operate your Vetama Business and provide the Approved Services and Products exclusively within your Operating Territory. The marketing of your Vetama Business must be targeted to your

Operating Territory and you are not permitted to directly solicit customers outside of your Operating Territory. Provided that you do not engage in any Direct Solicitation of customers outside of your Operating Territory or within the Operating Territory of another Vetama Business, you may provide, subject to our written approval, Approved Services and Products within an Open Area, subject to the following definitions, rules, and limited circumstances:

(a) You cannot engage in any Direct Solicitations outside of your Operating Territory. The term "Direct Solicitation" refers to and means "communications and/or contacts occurring through in person contact, telephone, mail, e-mail, direct mail, distributed print media, digital media and/or other forms of marketing directed toward customers, potential customers or referral sources of a Vetama Business";

(b) You cannot provide Approved Services and Products in the operating territory of another Vetama Business (an "Assigned Area");

(c) An "Open Area" is a geographic area that (i) is not an Assigned Area; and (ii) is located within a 10 mile radius of your Operating Territory;

(d) Unless otherwise directed by us at any time, from time to time, and in our sole direction, you may provide Approved Services and Products to a customer (an "Out of Territory Customer") in an Open Area; and

(e) Once an Open Area becomes an Assigned Area you will no longer be authorized or eligible to provide Approved Services and Products to any customers within the Open Area and you must turn over to us, for the benefit of another Vetama Business franchisee, all information and records related to customers in the Open Area.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

~~Soliciting by You Outside Your Territory~~

~~You are required to target and direct the marketing of your Franchised Business to and/or on behalf of your associated Administrative Office to customers located within your territory. You may only offer and sell Approved Clinic Products and Services from your approved Administrative Office within your Designated Territory and, only to retail customers.~~

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

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ITEM 13
TRADEMARKS

Under the terms of the Franchise Agreement, you will be granted a license to use the "Vetama" trademark and those other marks. Our affiliate Vetama Holdings, LLC the owner of the Licensed Marks and has granted to us a license with an initial 20 year term and with automatic renewal thereafter to use the Licensed Marks and to license our franchisees to use the Licensed Marks. Although the License Agreement may be terminated as a result of a breach of the License Agreement, in the event of any termination of the License Agreement, our franchisees will continue to maintain the right to use the Marks pursuant to the terms of their Franchise Agreement. We reserve the right to supplement and modify the marks that you may or may not use in the operations of your Franchised Business. You may only use the Licensed Marks in the manner authorized by us in writing and pursuant to the terms of the Franchise Agreement. You may not use the Licensed Marks in the name of the ~~corporate entity~~Corporate Entity that you may establish to own and operate your Franchised Business.

Principal Trademarks Not Registered with the United States Patent and Trademark Office

The following principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, and will be used by you in the operations of the Franchised Business but are not registered with the United States Patent and Trademark Office ("USPTO"). As to each of these principal trademarks:

We do not have a federal registration for each of these principal trademarks. Therefore, the trademarks identified below do not have many legal benefits and rights that are afforded to federally registered trademarks. If our right to use the trademarks (identified below) is challenged, you may have to change to an alternative trademark, which may increase your expenses.

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Mark	Serial Number for Registration Application Filed with USPTO Application	Application Type	Application Date
Vetama	97108338	1B	November 4, 2021
Vetama	97217446	1B	January 13, 2022
Vetama	97217538	1B	January 13, 2022
Vetama	97217617	1B	January 13, 2022
VETAMA	97303810	1B	March 9, 2022
VETAMA	97303792	1B	March 9, 2022
VETAMA	97303772	1B	March 9, 2022
VETAMA	97303754	1B	March 9, 2022
For The Love Of Pets & Vets	97509095	1B	July 19, 2022

As to our principal trademarks there are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state. There are no pending infringement, opposition or cancellation proceedings and no pending litigation involving our principal marks. We know of no superior rights or infringing uses that could materially affect your use of our principal marks or other related rights in any state.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks including, but not limited to, your use of the Licensed Marks and/or a claim associated with a third- party's use of a trademark that is identical or confusingly similar to the Licensed Marks that we have licensed to you. We maintain the exclusive discretion to take any and all actions or, to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or ~~settlements~~settlement(s) respecting any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable respecting the protection and/or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will protect your right to use the Licensed Marks and other related rights and to protect you against claims of infringement and unfair competition related to the Licensed Marks, provided that your use of the Licensed Marks is in accordance with the Franchise Agreement, the Manuals, and is consistent with our instructions and the license granted to you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Licensed Marks, provided your use of the Licensed Marks comply with the terms of your Franchise Agreement, the Manuals, our written instructions to you and, you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

If any third- party establishes, to our satisfaction and in our discretion that its rights to the Licensed Marks are, for any legal reason, superior to any of our rights or of a nature that we believe, in our discretion, that it is advisable to discontinue and/or modify the Licensed Marks, then we will modify and/or replace the Licensed Marks and you must use the substitutions, replacements and/or variations of and/or to the Licensed Marks and use the those trademarks, service marks, logos and trade names required and designated by us. In such event, our sole liability and obligation will be to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, ~~alterations in signage and~~ replacement of marketing materials.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents**.** We have copyrighted or may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the United States Copyright Office to register these copyrights. We have not applied to the USPTO for the issuance of any patents. Currently we do not own the rights to any license, patent or copyright that is material to the franchise system.

You must keep as confidential our Manuals, any supplements to the Manuals and any other manuals or written materials (including those materials made available to you in electronic format or as part of an online or cloud based network that is a part of the System or designated by the System) used in connection with the Franchised Business. The Manuals contain information about our System, Approved Clinic Products and Services, System Supplies, proprietary products, marketing systems, and, among other things, confidential methods of operation. We consider the information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. You must also require your employees to sign confidentiality agreements that will require them to keep confidential, both during and after their employment, all information designated by us as confidential. You must immediately inform us if you learn of any unauthorized use, infringement or challenge to the copyrighted materials, proprietary or confidential information, including but not limited to our Manuals. We will take any and all actions or, refrain from same, that we determine, in our discretion, to be appropriate. We may control any action we choose to bring. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third party establishes to our satisfaction, in our discretion, that its right to these materials are superior, then you must modify or discontinue your use of these materials in accordance with our written instructions.

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

The Franchise Agreement requires that you or, if you are a Corporate Entity, that your managing shareholder, member or partner be personally responsible for the management and overall supervision of your Franchised Business (the "Managing Owner"). We must approve your Managing Owner. ~~(Franchise Agreement Article 7.J).~~ Your Managing Owner must have satisfactorily completed our initial training and must have obtained all required licenses and permits necessary to operate the Franchised Business. While we recommend that your Managing Owner personally participate in the day to day management and on-site supervision and operations of your Franchised Business, you may hire an operating manager to supervise and manage the day to day on-site operations of your Franchised Business provided that your operating manager: (a) meets all of our minimum standards and criteria for managers; (b) completes our initial training program; and (c) signs a confidentiality agreement approved by us (an "Operating Manager"). We do not require that your Operating Manager own any equity interest in the franchise. ~~(Franchise Agreement, Article 7.J.).~~ At all times, your Franchised Business must be managed and supervised on-site by either a Managing Owner or Operating Manager. If you own and operate multiple Franchised Businesses then each Franchised Business must be managed and supervised on-site by an Operating Manager.

You and, if you are a Corporate Entity, each of your members, shareholders and/or partners (collectively, "Owners"), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and the spouse of each Owner must personally guarantee your obligations to us under the Franchise Agreement ~~(Franchise Agreement, Article 6 and Exhibits 1 and 2).~~ You and each Owner and spouse must also promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with the Franchised Business, and that for 24 months after the expiration of termination of the Franchise Agreement (with said period being tolled during any periods of non-compliance), neither you nor your Owners and their spouses will participate in any competitive business located within and/or servicing customers located within your ~~Designated~~Operating Territory and a 25 mile radius surrounding your ~~Designated~~Operating Territory. Further you will not participate in any competitive business located within and/or servicing customers located within a 10 mile radius of any other Franchised Business and/or the ~~designated territory~~Operating Territory of any other Franchised Business. Your managers and all other employees and agents with access to our confidential

information will be required by us to sign a confidentiality agreement ~~(Franchise Agreement, Article 6 and Exhibit 3).~~.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the Approved Clinic Products and Services as specified in the Manuals or otherwise approved by us in writing and may only sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered and sold by Franchised Businesses. You are not limited to whom you may sell products and services of your Franchised Business, provided you do so exclusively from your Administrative Office and as otherwise required by and in compliance with the standards we determine for the System.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship Under a Single Unit Franchise Agreement

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~~Article in Franchise Agreement	Summary
a. Length of the franchise term	2.B.	The term of your Franchise Agreement is ~~five (5)~~10 years
b. Renewal or extension of the term	15	If you meet our conditions for renewal you may renew your franchise for ~~three (3)~~two additional ~~five (5)~~10 year term
c. Requirements for franchisee to renew or extend	15	To renew your franchise you must be in compliance with the terms of your Franchise Agreement; provide us with 180 days prior written notice of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us, including the Owner and Spouse Agreement and Guaranty, and they must personally guarantee the terms of your renewal Franchise Agreement which may contain terms materially different from your current Franchise Agreement.
d. Termination by franchisee	16.B	You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with "cause"	16.A.	We can terminate if you are in default of the terms of the Franchise Agreement.
g. "Cause" defined-curable defaults	16.A.(3), 16.A.(4)	You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours. Also, if you fail to pay a supplier without, as determined by us, a legal justification. Provided that the foregoing defaults were not intentionally and knowingly in

		violation of the Franchise Agreement. You will have 30 days to cure a default where you, fail to: timely lease a location that we approve for your Franchised Business; timely develop and open your Franchised Business; operate your Franchised Business in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or operate your Franchised Business in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the operations manual; fail to operate your Franchised Business in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.
h. "Cause" defined-non-curable defaults	16.A(1), 16.A(2)	The following are defaults that cannot be cured: three ~~(3)~~ or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the operations manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your Franchised Business Locations; You or your Owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the operations manual and/or of confidential information; You or your Owners engage in intentionally dishonest or unethical conduct that impacts our System; You and/or your Owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the

		appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the ~~Franchise~~Franchised Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the ~~Franchise~~Franchised Business and such action is not dismissed after 60 days; and/or real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; you abandon or fail to continuously own and operate the Franchised Business.
i. Franchisee's obligations on termination/non-renewal	6, 17	You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the operations manual, the Business Management System, the Business Management System Data, and the System Supplies; return the operations manual and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions.
j. Assignment of the contract by franchisor	14.A.	No restriction on our right to assign.
k. "Transfer" by franchisee-definition	14.B.	A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.
l. Franchisor's approval of transfer by franchisee	14.B.	Transfers require our prior written consent, which may be granted or withheld in our discretion.

m. Conditions for franchisor's approval of transfer	14.C.	For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the ~~Franchise~~Franchised Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; and we approve of the transfer and transferee in writing and subject to our discretion; and/or you pay the Transfer Fee (subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business	14.F.	We have the right to match any offer to purchase your Franchised Business or the Corporate Entity operating your Franchised Business.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.

r. Non-competition covenants after the franchise is terminated or expires	6, 17.E.	No involvement, ownership or interest whatsoever for 24 months in any competing business in: your ~~Designated territory~~Operating Territory; a 25 mile radius of your ~~Designated territory~~Operating Territory; a 10 mile radius of the ~~designated territory~~Operating Territory of any other Franchised Business; and you must comply with confidentiality, non-disclosure and non-solicitation covenants.
s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	18.G.	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in San Luis Obispo County, California and, if mediation is unsuccessful, then to binding arbitration in San Luis Obispo County, California. This provision is subject to applicable state law.
v. Choice of forum	18.G.	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to San Luis Obispo County, California. Subject to applicable state law.
w. Choice of law	18.F.	California law will govern. However, this provision is subject to state law and as otherwise disclosed in Exhibit H to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved.

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) 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.

DEFINITIONS

(a) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.

(b) Company Owned Outlet – means a Vetama Business owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document that operates a Vetama Business. A Company Owned Outlet also includes any Vetama Business that: (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document; (ii) is managed by us our affiliate or any person identified in Item 2.

(c) Cost of Goods Sold – means the cost of acquiring merchandise sold to customers, and all materials and supplies directly used to prepare products and/or perform services sold to customers. Cost of Goods Sold does not include Labor Cost.

(d) Disclosed Expenses – refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: auto expenses, dues and subscriptions, insurance, licenses and permits, postage and delivery, utilities and computer, office supplies, professional fees, pet supplies, miscellaneous, and franchisor related charges for royalty fees, brand development fund fees, and local marketing expenditure.

(e) Franchise Outlet – means a Vetama Business operated under a Franchise Agreement that is not a Company Owned Outlet.

(f) Gross Profit – means Gross Sales less Cost of Goods Sold and Labor Cost. Gross Profit is not net profit or Net Income and, except as to Cost of Goods Sold and Labor Cost, does not include the deduction of all other expenses incurred by a Vetama Business including, but not limited to, general expenses, Operating Expenses, interest, taxes, depreciation, and amortization, or compensation paid to an owner operator of either a Franchise Outlet or Company Owned Outlet.

(g) Gross Sales – means the total revenue derived by each Outlet less only sales tax, discounts, allowances and returns.

(h) Labor Cost – means the direct non-owner labor expenses incurred in the operations of the Outlet, comprised of wages, payroll taxes, and paid employee benefits, if any. Labor Cost does not include compensation paid to an owner operator of either a Franchise Outlet or Company Owned Outlet.

(i) Net Income – means the income or loss calculated by subtracting from Gross Profit: (i) Operating Expenses; (ii) interest, taxes, depreciation, and amortization; and (iii) franchisee related expenses (including royalty and other fees identified in Item 6).

(j) Operating Expenses – means all other ordinary and/or recurring expenses incurred by an Outlet, excluding only Cost of Goods Sold and Labor Cost.

(k) Operational Company Owned Outlet(s) – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February ~~2020~~2021 and remained in operation throughout the ~~2021~~2022 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2022~~2021~~ Calendar Year.

(l) Outlet – refers to both Company Owned Outlets and Franchise Outlets, as the context requires.

(m) YOY Sales Growth – refers to the year over year calculation of the percentage of growth or decline of Gross Sales. YOY Sales Growth is calculated by comparing the Gross Sales achieved during Calendar Year 2020 ~~with~~, the Gross Sales achieved during Calendar Year 2021~~.~~, and the Gross Sales achieved during Calendar Year 2022

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BASES AND ASSUMPTIONS

The financial information was prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlet is based on information reported to us by our affiliates. We do not have any Franchise Outlets as of the Issuance Date of this Disclosure Document. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF COMPANY-OWNED OUTLET

We have one Company Owned Outlet located in Morro Bay, California. This Company Owned Outlet has been in operation since January 2016. The Reporting Company Owned Outlet operates under the name Central Coast Veterinary Services, instead of the Vetama name. The territory in which these Company Owned Outlets operates includes approximately 35,000 people.

Operational Company Owned Outlet YOY Sales Growth: ~~62.58~~41.88%						
	2020 Calendar Year		**2021 Calendar Year**		**2022 Calendar Year**	
	Total	**Percentage**	**Total**	**Percentage**	**Total**	**Percentage**
Gross Sales	$300,058	100.0%	$487,839	100%	$692,167	100%
Cost of Services Sold	($82,383)	27.46%	($157,107)	32.20%	($172,501)	24.92%
Labor Cost	($16,654)	5.55%	($25,032)	5.13%	($48,688)	7.03%
Gross Profit	**$201,021**	**66.99%**	**$305,700**	**62.66%**	**$470,978**	**68.04%**
Disclosed Expenses:						
Auto Expenses	($18,510)	6.17%	($15,489)	3.18%	($23,512)	3.40%
Dues and Subscriptions	($2,048)	1.26%	($745)	0.15%	($2,666)	0.39%
Insurance	($5,437)	1.81%	($9,020)	1.85%	($4,326)	0.62%
Licenses and Permits	($922)	0.31%	($493)	0.10%	($2,507)	0.36%
Postage and Delivery	($6,96)	0.23%	($1,096)	0.22%	($1,220)	0.18%
Utilities and Computer	($3,767)	1.26%	($5,804)	1.19%	($4,059)	0.59%
Office Supplies	($1,547)	0.52%	($6,487)	1.33%	($1,279)	0.18%
Professional Fees	($3,025)	1.01%	($5,460)	1.12%	($11,337)	1.64%
Pet Supplies	($36,307)	12.10%	($65,440)	13.41%	($54,128)	7.82%
Miscellaneous	($3,804)	1.27%	($2,385)	0.49%	($0)	0.00%
Adjustments for Franchisee Related Expenses not charged to Company Owned Outlets but charged to Franchised Outlets and payable to us by Outlet Franchisees[1]						
Royalty Fee[2]	$18,003	6.00%	$29,270	6.00%	$41,530	6.00%
Brand Development	$6,001	2.00%	$9,757	2.00%	$13,843	2.00%

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Fund Fee[3] Local Marketing[4]	$6,001	2.00%	$9,757	2.00%	$13,843	2.00%
Total Disclosed Expenses	**$106,068**	**35.35%**	**$161,203**	**53.72%**	**$174,250**	**25.17%**
Gross Profit Less Disclosed Expenses	**$94,953**	**31.64%**	**$144,497**	**48.16%**	**$296,728**	**42.87%**

Notes to Table

[1] Adjustments for Franchisee Related Expenses – These adjustments are for expenses that you will be required to pay to us as a franchisee but that were not incurred by our Company Owned Outlet.

[2] Royalty – the recurring weekly royalty fee is equal to 6% of Gross Sales.

[3] Brand Development Fund Fee – We implement a Brand Development Fund fee in an amount equal to 2% of your recurring weekly Gross Sales.

[4] Local Marketing – You are required to spend 2% of Gross Sales on the local marketing of your Franchised Business. We may elect to collect all or a portion of your local marking expenditure and spend it on local marketing specific for your Franchised Business in your market as we deem best in our sole discretion.

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

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jacob Wright, Vetama, Inc. at 793 Foothill Blvd Ste A, San Luis Obispo, California 93405 and 805.~~423.3550~~391.7377 the Federal Trade Commission, and the appropriate state regulatory agencies.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS ~~2019~~2020 to 2022~~2021~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020~~2019~~	0	0	0
	2021~~2020~~	0	0	0
	~~2021~~2022	0	~~0~~1	~~0~~+1
Company Owned	2020~~2019~~	1	1	0
	2021~~2020~~	1	1	0
	~~2021~~2022	1	1	0
Total Outlets	2020~~2019~~	1	1	0
	2021~~2020~~	1	1	0
	~~2021~~2022	1	~~1~~2	~~0~~+1

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS ~~2019~~2020 to 2022~~2021~~

State	Year	Number of Transfers

None	20202019	0
	20202021	0
	20212022	0

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TABLE NO. 3
STATUS OF FRANCHISED OWNED OUTLETS
FOR YEARS 20192020 to 20212022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Total	2020 2019	0	0	0	0	0	0	0
	2021 2020	0	0	0	0	0	0	0
	2021 2022	0	01	0	0	0	0	0

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 20192020 to 20212022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
California	2019 2020	1	0	0	0	0	0	1
	2020 2021	1	0	0	0	0	0	1
	2021 2022	1	0	0	0	0	0	1
Totals	2019 2020	1	0	0	0	0	0	1
	2021 2020	1	0	0	0	0	0	1

	~~2021~~ 2022	1	0	0	0	0	0	1

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TABLE NO. 5
PROJECTED OPENINGS
AS OF ~~JANUARY 1~~DECEMBER 31, 2022

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
California	0	2	0
TOTAL	0	2	0

Notes to Tables:

During the last three ~~(3)~~ fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. We know of no franchisee organizations that are associated with our System and that utilize our Licensed Marks or the Vetama trade name as part of the franchisee organizations name.

Exhibit F to this Disclosure Document contains a list of our then current franchisees as of the end of the Issuance Date of this Disclosure Document.

Exhibit G to this Disclosure Document contains a list of franchisees that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

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

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit D are our audited financial statements through ~~July 12~~December 31, 2022. We were established on March 22, 2022 and our fiscal year ends on December 31. Because we have not been franchising for three ~~(3)~~ years or more, we do not have three ~~(3)~~ years of audited financial statements.

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ITEM 22
CONTRACTS

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit E	Franchise Agreement
Exhibit H	State Specific Addenda

Schedules and Exhibits to the Franchise Agreement

Schedule 1	Location and ~~Designated~~Operating Territory Acknowledgement
Schedule 2	Statement of Franchisee's Owners
Exhibit 1	Franchise Owner and Spouse Agreement and Guaranty
Exhibit 2	~~Franchisee Disclosure Questionnaire~~
~~Exhibit 3~~	Confidentiality Agreement
Exhibit ~~4~~3	Site Selection Acknowledgment
Exhibit ~~5~~4	Assignment of Telephone Numbers and Digital Media Accounts
Exhibit ~~6~~5	General Release
Exhibit ~~7~~6	ACH Authorization Form
Exhibit ~~8~~7	Sample Form Management Agreement

Individual state law may supersede the provisions contained in your Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addendums contained in Exhibit H of this Disclosure Document.

ITEM 23
RECEIPTS

Two ~~(2)~~ copies of a detachable receipt in Exhibit J are located at the very end of this Disclosure Document. Please sign one ~~(1)~~ copy of the receipt and return it to us at the following address Jacob Wright, Vetama, Inc., 793 Foothill Blvd Ste A, San Luis Obispo, California 93405. The duplicate is for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT A
STATE ADMINISTRATORS

List of State Administrators

California
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, FL 32399

Hawaii
Commissioner of Securities
Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois
Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62706

Indiana
Indiana Secretary of State
Indiana Securities Division
Franchise Section
302 W. Washington Street, Room E-111
Indianapolis, IN 46204

Kentucky
Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, KY 40601

Maine
Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, ME 04333

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan
Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
P.O. Box 30213
Lansing, MI 48909

Minnesota
Minnesota Department of Commerce
Securities Division
85 7th Place East, Suite 280
St. Paul, MN 55101

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, NE 68509

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
212-416-8222

North Carolina
Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603

North Dakota
Office of Securities Commissioner
600 East Boulevard, 5th Floor
Department 414
Bismarck, ND 58505

List of State Administrators (continued)

Rhode Island
Department of Business Registration
Division of Securities
233 Richmond Street Suite 232
Providence, RI 02903

South Carolina
Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, SC 29201

South Dakota
Franchise Office
Division of Securities
910 E. Sioux Avenue
Pierre, SD 57501

Texas
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, TX 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, UT 84114

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Washington
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
360-902-8700

Wisconsin
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

Agents for Service of Process

Vetama, Inc.,
793 Foothill Blvd Ste A, San Luis Obispo, ~~CA 93405~~California93405
Attn: Jacob Wright, President

California
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut
Banking Commissioner
Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103

Hawaii
Commissioner of Securities
Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202

Michigan
Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

Minnesota
Commissioner of Commerce of Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

New York
Secretary of the State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue, State Capitol
Fifth Floor, Dept 414
Bismarck, ND 58505
Phone 701-328-4712

Rhode Island
Director of Department of Business Regulation
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota
Director, Division of Securities
Department of Commerce and Regulation
445 East Capitol Avenue
Pierre, SD 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington
Securities Administrator
Washington Department of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501

Wisconsin
Wisconsin Commissioner of Securities
345 W Washington Avenue
Madison, WI 53703

FRANCHISE DISCLOSURE DOCUMENT
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VETAMA, INC.
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FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
FINANCIAL STATEMENTS

Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
6245 RUFE SNOW DR Ste 280 PMB 34 Watauga TX 76148
Cell: 214-200-5434
Mmetwally@metwallycpa.com

CONSENT

Metwally CPA PLLC consents to the use in the Franchise Disclosure Document issued by Vetama, Inc. ("Franchisor") on April 17, 2023, as it may be amended, of our report dated April 12, 2023, relating to the financial statements of Franchisor for the year ending December 31, 2022.

Metwally CPA PLLC
April 17, 2023

Vetama, Inc.

Independent Auditor's Report
And
Financial Statements
Period From March 22, 2022 (Inception) To December 31, 2022

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Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
4500 Mercantile Plaza Dr STE 300, Fort Worth TX 76137
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the stockholders of
Vetama, Inc.
San Luis Obispo, California

Opinion

We have audited the accompanying financial statements of Vetama, Inc. (a Delaware Corporation), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, stockholders' equity, and cash flows for the period from March 22, 2022 to December 31, 2022, 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 Vetama, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the period from March 22, 2022 to December 31, 2022 then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Vetama, Inc.'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 Vetama, Inc.'s ability to continue as a going concern for a reasonable period.

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.

Metwally CPA PLLC

Metwally CPA PLLC
Fort Worth, Texas
April 12, 2023

Vetama, Inc.
Balance Sheet
December 31, 2022

	2022
ASSETS	
Current Assets	
Cash and cash equivalents	$ 48,361
Total Current Assets	**48,361**
Non-Current Assets	
Property and equipment, net	24,580
Total Non-Current Assets	**24,580**
Total Assets	**$ 72,941**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities	
Non-Current Liabilities	
SAFE note	$ 20,000
Total Liabilities	**20,000**
Stockholders' Equity	
Common stock with $0.0001 par value	
10,000,000 shares authorized, 8,000,000 issued and outstanding	800
Additional paid-in capital	138,932
Accumulated deficit	(86,791)
Total Stockholders' Equity	**52,941**
Total Liabilities And Stockholders' Equity	**$ 72,941**

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

Vetama, Inc.
Statement of Operations
Period From March 22, 2022 to December 31, 2022

	2022
Revenues	
Revenue	$ -
Total Revenues	-
Operating Expenses	
Payroll expenses	29,891
Advertising and marketing	20,316
Vehicle expenses	11,737
General and administrative	19,452
Depreciation expense	5,395
Total Operating Expenses	**86,791**
Net Income / (Loss)	**$ (86,791)**

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

Vetama, Inc.
Statement Of Stockholders' Equity
Period From March 22, 2022 to December 31, 2022

	Common Stock with $0.0001 Par Value		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance At March 22, 2022	**8,000,000**	**$ 800**	**$ -**	**$ -**	**$ 800**
Stockholders' distributions	-	-	-	-	-
Stockholders' contributions	-	-	138,932	-	138,932
Net income (loss)	-	-	-	(86,791)	(86,791)
Balance At December 31, 2022	**8,000,000**	**$ 800**	**$ 138,932**	**$ (86,791)**	**$ 52,941**

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

Vetama, Inc.
Statement of Cash Flows
Period From March 22, 2022 to December 31, 2022

	2022
Cash Flows From Operating Activities	
Net income / (loss)	$ (86,791)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation expense	5,395
Change in operating activities	
Net Cash Provided By (Used In) Operating Activities	**(81,396)**
Cash Flows From Investing Activities	
Purchases of fixed assets	(29,975)
Net Cash Flows Provided By (Used In) Investing Activities	**(29,975)**
Cash Flows From Financing Activities	
Proceeds from issuance of SAFE note	20,000
Stockholders' contributions	139,732
Net Cash Flows Provided By (Used In) Financing Activities	**159,732**
Net Change In Cash And Cash Equivalent During The Period	**48,361**
Cash and cash equivalent - beginning of the period	-
Cash And Cash Equivalent - End of The Period	**$ 48,361**

The accompanying notes are an integral part of the financial statements

Vetama, Inc.
December 31, 2022
Notes To Financial Statements

1. COMPANY AND NATURE OF OPERATIONS

Vetama, Inc. is a Delaware franchise corporation, that was formed on March 22, 2022, under the laws of the State of Delaware for the purpose of offering opportunities to prospective franchisees to own and operate their own business. The Company offers qualified individuals the right to operate a business that either: (1) offers and sells mobile veterinary wellness and illness care and laboratory services and related products and services to customers under the "Vetama"name and marks, or; (2) offers and sells management, marketing and facility based services to medical practices and licensed professionals offering and providing mobile veterinary wellness and illness care and laboratory services and products and services under the "Vetama" name and mark

The Company is affiliated with Central Coast Veterinary Services which operates a business that is similar to the Franchised Business. This affiliate has not in the past and does not now offer franchises in any lines of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include bank accounts and cash in transit for bank deposit with maturities of three months or less to be cash equivalents.

C. Federal Income Taxes

The Company is subject to tax filing requirements as a Corporation in the federal jurisdiction of the United States. The The company was established in May 2022; therefore, its tax return is not due to filing till April of the following year. The Company is subject to franchise- and income tax filing requirements in the States of Delaware.

D. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. Significant estimates include our provisions for bad debts, franchisee rescissions and refunds, and legal estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

E. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and are depreciated on a straight-line method over the estimated useful lives of the assets with ranges from 3 to 5 years.

F. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.
The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-stops revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay a monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 5 years while successive agreement terms are typically 5 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable weekly.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

The Company didn't generate any revenue as of the balance sheet date but will be implementing ASC 606 to recognize its revenue once a sale has been made.

G. Advertising and Marketing

Advertising and marketing costs are charged to operations in the year incurred.

H. SAFE Note

The Company issued Simple Agreement for Future Equity ("SAFE") note to investor during the period ended December 31, 2022. The SAFE note provides the investor the right to certain shares of the Company's capital stock upon equity financing. The Company determined that the SAFE note is not a legal form debt (i.e., no creditors' rights). The SAFE note includes a provision allowing for the investor to receive a portion of the proceeds upon a change of control equal to the greater of their investment amount or the amount payable based upon a number of shares of common stock equal to the investment amount divided by the liquidity price, the occurrence of which is outside the control of the Company. This provision requires the SAFE note to be classified as marked-to-market liabilities pursuant to ASC 480. The SAFE notes are recorded as a long-term liability at their estimated fair value. See Note 5 for more information.

I. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

3. CASH AND CASH EQUIVALENT

The Company maintains cash and cash equivalents with major financial institutions. The account is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2022, the Company's cash balance doesn't exceed the FDIC insurance limits.

The Company considers all cash in bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents.

As of December 31, 2022, the Company has approximately $48,361 in cash in its operating bank account.

4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2022 consist of the following:

	2022
Tools and equipment	$29,975
	29,975
Less: accumulated depreciation	(5,395)
Property and equipment, net	**$24,580**

Depreciation expenses recorded during the period ended December 31, 2022 was $5,395.

5. SAFE NOTE

The Company has issued a Simple Agreement for Future Equity ("SAFE") note to the investor. For the period from March 22, 2022 to December 31, 2022, the Company issued a SAFE note to an investor in exchange for aggregate proceeds of $20,000. The SAFE note allows the investors to participate in future equity financing through a share-settled redemption of the amount invested at a discounted price to the price paid by other investors. That is, upon a future equity financing involving preferred shares, SAFE note settles into a number of preferred shares equal to the invested amount of the SAFE note divided by a discounted price to the price investors pay to purchase preferred shares in the financing (with such discounted price calculated as a percentage of the price investors pay to purchase preferred shares in the financing or by reference to a valuation cap). Alternatively, upon the occurrence of a change of control or an initial public offering (other than a qualified financing), the investors shall have the option to receive either (i) cash payment equal to the invested amount under such SAFE note, or (ii) a number of shares of common stock equal to the invested amount divided by the liquidity price set forth in the applicable SAFE notes.

The Company determined that the SAFE notes are not a legal form debt (i.e., no creditors' rights). The SAFE note include a provision allowing for cash redemption upon the occurrence of a change of control, the occurrence of which is outside the control of the Company. The provision requires the SAFE note to be classified as marked-to-market liabilities pursuant to ASC 480. As of December 31, 2022, the estimated fair value of the SAFE note was $20,000 and. The income (loss) reported from the decrease (increase) in the estimated fair value of the SAFE note was $0 for the period ended December 31, 2022 since the note was obtained in June, 2022, and no valuation cap included in the agreement, management estimated the fair value to be the $20,000 with no changes from its proceeds.

There were no SAFE notes converted into shares of the Company's preferred stock during the period from March 22, 2022 to December 31, 2022. SAFE note with a principal amount totaling $20,000 remained outstanding as of December 31, 2022.

Conversion or Cash-out Events

If there is an Equity Financing before the termination of this Safe, on the initial closing of such Equity Financing, this Safe will automatically convert into the number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Discount Price. In connection with the automatic conversion of this Safe into shares of Safe Preferred Stock, the Investor will execute and deliver to the Company all of the transaction documents related to the Equity Financing; provided, that such documents (i) are the same documents to be entered into with the purchasers of Standard Preferred Stock, with appropriate variations for the Safe Preferred Stock if applicable, and (ii) have customary exceptions to any drag-along applicable to the Investor, including (without limitation) limited representations, warranties, liability and indemnification obligations for the Investor.

If there is a Liquidity Event before the termination of this Safe, this Safe will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) of the SAFE note) to receive a portion of Proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of (i) the Purchase Amount (the "Cash-Out Amount") or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (the "Conversion Amount"). If any of the Company's security holders are given a choice as to the form and amount of Proceeds to be received in a Liquidity Event, the Investor will be given the same choice, provided that the Investor may not choose to receive a form of consideration that the Investor would be ineligible to receive as a result of the Investor's failure to satisfy any requirement or limitation generally applicable to the Company's security holders, or under any applicable laws.

Preference Upon Dissolution

If there is a Dissolution Event before the termination of this Safe, the Investor will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) of the SAFE note) to receive a portion of Proceeds equal to the Cash-Out Amount, due and payable to the Investor immediately prior to the consummation of the Dissolution Event.

Liquidation Priority

In a Liquidity Event or Dissolution Event, this Safe is intended to operate like standard non-participating Preferred Stock. The Investor's right to receive its Cash-Out Amount is:

I. Junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into Capital Stock);
II. On par with payments for other Safes and/or Preferred Stock, and if the applicable Proceeds are insufficient to permit full payments to the Investor and such other Safes and/or Preferred Stock, the applicable Proceeds will be distributed pro rata to the Investor and such other Safes and/or Preferred Stock in proportion to the full payments that would otherwise be due; and
III. Senior to payments for Common Stock.

The Investor's right to receive its Conversion Amount is (A) on par with payments for Common Stock and other Safes and/or Preferred Stock who are also receiving Conversion Amounts or Proceeds on a similar as-converted to Common Stock basis, and (B) junior to payments described in clauses (i) and (ii) in the SAFE note (in the latter case, to the extent such payments are Cash-Out Amounts or similar liquidation preferences).

Termination

This Safe will automatically terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) immediately following the earliest to occur of: (i) the issuance of Capital Stock to the Investor pursuant to the automatic conversion of this Safe under Section 1(a) of the SAFE note; or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Section 1(b) or Section 1(c) of the SAFE note.

6. ADVERTISING EXPENSES

Advertising and marketing cost recorded during the year ended December 31, 2022, was $20,316.

7. STOCKHOLDERS' EQUITY

Under the articles of incorporation, the total number of common shares of stock that the Corporation shall have authority to issue is 10,000,000 shares with $.0001 par value. As of December 31, 2022, The Company had 8,000,000 shares issued and outstanding with total amount of $800, and additional paid-in capital of $158,732.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 12, 2023, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

VETAMA
FRANCHISE AGREEMENT

FRANCHISEE:

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Franchise Agreement

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Schedule 2 Statement of Franchisee's Owners

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~~Exhibit 3~~ Confidentiality Agreement
Exhibit ~~4~~3 Site Selection Acknowledgment
Exhibit ~~5~~4 Assignment of Telephone Numbers and Digital Media Accounts
Exhibit ~~6~~5 General Release
Exhibit ~~7~~6 ACH Authorization Form
Exhibit ~~8~~7 Sample Form Management Agreement

Vetama

FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is entered into on _____, ____ (the "Effective Date"), by and between Vetama, Inc., an Delaware corporation with a principal place of business located at 793 Foothill Blvd Ste A, San Luis Obispo, ~~CA 93405~~California93405, (the "Franchisor") and _____(the "Franchisee").

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the "System") for the non-medical development, management and, potentially, the operation of a Clinic (the "Clinic") that offers and provides mobile veterinary wellness and illness care and laboratory services and clinic related services and retail products (the "Approved Clinic Products and Services") under the Licensed Marks (defined below);

WHEREAS, the System relates to and includes the development and operation of a franchised business (hereinafter referred to as the "Franchised Business"), that depending on Franchisee's qualifications and applicable local, state and federal laws and regulations involves either:

a. Franchised Business that Owns and Operates a Clinic: Franchisee's development and operation of a Franchised Business that owns and operates a Clinic that provides the Approved Clinic Products and Services under the Licensed Marks and in accordance with the requirements of the System; or

b. Franchised Business that Owns and Operates a Clinic Facility and Management Company: Franchisee's development and operation of a Franchised Business that owns and operates a management business (the "Clinic Management Business") that provides management, marketing, and Clinic facility based services (the "Clinic Facility and Management Services") to veterinary medical practices, professional corporations and licensed professionals authorized to offer and provide the Approved Clinic Products and Services (hereinafter referred to as "Authorized Care Providers") at a Clinic that is operated and potentially owned by the Authorized Care Providers authorized to offer and provide the Approved Clinic Products and Services.

WHEREAS, If the Franchised Business is a Franchised Business that owns and operates a Clinic Management Business, among other things, Franchisee will be required to enter into a management agreement (the "Management Agreement") with the Authorized Care Providers whereby, among other things, Franchisee will provide the Authorized Care Providers the Clinic Facility and Management Services and grant the Authorized Care Providers a license to use the Licensed Marks at Franchisee's Clinic facility location;

WHEREAS, Franchisee has been advised that, among other things, the Approved Clinic Products and Services and the Clinic Facility and Management Services, involve products, services and activities of a nature and type that require the administration, supervision, management, and oversight of Authorized Care Providers, including licensed medical professionals and health care providers and that whether or not Franchisee may own and operate a Franchised Business and, if applicable, the types of activity that Franchisee's Franchised Business may engage in is subject to and requires compliance with significant federal, state and local rules and regulations related to the practice of veterinary medicine and other licensing requirements (collectively referred to as the "Authorized Care Provider Regulation");

WHEREAS, Franchisee has been advised that prior to signing this Agreement that prior to developing a Franchised Business, that Franchisee should retain Franchisee's own independent legal counsel to advise

Franchisee as to all applicable Authorized Care Provider Regulation, whether or not Franchisee may own a Franchised Business and, if applicable, the types of activities that Franchisee's Franchised Business may or may not engage in.

WHEREAS, the System and, therefore, each Clinic, is identified by the Licensed Marks and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time; and

WHEREAS, Franchisee desires to obtain the non-exclusive license and right to use the System in the development and operation of one Franchised Business from a Service Vehicle within ~~a designated territory~~an Operating Territory and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:

ARTICLE 1
DEFINITIONS

Supplementing the terms and definitions contained in the foregoing "Recitals":

"**Accounting Period**" refers to and means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee's obligations to report financial information and data to Franchisor and Franchisee's payment of all fees, including, and other obligations under this Agreement. The respective "Accounting Periods" shall be those Franchisor designated times, whether instantly on a recurring basis upon receipt of Gross Sales, weekly, monthly, or otherwise, as designated by Franchisor, with all such Accounting Periods automatically commencing on the earlier of the (a) Scheduled Business Commencement Date, or (b) the Actual Business Commencement Date of the Franchised Business and, continuing, throughout the Term of this Agreement. Unless otherwise designated by Franchisor at any time, unless otherwise specified in this Agreement, the Accounting Period shall be a monthly period for each and every month throughout the Term of this Agreement.

"**Actual Business Commencement Date**" refers to and means the date of the grand opening of the Franchised Business and/or the date upon which the Franchised Business is open to the public.

"**Additional Initial Training Fee**" shall have the meaning defined and set forth in Article 4.A. of this Agreement.

"**Administrative Office(s)**" refers to and means the fixed locations from which Franchised Businesses are established, managed and from which a Franchised Business is operated. Franchisee's Administrative Office must be selected, established, controlled and established by Franchisee in accordance with the terms of this Agreement.

"**Advertising Cooperative**" shall have the meaning defined and set forth in Article 9.F. of this Agreement.

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"**Advertising Contributions**" refers to and means any and all obligations of Franchisee to contribute to or pay fees to Franchisor, Franchisor's affiliate and/or designees as set forth in this Agreement including, but not limited to, the Brand Development Fund Fee (Article 9.A.).

"**Alternative Channels of Distribution**" refers to and means retail outlets that do not include Clinics but do include retail pet and other stores, and/or internet / web based sales and similar outlets that sell animal, and/or related branded products or services to the public.

"**Ancillary Agreements**" refers to and means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee but, not including this Agreement; (b) Franchisor and each of Franchisee's Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee's Owners, whether individually and/or collectively. Without limitation to the foregoing, the term Ancillary Agreements includes the Franchise Owner and Spouse Agreement and Guaranty, Collateral Assignment of Lease and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.

"**Annual Conference Attendance Fee**" refers to and means an annual conference fee to be paid by Franchisee to Franchisor in an amount determined by Franchisor but not to exceed $1,500 annually.

"**Annual System Conference**" refers to and means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among Franchised Business franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three ~~(3)~~ consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee's travel to and attendance at the Annual System Conference.

"**Approved Clinic Products and Services**" shall have the meaning defined in the "Recitals" section of this Agreement and shall further refer to and mean those products and services that Franchisor authorizes for sale by Clinics, and, performed by Franchised Businesses including, as applicable, the Clinic Facility and Management Services. Franchisor shall exclusively designate and determine the Approved Clinic Products and Services and Franchisor, in Franchisor's Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Clinic Products and Services offered and sold by Clinics and/or Franchised Businesses. Notwithstanding anything contained herein to the contrary, to the extent that the Approved Clinic Products and Services are governed by and/or subject to Authorized Care Provider Regulation and/or any other federal, state or local rules or regulations that prohibit and/or otherwise restrict Franchisor's determination as to the required Approved Clinic Products and Services, the foregoing definition shall be interpreted to provide Franchisor with the fullest discretion and ability to specify and designate the Approved Clinic Products and Services without violating the Authorized Care Provider Regulation and applicable laws, rules and regulations. At all times Franchisee is responsible for ensuring that, at all times, Franchisee shall comply with Authorized Care Provider Regulations and all other applicable laws, rules, and regulation related to a Clinic.

"**Assignment of Telephone Numbers and Digital Media Accounts**" refers to and means the Assignment of Telephone Numbers and Digital Media Accounts agreement attached to this Agreement as Exhibit ~~5~~4.

"**Authorized Care Provider Regulation**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "Authorized Care Provider

Regulation" shall further refer to and mean all applicable federal, state and local rules and regulations that relate to the ownership and operation of a Clinic, the Approved Clinic Products and Services, Clinic Facilities and Management Services, Clinic Management Agreements, and the operations of a Clinic Management Business including, but not limited, laws related to actions that an Authorized Care Provider may or may not engage in regarding ownership, diagnosis, treatment, supervision, delegation, flow of funds and the actions that Franchisee may or may not engage in.

"**Authorized Care Providers**" shall have the meaning defined in the "Recitals" section of this Agreement and is supplemented, as follows: the term "Authorized Care Providers" shall further refer to and mean those licensed individuals, professional corporations and other individuals and entities that, under applicable federal, state and local rules and regulations are trained, authorized and permitted to perform, offer, provide, oversee, and manage the delivery and performance of those Approved Clinic Products and Services that such individual and/or Corporate Entity performs, offers, provides, oversees, and/or manages at a Clinic Facility and/or on behalf of a Franchised Business.

"**Brand Development Fund**" shall have the meaning defined and set forth in Article 9.A. of this Agreement.

"**Brand Development Fund Fee**" shall have the meaning defined and set forth in Article 9.A. of this Agreement.

"**Business Management System**" refers to and means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by Franchisor, in Franchisor's Reasonable Business Judgment, as being required for use by the Franchised Business. Franchisor reserves the right to modify and designate alternative Business Management Systems as Franchisor determines in Franchisor's Reasonable Business Judgment. At all times Franchisor shall possess direct live access and storage based access to the Business Management System for the Franchised Business and to Franchisee's Business Management System Data.

"**Business Management System Data**" refers to and means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered by Franchisor or Franchisee into the Business Management System; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the Franchised Business.

"**Clinic**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "Clinic" shall further refer to and mean a business that operates from a Clinic Facility from which the Approved Clinic Products and Services, under the Licensed Marks, are offered and provided to customers in accordance with the terms of this Agreement and the requirements of the System and/or Service Vehicle from which the Approved Clinic Products and Services are required to be offered and provided in accordance with the terms of this Agreement.

"**Clinic Facility**" refers to and means the mobile Service Vehicle or fixed commercial facility including, the equipment, fixtures and improvements, from which a Clinic is established, operated and managed.

"**Clinic Facility and Management Services**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "Clinic Facility and Management Services", shall refer to and mean those services authorized by Franchisor as set forth in the operations

manual and to be further described in the Management Agreement that Franchisee will enter into, including and relating to (a) the development and maintenance of a Clinic Facility designated and established in accordance with the terms of this Agreement; (b) services involving the subleasing and/or license of a Clinic Facility to Authorized Care Providers subject to a Management Agreement; (c) administration and management services related to the administration and management of a Clinic in connection with all Clinic where such administrative and management services do not violate Authorized Care Provider Regulation or other applicable laws, rules or regulations; (d) all services and/or products that Franchisor authorizes for a Management Agreement; and (e) all other services and products that Franchisor, in Franchisor's Reasonable Business Judgment, designates and authorizes in the operations manual and as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement and modify from time to time. Notwithstanding anything contained herein to the contrary, to the extent that the Clinic Facility and Management Services are governed by and/or subject to Authorized Care Provider Regulation and/or any other federal, state or local rules or regulations that prohibit and/or otherwise restrict Franchisor's determination as to the required Clinic Facility and Management Services, the foregoing definition shall be interpreted to provide Franchisor with the fullest discretion and ability to specify and designate the Clinic Facility and Management Services without violating the Authorized Care Provider Regulation and applicable laws, rules and regulations. At all times Franchisee is responsible for ensuring that, at all times, Franchisee shall comply with Authorized Care Provider Regulations and all other applicable laws, rules, and regulation related to a Clinic.

"**Clinic Location(s)**" refers to and means the fixed locations or mobile Service Vehicle from which Clinics are established, operated and managed and from which a Clinic Location Franchise is operated. Franchisee's Clinic Location must be selected, established, controlled and established by Franchisee in accordance with the terms of this Agreement.

"**Clinic Management Business**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "Clinic Management Business" shall further refer to and mean a Franchised Business that offers and provides Clinic Facility and Management Services.

"**Competitive Business**" refers to and means any business that is the same as or similar to a Franchised Business and/or a Clinic including, but not limited to a business that offers or provides either: (a) veterinary services and other pet health services, and any business and/or other businesses that offers, sells, and/or provides products and/or services similar to the Approved Clinic Products and Services that are authorized and designated by us and, as we may designate from time to time in the future; or (b) administration, management and/or marketing services for any business that offers or provides veterinary services and other pet health, and any business and/or other businesses that offers, sells, and/or provides products and/or services similar to the Clinic Facility and Management and Services that are authorized and designated by us and, as we may designate from time to time in the future and designated by us as of the Effective Date of this Agreement and, as we may designate from time to time in the future.

"**Confidential Information**" refers to and means all of Franchisor's and/or Franchisor's affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of this Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Franchised Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Franchised

Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Franchised Businesses; (d) customer lists and information related to Franchised Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the operations manual; and (g) Know-How.

"**Confidentiality Agreement**" refers to and means the sample form of "Confidentiality Agreement" attached to this Agreement as Exhibit ~~3~~2.

"**Controlling Interest**" shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

"**Copyrights**" refers to and means all works and materials for which Franchisor or any affiliate of Franchisor has secured common law or registered copyright protection and Franchisor uses and/or allows Clinic Location Franchise franchisees to use in the operation of a Clinic and/or Clinic Location Franchise, whether as of the Effective Date of this Agreement or any time in the future.

"**Corporate Entity**" refers to and means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

"**Customer Vouchers**" refers to and means any and all gift cards, service packages involving the pre-purchase of multiple services to be utilized over a period of time, vouchers, receipts, cards and other evidence of a pre-paid purchase transaction or credit that Franchisor authorizes concerning a Clinic and/or Clinic Location Franchise.

"**~~Designated~~Operating Territory**" refers to and means the territory identified and described in Schedule 1 attached to and made a part of this Agreement or, if Schedule 1 is not completed at the time of signing this Agreement, as Schedule 1 is otherwise completed in accordance with this Agreement. Franchisor, in Franchisor's Reasonable Business Judgment and discretion, shall determine the ~~Designated~~Operating Territory. If Schedule 1 is not completed and/or is not signed by Franchisor there shall be no ~~Designated~~Operating Territory.

"**Digital Media**" refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews,

promotes and/or relates, in any way, to, Clinic Location Franchises, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System Website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub-domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

"**Due Date**" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"**Effective Date**" shall be the date set forth, defined and referred to in the first paragraph of this Agreement.

~~"**Franchise Disclosure Questionnaire**" refers to and means the form of "Franchise Disclosure Questionnaire" attached to this Agreement as Exhibit 2.~~

"**Franchise Owner and Spouse Agreement and Guaranty**" refers to and means the form of agreement attached to this Agreement as Exhibit 1. The Franchise Owner and Spouse Agreement and Guaranty is an agreement and guarantee individually, jointly and severally entered into by the Owners and Spouses of Franchisee.

"**Franchised Business**" refers to and means the Clinic Location Franchise that Franchisee shall develop and is required to establish, maintain and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the operations manual.

"**Franchisee's Administrative Office**" shall have the meaning defined and set forth in Article 2.A. of this Agreement. Franchisee's Administrative Office must be designated in accordance with Schedule 1 of this Agreement and must be approved by Franchisor, in Franchisor's Reasonable Business Judgment.

"**Franchisee's Clinic Facility**" refers to and means the Clinic Facility from which Franchisee establishes, operates and manages the Franchised Business. Franchisee's Clinic Facility must be operated within the ~~Designated~~Operating Territory.

"**Franchisor's Reasonable Business Judgment**" refers to, means and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, Franchised Businesses and the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System. When making decisions and/or taking actions in Franchisor's Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor's profits, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining ~~designated territory~~Operating Territory markets, minimizing potential customer confusion as to the location of Franchised Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor's Reasonable Business Judgment that such decision, determination, action or choice made by Franchisor shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor's Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor's profits; (b) Franchisor shall not be required to consider Franchisee's individual

economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor's obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for Franchisor's Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor's Reasonable Business Judgment in any legal proceeding that Franchisee possesses the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor's Reasonable Business Judgment.

"**GAAP**" refers to and means United States Generally Accepted Accounting Principles.

"**Gift Cards**" refers to and means any and all gift cards, vouchers, receipts, cards and other evidence of a pre-paid purchase transaction or credit that Franchisor authorizes concerning a Clinic Location Franchise.

"**Gross Sales**" refers to and means the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee or any other person or entity in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person (including Authorized Care Providers) or Corporate Entity involving or relating to either (a) the Approved Clinic Products and Services, or (b) business conducted or which started in, on, from, related to, or through Franchisee's Clinic Location Franchise, Franchisee's Clinic Location, and, if applicable Franchisee's Clinic Management Business, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales shall further include the total gross amount of revenues and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on Franchisee's behalf and/or an Authorized Care Provider) from business conducted within and/or outside Franchisee's ~~Designated~~Operating Territory that is related to Franchisee's Franchised Business, the underlying Clinic associated with Franchisee's Franchised Business and/or a competitive business located and/or operated at Franchisee's Clinic Location, within Franchisee's ~~Designated~~Operating Territory, outside Franchisee's ~~Designated~~Operating Territory, and/or otherwise. Gross Sales do not include sales or use taxes collected by Franchisee. Gross Sales includes proceeds received by Franchisee for the purpose of replacing lost revenue and/or sales related to the Franchised Business.

"**Immediate Family Member**" refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Member shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

"**IP Claim**" shall have the meaning defined and set forth in Article 11.E. of this Agreement.

"**Know-How**" refers to means Franchisor's trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Clinic and/or Clinic Location Franchise including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the operations manual and the Confidential Information.

"**Licensed Marks**" refers to and means the trademarks, service marks, emblems and indicia of origin, including the "Vetama" trademark, the Vetama logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by Franchisor in connection with the identification of Clinic Location Franchises and the Approved Clinic Products and Services, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor in Franchisor's Reasonable Business Judgment.

"**Management Agreement**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "Management Agreement" shall apply to a Franchised Business that operates as a Clinic Management Business and shall further refer to and mean an agreement / agreements that relate to Clinic Facility and Management Services performed by Franchisee on behalf of Authorized Care Providers related to the Approved Clinic Products and Services offered and provided by a Clinic at Franchisee's Clinic Location. The Management Agreement must be prepared by Franchisee in accordance with Authorized Care Provider Regulation and must be approved by Franchisor in writing. Franchisor's approval of a Management Agreement does not, in any way, constitute any representation or warranty by Franchisor that the Management Agreement complies with Authorized Care Provider Regulation – Franchisor's approval only indicates that Franchisor does not object to Franchisee's use of the Management Agreement. To the extent that Franchisor supplies Franchisee with form sample Management Agreements, Franchisor only does so as to inform Franchisee as to the types of Management Agreements that Franchisor, typically, will not object to. At all times Franchisee must have an independent lawyer employed directly by Franchisee to review and approve of all Management Agreements used by Franchisee, even if the Management Agreement is a proposed agreement provided to Franchisee by Franchisor. At no time does Franchisor make any representation and/or warranty as to any Management Agreement and to the extent that Franchisor provides Franchisee with a sample Management Agreement same is provided to Franchisee "AS IS" and without any representation or warranty whatsoever including, but not limited to, any representation as to the fitness of the Management Agreement for the fitness of the Clinic Location Franchise. To the extent that Franchisor approves of a Management Agreement proposed by Franchisee, Franchisor does so on an "AS IS" basis and without any representation or warranty whatsoever including, but not limited to, any representation as to the fitness of the Management Agreement for the fitness of the Clinic Location Franchise. Subject to the foregoing, attached as Exhibit ~~8~~7 to this Agreement is a sample form Management Agreement indicating the type of form Management Agreement that Franchisor may not object to.

"**Management Service Fees**" shall have the meaning defined and set forth in Articles 7.J. and 14.D. of this Agreement.

"**Managers**" refers to and means the Managing Owner plus all assistant managers of the Franchised Business and all other employees, independent contractors, consultants, directors, officers and board members who may possess access to the Confidential Information.

"**Managing Owner**" if Franchisee is a partnership or Corporate Entity, the Managing Owner shall be the Owner responsible for the day to day oversight, management and operation of the Franchised Business. The Managing Owner must possess and maintain an ownership and equity interest in the Franchisee such that said individual owns, holds and controls not less than 25% of the equity and ownership interests in Franchisee. At all times, the Managing Owner must manage the operations of the Franchised Business.

"**National Accounts**" shall have the meaning defined and set forth in Article 2.D. of this Agreement.

"**Notice Period**" shall have the meaning defined and set forth in Article 16.A. of this Agreement.

"**Open Area**" refers to a geographic territory and area that (a) is not an Assigned Area; and (b) is located within a 10 mile radius of Franchisee's Operating Territory.

"**Operating Manager**" refers to and means the Manager designated by Franchisee or Franchisee's Managing Owner, that is charged with the obligation and responsibility to supervise and manage (on-site at Franchisee's Clinic Facility) the day to day operations of the Franchised Business. At all times, the Operating Manager must: (a) meet all of Franchisor's minimum training and brand quality control standards and criteria for managers as may be set forth in the operations manual; (b) successfully complete Franchisor's initial training program; (c) sign the Confidentiality Agreement; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

"**Operations Manual**" refers to and means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of Franchised Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Franchised Businesses, Clinics, and Clinic Management Businesses. The operations manual may consist of one ~~of~~or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor's Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor's modification from time to time and based on Franchisor's Reasonable Business Judgment, the operations manual shall, among other things, designate, as applicable, the Approved Clinic Products and Services and/or the Clinic Facility and Management Services that must be offered and provided by the Franchised. Only Approved Clinic Products and Services and/or, as applicable, the Clinic Facility and Management Services may be offered and sold by the Franchised Business.

"**Operations Non-Compliance Fee**" shall have the meaning defined and set forth in Article 7.K. of this Agreement.

"**Operations Violation**" shall have the meaning defined and set forth in Article 7.K. of this Agreement.

"**Out of Territory Customer**" refers to and means a customer or potential customer of a Vetama Business where the customer and the location of the services and products to be provided on behalf of such customer are located outside Franchisee's Operating Territory and in an Open Area.

"**Out of Territory Rules**" shall have the meaning defined and set forth in Article 3.I. of this Agreement.

"**Owner**" refers to and means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee's Owners are identified in Schedule 2 to this Agreement.

"**Payment Non-Compliance Fee**" shall have the meaning defined and set forth in Article 5.D. of this Agreement.

"**Post-Term Restricted Period**" refers to and means the 24 month period after the earliest to occur of

the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Post-Term Restricted Period" means the 18 month period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity.

"**Prohibited Activities**" shall have the meaning defined and set forth in Article 6.D. of this Agreement.

"**Published Content**" refers to and means any and all information, data, articles, blog posts, press releases, frequently asked questions, special offers, product information, service information, web posts, videos and other information relating to or concerning the Franchised Business, the System, or the Licensed Marks that is or was made available by Franchisee or Franchisee's agents to the public in print or electronic media that is published, listed, made available, uploaded on, downloaded to or posted to Digital Media.

"**Renewal Ancillary Agreements**" shall have the meaning defined and set forth in Article 15.B. of this Agreement.

"**Renewal Fee**" shall have the meaning defined and set forth in Article 15.A. of this Agreement. The Renewal Fee is a fixed sum of 50% of the then current initial franchise fee payable by a franchisee who is new to the System.

"**Renewal Franchise Agreement**" shall have the meaning defined and set forth in Article 15.B. of this Agreement.

"**Renewal Notice**" shall have the meaning defined and set forth in Article 15.B. of this Agreement.

"**Renewal Term**" shall have the meaning defined and set forth in Article 15 of this Agreement.

"**Reporting Non-Compliance Fee**" shall have the meaning defined and set forth in Article 12.C. of this Agreement.

"**Reputation Management Services**" refers to and means the customer review, customer review monitoring and/or reporting services and/or reputation management services designated by Franchisor. Franchisor, in Franchisor's Reasonable Business Judgement, shall exclusively select the Reputation Management Services to be used by Franchisee and to determine and select the websites, social media sites, reporting services, surveys, and service platforms to be included in any evaluation and/or determination of Franchisee's monthly customer satisfaction and approval ratings.

"**Reserved Rights**" shall have the meaning defined and set forth in Article 2.D. of this Agreement.

"**Restricted Territory**" refers to and means the geographic area: (a) comprising Franchisee's ~~Designated~~Operating Territory; (b) comprising a 25 mile radius surrounding Franchisee's ~~Designated~~Operating Territory or, if Franchisee is not granted or designated ~~a designated territory~~an Operating Territory, then a 25 mile radius surrounding Franchisee's Administrative Office; (c) comprising a 10 mile radius surrounding the Administrative Offices for all other Franchised Businesses operating and/or under development as of the Effective Date of this Agreement; and (d) comprising a 10 mile radius surrounding the Administrative Offices for all other Franchised Businesses that are in operation or under development during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is

too broad to be enforceable, then the "Restricted Territory" means the geographic area comprising Franchisee's ~~Designated~~Operating Territory plus a 25 mile radius surrounding Franchisee's ~~Designated~~Operating Territory or, if Franchisee is not granted or designated ~~a designated territory~~an Operating Territory, then a 25 mile radius surrounding Franchisee's Administrative Office.

"**Royalty and Activity Report**" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"**Royalty Fee**" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"**Royalty Rate**" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"**Royalty Report**" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"**Scheduled Business Commencement Date**" refers to and means the date that occurs on the three ~~(3)~~ month anniversary of the Effective Date of this Agreement.

"Service Vehicle(s)" refers to and means the Franchisor approved commercial vehicle(s) to be acquired, leased, maintained and operated by Vetama Business franchisees in connection with the day to day operations of a Vetama Business. Franchisee's Service Vehicle(s) must be dedicated to the day to day operations of the Franchised Business, must be approved by Franchisor, and must meet Franchisor's specifications as to vehicle models, vehicle age, vehicle type, interior configuration and capability, signs, and exterior vehicle wrap.

"**Site Selection Acknowledgment**" refers to and means the form "Site Selection Acknowledgment" attached to this Agreement as Exhibit 43.

"**Site Selection Area**" shall have the meaning defined and set forth in Article 2.A.(4) of this Agreement.

"**Site Selection Period**" refers to and means the period of time commencing on the Site Selection Acknowledgment Date (as such date may be set forth by Franchisor, and only Franchisor, in the Site Selection Acknowledgment) and automatically expiring 60 calendar days after the Site Selection Acknowledgment Date. If the Site Selection Acknowledgment Date is not set forth and acknowledged by Franchisor in the Site Selection Acknowledgment then, the Site Selection Period shall be zero (0) days. If the Site Selection Acknowledgment is not signed by Franchisor, then there shall be no Site Selection Period.

"**Spouse**" refers to and means the legal spouse of an Owner as of the Effective Date.

"**Supplemental Training**" shall have the meaning defined and set forth in Article 4.A. of this Agreement.

"**Supplemental Training Fee"** shall have the meaning defined and set forth in Article 4.A. of this Agreement.

"**Supplier Evaluation Fee**" refers to and means the fee determined by Franchisor, in Franchisor's Reasonable Business Judgment, and based upon the fees and/or expenses incurred by Franchisor in connection with the evaluation of a request by Franchisee for Franchisor's consideration and/or review of a potential supplier. Under no circumstance is Franchisor required to approve of suppliers requested by Franchisee.

"**System**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "System" shall further include and mean: (a) methods, procedures and requirements for the development and operation of a Franchised Business, a Clinic Management Business, a Clinic, an Administrative Office, a Clinic Facility, (b) the Approved Clinic Products and Services, Clinic Facility and Management Services, System Supplies and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Franchised Business and/or Clinic; (c) the Licensed Marks; (d) the Trade Dress; (e) Copyrights; (f) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Franchised Business and/or Clinic; (g) operations manual; (h) Business Management System Data; (i) Know-How; (j) Confidential Information; and (k) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor's Reasonable Business Judgment.

"**System Supplies**" refers to and means the products, equipment, supplies, inventory, materials and services including, but not limited to, branded and unbranded packaging, materials, uniforms, displays, and retail merchandise, and the Business Management System designated by Franchisor in the operations manual and as may be modified and supplemented by Franchisor from time to time in Franchisor's Reasonable Business Judgment.

"**System Website**" refers to and means the web page and/or pages located on the world wide web at the www.vetama.com URL (uniform resource locator) and shall further include all webpages and subdomains that are a part of www.vetama.com, or as designated by Franchisor being associated with the URL of www.vetama.com and/or Clinics.

"**Technology Fee**" shall have the meaning defined and set forth in Article 5.C. of this Agreement.

"**Term**" refers to and means the period of time set forth and defined in Article 2.B. of this Agreement and, the Renewal Term if Franchisee invokes Franchisee's renewal rights in accordance with the terms of this Agreement.

"**Third- Party Payer**" refers to and means any individual, Corporate Entity (including, but not limited to, a health insurance company or employer), and/or government entity (including government sponsored and/or administered programs such as Medicare), that, pays for the Approved Clinic Products and Services offered and provided by a Clinic on behalf of a customer of a Clinic, and/or that reimburses a customer of a Clinic for the costs and expenses incurred by such customer in connection with the Clinic Products or Services.

"**Trade Dress**" refers to and means the Vetama designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

"**Training Program**" shall have the meaning defined and set forth in Article 4.A. of this Agreement.

"**Transfer**" refers to and means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or

potentially representing ownership interests, or redemption of ownership interests; (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owners interests and/or voting rights in Franchisee.

"**Transfer Fee**" shall have the meaning defined in Article 14.C.(11) of this Agreement. The Transfer Fee is $20,000.

"**Vetama Clinic(s)**" shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section, the definition of "Vetama Clinics", shall further include, refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor's affiliates and/or authorized franchisees that use and/or is/are required to use the System and/or Licensed Marks, and, including, but not limited to, the Franchised Business.

ARTICLE 2
GRANT OF FRANCHISE

2.A. GRANT OF FRANCHISE

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a Franchised Business from a Clinic Facility within a specified territory. Relying on the representations made by Franchisee and/or Franchisee's Owners in any submitted application and during the application process~~, including, without limitation, the Franchise Disclosure Questionnaire attached to this Agreement as Exhibit 2 and,~~ and subject to the terms and conditions of this Agreement, Franchisee's request has been approved by Franchisor, subject to the following terms and conditions:

(1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the non-exclusive license, right and obligation to develop and operate, one ~~(1)~~ Franchised Business in conformity with the System and this Agreement within the ~~Designated~~Operating Territory and as set forth in Schedule 1 of this Agreement. If Schedule 1 does not specifically identify and designate an operating territory, and/or if Schedule 1 is not signed by Franchisor, there shall be no ~~Designated~~Operating Territory;

(2) If, as of the Effective Date, Franchisee has selected a proposed Administrative Office that Franchisor approves as Franchisee's Administrative Office, then Franchisee's Administrative Office shall be identified in Schedule 1 of this Agreement;

(3) If, as of the Effective Date, Franchisee has not selected a proposed Administrative Office location that is approved by Franchisor in Schedule 1 to this Agreement, or if Schedule 1 is left incomplete as to the specific location of Franchisee's Administrative Office, Franchisee must locate, identify and secure an Administrative Office for the Franchised Business in accordance with the terms of this Agreement, including the requirement that Franchisee must obtain Franchisor's written approval of Franchisee's Administrative Office;

(4) Franchisee must manage the Franchised Business from Franchisee's Administrative Office located within Franchisee's ~~Designated~~Operating Territory;

(5) Franchisee may only offer and sell, as applicable, the Approved Clinic Products and Services within Franchisee's ~~Designated~~Operating Territory in accordance with the requirements set forth

in the operations manual and/or the Clinic Facility and Management Services from Franchisee's Administrative Office in accordance with the requirements set forth in the operations manual;

(6) Franchisor, in Franchisor's Reasonable Business Judgment and for any reason or no reason at all, may prohibit Franchisee from soliciting Clinic customers located outside Franchisee's ~~Designated~~Operating Territory;

(7) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights, provided that, at all times Franchisee is and remains in compliance with all of the terms and provisions of this Agreement, during the Term of this Agreement, and, except as to National Accounts, neither Franchisor nor any affiliate of Franchisor will establish or operate, or grant a franchise to any third party to establish or operate, a Franchised Business using the Licensed Marks and System within Franchisee's ~~Designated~~Operating Territory (provided that ~~a Designated~~an Operating Territory has been designated and approved by Franchisor in accordance with the terms of this Agreement). Notwithstanding the foregoing, Franchisee agrees that Franchisee may face competition from other Vetamas, Franchised Businesses and other System franchisees that are located within National Accounts, designated territories that are located adjacent to and/or within a close proximity to Franchisee's Administrative Office and/or ~~Designated~~Operating Territory. Franchisee agrees that although Franchisor may disapprove of any marketing medium that is distributed and/or reaches outside of Franchisee's ~~Designated~~Operating Territory, that Franchisor is not obligated to do so and that Franchisee may face competition from other Clinics, Franchised Businesses and System franchisees that market and promote their Clinic(s) through internet, mail, public relations, and other marketing activities and mediums that are distributed to or within Franchisee's ~~Designated~~Operating Territory. Franchisee agrees that Franchisee shall not receive any compensation whatsoever if Franchisor or another System franchisee solicits customers from within Franchisee's ~~Designated~~Operating Territory and;

(8) The foregoing rights granted in this Article 2.A. are subject to and contingent upon each and every, term and condition of this Agreement, the rights of any prior user, and are non-exclusive and subordinate to the Reserved Rights.

2.B. TERM

Unless previously terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of five ~~(5)~~ consecutive years, commencing from the Effective Date (the "Term").

2.C. GUARANTEES, CONFIDENTIALITY AND RESTRICTIVE COVENANTS

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and, in doing so, among other things, will individually, jointly, and severally, guarantee Franchisee's obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

2.D. FRANCHISOR'S RESERVED RIGHTS

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the "Reserved Rights"): (a) operate and grant to others the right to operate a Franchised Business and/or other Clinics and/or Franchised Businesses using the System and Licensed Marks at locations outside Franchisee's ~~Designated~~Operating Territory; (b) acquire or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, and after such acquisition, merger or affiliation to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses, including Competitive

Businesses (but not using the Licensed Marks) within Franchisee's ~~Designated~~Operating Territory; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate such businesses, including Competitive Businesses (but not utilizing the Licensed Marks) within Franchisee's ~~Designated~~Operating Territory; (d) use the Licensed Marks and System to distribute the Approved Services and Products or products and services similar to the Approved Services and Products in Alternative Channels of Distribution within or outside Franchisee's ~~Designated~~Operating Territory; (e) use the Licensed Marks and System to distribute the Approved Products and Services offered and sold by the Franchised Business or products and services similar to the Approved Products and Services offered and sold by the Franchised Business in or on behalf of regional and/or national customer accounts (such as national or regional corporations and shopping and entertainment venues) and organizations that maintain outlets, locations, offices, facilities, and/or businesses throughout a region or nationally (referred to as "National Accounts") within or outside your Operating Territory; (f) operate and grant to others the right to operate Clinics, and/or Franchised Businesses at Captive Markets both within and outside Franchisee's ~~Designated~~Operating Territory; and (g) use the Licensed Marks and System and to license others to use the Licensed Marks and System to engage in all other activities not expressly prohibited by this Agreement.

2.E. MODIFICATION OF SYSTEM

Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right at all times to supplement, modify, alter and/or amend the System. Franchisee shall promptly comply with all such modifications to the System whether such modification(s) results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System which shall be communicated in writing by Franchisor to Franchisee, including, but not limited to, modifications, updated, amendments, and changes made by Franchisor to the operations manual. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

2.F. CORPORATE ENTITY OWNERSHIP

If Franchisee is a Corporate Entity, Franchisee represents that the information contained in Schedule 2 to this Agreement is and shall remain complete, true and accurate throughout the Term of this Agreement.

ARTICLE 3
DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS

3.A. DEVELOPMENT OF THE FRANCHISED BUSINESS

Franchisee must develop and open the Franchised Business including, the underlying Clinic, to the public and, commence the day to day operations of the Franchised Business, on or before the Scheduled Business Commencement Date. Notwithstanding the foregoing, prior to opening the Franchised Business to the Public, Franchisee must: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations set forth by Franchisor in the operations manual; (c) have completed and satisfied the training obligations designated by Franchisor; (d) have obtained the necessary licenses and permits to operate the Franchised Business; (e) have secured a Service Vehicle in in conformity with Franchisor's standards and specifications and as otherwise required by Franchisor in the operations manual; and (f) obtained Franchisor's written consent to open.

3.B. OPERATIONS OF THE FRANCHISED BUSINESS

At all times, the Franchised Business shall, subject to compliance with applicable laws, rules and regulations including, but not limited to Authorized Care Provider Regulation: (a) be exclusively operated from Franchisee's Service Vehicle that has been previously approved by Franchisor; (b) be exclusively

operated within the ~~Designated~~Operating Territory; (c) exclusively offer and sell the Approved Clinic Products and Services (either directly or, if the Franchised Business operates as a Clinic Management Business, from the underlying Clinic located at the Clinic Facility) as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (d) if the Franchised Business operates as a Clinic Management Business, offer and sell the Clinic Facility and Management Services as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (e) ensure that the Approved Clinic Products and Services are provided by, administered by, and supervised by Authorized Care Providers in accordance with all applicable laws, rules and regulations; (f) from the Clinic located at Franchisee's Clinic Facility, exclusively utilize, maintain and stock in inventory, offer and/or provide the System Supplies in such quantities and as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (g) exclusively purchase the System Supplies from the suppliers and vendor(s) approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (h) be operated in conformity with the operations manual as such operations manual exists as of the Effective Date of this Agreement and as the operations manual may be modified and supplemented from time to time in the future by Franchisor, in Franchisor's Reasonable Business Judgment; (i) be operated in conformity with and in compliance with all Authorized Care Provider Regulation and all applicable veterinary, safety, privacy rules and regulations to be evaluated by Franchisee. At all times Franchisee must maintain the necessary licenses and permits and those licenses and permits recommended and/or required by Franchisor in connection with Franchisee's ownership and operation of the Franchised Business; and (j) if the Franchised Business operates as a Clinic Management Business, the Franchised Business must utilize a Management Agreement that has been prepare, reviewed, and confirmed by independent legal counsel to Franchisee as being compliant with all Authorized Care Provider Regulation and such Management Agreement must be approved by Franchisor as a Management Agreement that Franchisor does not object to.

Franchisee agrees that Franchisee is solely and exclusively responsible for taking necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with Franchisee, those coming on the Service Vehicle or other premises of Franchisee's Franchised Business and the general public at large. Franchisor in no way shares any responsibility for the foregoing obligations of Franchisee.

3.C. FRANCHISEE'S ADMINISTRATIVE OFFICE

Franchisee must operate the Franchised Business from an Administrative Office that conforms to Franchisor's standards and specifications and, such other requirements as set forth in the operations manual. Franchisee must obtain Franchisor's written approval of the location of Franchisee's Administrative Office. If permitted by applicable laws, rules, and regulations, including, but not limited to, local zoning laws and regulations (to be independently verified by Franchisee) Franchisee may designate Franchisee's personal residence as Franchisee's Administrative Office. Otherwise, Franchisee must develop Franchisee's Administrative Office from a commercial location located within the ~~Designated~~Operating Territory. If applicable, Franchisor will furnish Franchisee with Franchisor's then current preliminary plans and specifications for an Administrative Office. Franchisee shall develop, operate and manage the Franchised Business from an Administrative Office, that: (a) was identified and evaluated by Franchisee; (b) complies with the terms and conditions of this Agreement; (c) satisfies and meets Franchisor's standards and specifications; (d) is timely presented by Franchisee to Franchisor for approval as Franchisee's proposed Administrative Office; (e) is approved by Franchisor as Franchisee's Administrative Office; (f) is timely secured by Franchisee within 60 days of the Effective Date of this Agreement, as evidenced by a binding lease with a duration equal to the full Term of this Agreement; and (g) otherwise meets the terms and conditions of this Agreement and Franchisor's standards and specifications.

Franchisee will not lease, purchase or otherwise acquire a proposed Administrative Office until such information as Franchisor may require as to the proposed Administrative Office has been provided to

Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Administrative Office within 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Administrative Office. If Franchisor rejects or disapproves Franchisee's proposed Administrative Office, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Administrative Office within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Administrative Office shall not serve as a basis to extend any deadline or requirement set forth in this Agreement.

Franchisor's approval of Franchisee's proposed Administrative Office is not and does not constitute a representation or warranty of any kind other than that Franchisor does not object to or disapprove of Franchisee's proposed Administrative Office. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate an Administrative Office for the Franchised Business, to assist Franchisee in the selection of a suitable Administrative Office, or, to provide assistance to the Franchisee in the purchase or lease of an Administrative Office.

3.D. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS

Except as to an Administrative Office operated from the personal residence of Franchisee or Franchisee's Owner, Franchisee agrees to use in the construction and operation of Franchisee's Administrative Office only those types of construction and decorating materials, fixtures, equipment, furniture, and signs that Franchisor has approved or designated in the operations manual for Franchised Business as meeting Franchisor's specifications and standards for appearance, function and performance. Franchisee shall purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture and signs including, but not limited to, System Supplies, only from suppliers approved or designated by Franchisor from time to time in writing and/or in the operations manual.

3.E. SYSTEM SUPPLIES

Franchisee shall exclusively purchase and use the System Supplies in the operations of the Franchised Business. Franchisee shall exclusively purchase the System Supplies from the supplier and/or suppliers and vendor and/or vendors designated by Franchisor from time to time. Franchisee acknowledges and agrees that control over the nature, quality, branding and source of the System Supplies is critical to the System and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee shall only purchase and use the System Supplies as designated by Franchisor and only from those suppliers designated and approved by Franchisor. Franchisee agrees that in many instances Franchisor and/or Franchisor's affiliates may be and/or may become the sole and exclusive supplier of the System Supplies.

3.F. SERVICE VEHICLES

Franchisee shall purchase and/or lease and exclusively use in the operations of the Franchised Business, only those Service Vehicles that meet Franchisor's brand standards and specifications and, that are approved by Franchisor. At all times, Franchisee shall maintain the Service Vehicles in a clean, safe, and well maintained condition and shall operate same in accordance with all applicable laws, rules, and regulations. Franchisee may only offer and provide the Approved Services and Products using Service Vehicles approved by Franchisor and that meet Franchisor's brand standards and specifications.

3.G. BUSINESS MANAGEMENT SYSTEM

At all times, Franchisee shall exclusively use the Business Management Systems designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time. Franchisee cannot substitute or replace the Business Management System in favor of any substitutes or other systems. To the extent that the Business Management System is hosted, maintained, licensed or operated by third party suppliers, Franchisee shall purchase, license and maintain

such Business Management System and/or systems from such third party suppliers designated by Franchisor and subject to Franchisor's standards and specifications. To the extent that the designated Business Management Systems is/are internet or cloud-based with accounts and data, including accounts and data associated with the Franchised Business, stored off-site, Franchisor may require that Franchisee's license, and use of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor or licensed through Franchisor. To the extent that the Business Management System(s) is/are stored locally on computer systems maintained by Franchisee, then Franchisee shall provide Franchisor with internet and complete remote access to such systems. Franchisor may be and/or become the exclusive supplier and/or reseller of the Business Management System.

Franchisee shall be responsible for initial license fees, training fees and continuing monthly license fees required for use of the Business Management System as specified by Franchisor. Such fees shall be designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment or by the suppliers designated by Franchisor and approved by Franchisor in Franchisor's Reasonable Business Judgment, and shall be paid to Franchisor and/or to the third party suppliers approved by Franchisor. Franchisee must complete training, purchase and license the Business Management Systems no later than 45 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date.

Supplementing the foregoing, Franchisee agrees that the Business Management System will contain proprietary and confidential information owned by Franchisor and related to the System, and that:

(1) Franchisee shall use the Business Management System and the Business Management System Data for the exclusive benefit of the Franchised Business and in accordance with the terms of this Agreement and Franchisor's standards and specifications as set forth in the operations manual;

(2) All rights in and to the Business Management System are non-transferable and non-assignable to Franchisee and shall be utilized by Franchisee subject to the terms and conditions of this Agreement, Business Management System licenses that Franchisor may approve of and otherwise as determined by Franchisor in Franchisor's Reasonable Business Judgment;

(3) As between Franchisee and Franchisor, Franchisor is and shall be the exclusive owner of the Business Management System Data, except that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Among other things, upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;

(4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Business Management System and Franchisee shall electronically transfer and transmit to Franchisor all Business Management System Data;

(5) When instructed by Franchisor, Franchisee shall upgrade, replace and modify the Business Management System;

(6) Franchisee shall promptly disclose to Franchisor all ideas and suggestions for modifications or enhancements to the Business Management System, to the configuration and templates associated with the Business Management System and that Franchisor shall have the right to use such ideas and suggestions and that Franchisee shall not receive or obtain any ownership rights or interests in any modifications or enhancements to the Business Management Software;

(7) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit nor allow any third party to access, utilize or duplicate the Business Management System or the Business Management System Data without Franchisor's prior written consent;

(8) Franchisee shall keep and maintain the Business Management System and the Business Management System Data as secret and confidential and Franchisee shall maintain security precautions to maintain the confidentiality and secrecy of the Business Management System Data and to prevent the unauthorized access or use; and

(9) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use or, Franchisee's inability to use, the Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

3.H. DIGITAL MEDIA, SYSTEM WEBSITE AND TELEPHONE NUMBERS

Franchisee agrees that the significance of Digital Media to the System and necessity for Franchisor's control over Digital Media. As between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media. Franchisee shall not use, access or open accounts regarding or related to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold, condition or limit as determined by Franchisor in Franchisor's Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, any prior authorization by Franchisor as to Franchisee's right to utilize the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media shall be automatically terminate and, at Franchisor's election, the right to any and all accounts and/or sites (if any) associated with Digital Media used by Franchisee shall be transferred to Franchisor. Under no circumstance shall Franchisee utilize the Digital Media for purposes of or with the effect of libeling or disparaging another nor shall Franchisee violate any copyrights – as to such actions as between Franchisee and any third party, Franchisee is exclusively responsible for disparagement, libel and/or copyright infringement if Franchisee published and/or caused such content to be published.

Franchisee agrees that Digital Media and/or Published Content, if permitted by Franchisor, must be approved by Franchisor prior to publication or use in any form. Digital Media and Published Content that is approved by Franchisor or that otherwise is acceptable to Franchisor as meeting Franchisor's standards shall be owned by Franchisor. As between Franchisor and Franchisee, any and all interest and right in or to the Digital Media and/or Published Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement and upon the expiration or termination of this Agreement. Franchisee agrees that the System Website and all improvements and modifications made to the System Website, Digital Media, and Published Content is and shall be the exclusive property of Franchisor. During the Term of this Agreement and subject to Franchisee's compliance with the terms and conditions of this Agreement, the System Website, shall include information related to the Franchised Business as shall be determined and designated by Franchisor in Franchisor's Reasonable Judgment. Franchisee agrees that in the event of the termination of this Agreement, for any reason, that the accounts related to all telephone numbers associated with the Franchised Business and all rights in and to the telephone numbers associated with the Franchised Business, shall, at Franchisor's election, be transferred to Franchisor.

Without limitation to the foregoing, Franchisee shall, upon the request of Franchisor, execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit ~~5~~4. Upon the request of Franchisor, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Digital Media agreement upon the request of Franchisor. As between Franchisor and all third parties, Franchisee does hereby represent and acknowledge that such third party is authorized to rely on the Assignment of Telephone Numbers and Digital Media agreement, irrespective of any dispute and/or controversy between Franchisor and Franchisee and irrespective of any contrary instructions of Franchisee.

3.I. RELOCATION OF FRANCHISEE'S ADMINISTRATIVE OFFICE

Under no circumstance shall Franchisee relocate Franchisee's Administrative Office to a facility located outside the ~~Designated~~Operating Territory. To the extent that Franchisee wishes to relocate Franchisee's Administrative Office to a suitable commercial facility located within the ~~Designated~~Operating Territory then Franchisee must obtain Franchisor's prior written consent which shall not be unreasonably withheld provided that Franchisee is in compliance with the terms and conditions of this Agreement and provided that the new facility meets Franchisor's then current standards and specifications. Franchisee may not operate the Franchised Business from a residence location outside of the ~~Designated~~Operating Territory.

3.J. OUT OF TERRITORY CUSTOMERS

The license and rights granted to Franchisee in this Agreement are limited to, among other things, the Operating Territory, the grant of franchise rights set forth in Article 2.A. of this Agreement, and the reservation of rights set forth in Article 2.D. of this Agreement. Subject to the existence of an Open Area and Franchisee's compliance with following rules and requirements ("Out of Territory Rules"), Franchisee may provide the Approved Services and Products on behalf of customers located within an Open Area:

Out of Territory Rules

(1) Franchisee must conduct the operations of the Franchised Business from within Franchisee's Operating Territory and Franchisee must provide the Approved Services and Products on behalf of customers located within Franchisee's Operating Territory. The marketing of the Franchised Business must be targeted to Franchisee's Operating Territory and, at all times, must conform and comply with, among other things, the restrictions set forth in Article 9.G. of this Agreement;

(2) Provided that Franchisee: (i) does not engage in any Direct Solicitation of customers or potential customers outside of Franchisee's Operating Territory or, within the Operating Territory of another Vetama Business, (ii) Franchisee does not otherwise violate the restrictions set forth in Article 9 of this Agreement, and (iii) unless otherwise directed by Franchisor at any time, from time to time, and in Franchisor's sole direction, Franchisee may provide Approved Services and Products to a customer in an Open Area surrounding Franchisee's Operating Territory. Upon written notice from Franchisor for any reason or no reason at all, Franchisee must discontinue from providing Approved Services and Products in an Open Area; and

(3) Once an Open Area becomes an Assigned Area, Franchisee shall cease communicating with customers previously serviced by Franchisee in the Open Area and Franchisee shall turnover to Franchisor, for the benefit of Franchisor or, another Vetama Business, all information and records related to the Approved Services and Products provided within the Open Area.

Nothing contained in this Article 3.I. shall expand either the non-exclusive franchise rights granted to franchisee in Article 2 of this Agreement or, Franchisee's Operating Territory and, in the event of any

inconsistency or conflict between the terms of this Article 3.I. and Article 2, Article 2 shall take precedence and govern.

3.K. FRANCHISEE'S COMPLIANCE WITH VETERINARY MEDICINE LAWS AND AUTHORIZED CARE PROVIDER REGULATION

NOTWITHSTANDING ANYTHING CONTAINED IN THIS ARTICLE 3 OR THIS FRANCHISE AGREEMENT TO THE CONTRARY, FRANCHISOR AND FRANCHISEE ACKNOWLEDGE AND AGREE THAT:

(1) FRANCHISEE REPRESENTS THAT FRANCHISEE HAS BEEN ADVISED THAT BEFORE SIGNING THIS AGREEMENT FRANCHISEE HAS INDEPENDENTLY EVALUATED AND INTERPRETED – WITH FRANCHISEE'S OWN LEGAL COUNSEL – APPLICABLE AUTHORIZED CARE PROVIDER REGULATIONS AS THEY RELATE TO FRANCHISEES OWNERSHIP AND OPERATION OF A FRANCHISED BUSINESS;

(2) NOTHING IN THIS AGREEMENT, THE OPERATIONS MANUAL, OR OTHERWISE SHALL BE INTERPRETED AS PERMITTING FRANCHISOR TO EXERT CONTROL OVER THE DELIVERY OF VETERINARY MEDICINE SERVICES, INCLUDING BUT NOT LIMITED TO, AS APPLICABLE, THE PERFORMANCE, CARE AND/OR DELIVERY OF THE CLINIC PRODUCTS AND SERVICES. TO THE EXTENT THAT ANY ONE OR ALL OF THE CLINIC PRODUCTS AND SERVICES REQUIRE THE JUDGMENT, TREATMENT AND/OR ACTION OF AN AUTHORIZED CARE PROVIDER, SUCH JUDGMENT, TREATMENT AND/OR ACTION SHALL BE EXCLUSIVELY DETERMINED BY THE AUTHORIZED CARE PROVIDER AND THIS AGREEMENT AND THE OPERATIONS MANUAL SHALL BE INTERPRETED AS MANDATING SAME;

(3) UNDER NO CIRCUMSTANCE DOES OR SHALL THE SYSTEM OR THE COMPONENTS OF THE SYSTEM INCLUDE STANDARDS, PROCEDURES AND/OR REQUIREMENTS RELATED TO THE DELIVERY OF VETERINARY CARE SERVICES AND/OR THE TREATMENT OF ANY ANIMALS. TO THE EXTENT THAT THE CLINIC PRODUCTS AND SERVICES CONSTITUTE THE DELIVERY OF HEALTH SERVICES REQUIRING AN AUTHORIZED CARE PROVIDER THEN THE AUTHORIZER CARE PROVIDER SHALL EXCLUSIVELY DETERMINE THE LEVEL OF CARE TO BE PROVIDED;

(4) TO THE EXTENT THAT THE BUSINESS MANAGEMENT SYSTEM AND THE BUSINESS MANAGEMENT SYSTEM DATA CONTAIN CONFIDENTIAL AND PRIVILEGED DATA THAT UNDER APPLICABLE AUTHORIZED CARE PROVIDER REGULATION CANNOT BE TRANSMITTED OR SHARED WITH FRANCHISOR THEN THIS FRANCHISE AGREEMENT SHALL BE INTERPRETED SO AS TO COMPLY WITH SUCH APPLICABLE REGULATION;

(5) FRANCHISEE AGREES THAT, AT ALL TIMES, IT IS FRANCHISEES SOLE AND EXCLUSIVE OBLIGATION TO ENSURE THAT FRANCHISEE'S FRANCHISE BUSINESS AND THE UNDERLYING CLINIC OPERATED AT FRANCHISEE'S ~~LOCTION~~LOCATION IS OPERATED IN ACCORDANCE WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS, INCLUDING ALL AUTHORIZED CARE PROVIDER REGULATION.

(6) FRANCHISOR DOES NOT AND CANNOT AUTHORIZE FRANCHISEE TO THE PRACTICE VETERINARY MEDICINE OR PROVIDE RELATED SERVICES THAT REQUIRE THE PERFORMANCE, ADMINISTRATION AND/OR MANAGEMENT OF AN AUTHORIZED CARE PROVIDER;

(7) IN CONNECTION WITH THE OPERATIONS OF THE FRANCHISED BUSINESS, UNDER NO CIRCUMSTANCE SHALL FRANCHISEE PROVIDE VETERINARY MEDICINE AND/OR RELATED SERVICES THAT REQUIRE THE PERFORMANCE, ADMINISTRATION AND/OR MANAGEMENT OF AN AUTHORIZED CARE PROVIDER; AND

(8) TO THE EXTENT THAT FRANCHISOR PROVIDES TRAINING AND ASSISTANCE SUCH TRAINING AND ASSISTANCE RELATES TO THE PERFORMANCE OF BUSINESS ACTIVITIES AND UNDER NO CIRCUMSTANCE SHALL OR DOES SUCH TRAINING AND/OR ASSISTANCE RELATE TO THE PRACTICE VETERINARY MEDICINE OR THE PERFORMANCE OF RELATED SERVICES THAT REQUIRE THE PERFORMANCE, ADMINISTRATION AND/OR MANAGEMENT OF AN AUTHORIZED CARE PROVIDER.

ARTICLE 4
TRAINING AND OPERATING ASSISTANCE

All Training and Operating Assistance obligations set forth in this Article 4 are subject to Franchisee's initial and on-going compliance with the obligations and requirements set forth in Article 3.H. of this Agreement.

4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING

(1) Within 45 days of the earlier of the Scheduled Business Commencement Date or the Actual Business Commencement Date, Franchisee's Managing Owner and one ~~(1)~~ manager must complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, and one ~~(1)~~ designated manager, with Franchisor's Training Program. If Franchisee would like more than two ~~(2)~~ individuals to attend the initial Training Program, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee of $800 per additional person attending Initial Training (the "Additional Initial Training Fee"). Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee. Additional Initial Training Fees are subject to increase as determined by Franchisor, in Franchisor's Reasonable Business Judgment.

Prior to opening and commencing the operations of the Franchised Business, the Managing Owner and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor, and/or, at the election of Franchisor and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, may be conducted remotely through ~~on line~~online web based conferencing. Following completion of the initial Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff and all other employees of the Franchised Business. Said on-going training must conform to Franchisors standards and specifications. The Training Program shall be structured, configured and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.

(2) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Manager, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor

provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee and, those attending training on behalf of Franchisee, in connection with Franchisee's participation in all Training Programs and, satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training to Franchisee at the location of Franchisee's Franchised Business, within Franchisee's ~~Designated~~Operating Territory or, as elected by Franchisor, remotely through ~~on line~~online web based conferencing (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisors Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training, Franchisee shall pay to Franchisor a supplemental training fee at the rate of $800 per trainer per day plus, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, then, Franchisor may require that Franchisee, and/or, as applicable, Franchisee's Operating Manager participate in and, successfully, complete, Supplemental Training pay the Supplemental Training Fees. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee. Supplemental Training Fees are subject to increase as determined by Franchisor, in Franchisor's Reasonable Business Judgment.

(5) Franchisor, in Franchisor's Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants in the Training Program must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Franchise Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

4.B. OPERATING ASSISTANCE

From time to time and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor shall advise Franchisee of those applicable standards, procedures and System requirements concerning the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor's sole discretion, consist of:

(1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;

(2) Establishing and communicating Approved Clinic Products and Services and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Clinic Products and Services including, but not limited to, additions, deletions, and/or changes to the Approved Clinic Products and Services;

(3) Establishing and communicating approved Clinic Facility and Management Services, and, as applicable and as determined by Franchisor, modifications, if any, to the approved Clinic Facility

and Management Services including, but not limited to, additions, deletions, and/or changes to the approved Clinic Facility and Management Services;

(4) Designating and communicating System Supplies and, as applicable and as determined by Franchisor, modifications, if any, to the System Supplies including, but not limited to, additions, deletions, and/or changes to the System Supplies;

(5) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;

(6) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;

(7) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and

(8) Establishing and communicating System standards and requirements in the form of the operations manual and, as Franchisor, in Franchisor's sole discretion.

4.C. OPERATIONS MANUAL

Franchisor shall Franchisee with access to the operations manual. The operations manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Franchised Businesses. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the operations manual as, such standards, specifications, and requirements including, but not limited to, authorized Approved Clinic Products and Services, authorized Clinic Facility and Management Services, System Supplies, and, authorized and designated suppliers, as of the Effective Date of this Agreement and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the operations manual and, shall keep and maintain all files, data and information contained in the operations manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the operations manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business. Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the operations manual and, such notice may take form of electronic communications including emails and, if the operations manual is maintained on an online web-based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in the operations manual.

ARTICLE 5
FEES

5.A. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring initial franchisee fee (the "Initial Franchise Fee") of $~~15~~40,000. The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable.

5.B. ROYALTY FEES

Royalty Fee: Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable royalty fee (the "Royalty Fee") in an amount equal to 6% (the "Royalty Rate") of Franchisee's monthly Gross Sales throughout the Term of this Agreement. Without limitation to the foregoing, Franchisee agrees that if the Franchised Business is operated as a Clinic Management Business that the Gross Sales shall not be limited to sales and revenue related to the Clinic Facility and Management Services but, shall also include, among other things, Gross Sales related to the Franchised Business including sales and revenues from the Approved Clinic Products and Services.

Notwithstanding the foregoing, Franchisor and Franchisee further agree that if any federal, state, and/or local government agency, entity, law, rule and/or regulation, and/or any court order or order from any legal proceeding prohibits and/or invalidates, Franchisee's payment of royalty fees based on Gross Sales related to services and/or products related to and/or associated with services performed by and/or administered by an Authorized Care Provider and/or the Franchised Business, then Franchisor, at Franchisor's election and in Franchisor's sole discretion, may either:

(a) increase the Royalty Rate, as applied to the permissible portion of the Gross Sales that is not otherwise restricted or prohibited, to a rate determined by Franchisor so that the net dollar amount of the Royalty Fees paid by Franchisee to Franchisor shall not be less than the Royalty Fees that Franchisor would have received had the federal, state, and/or local government agency, entity, law, rule and/or regulation not prohibited Franchisee's payment of royalty fees based on Gross Sales related to a restricted activity; or

(b) modify the Royalty Fee to a fixed fee Royalty Fee to be charged to and paid by Franchisee to Franchise in accordance with the following schedule (the "Franchisor's Optional Fixed Fee Royalty Fee"):

Franchisor's Optional Fixed Fee Royalty Fee Structure	
Months 1 to 13	$1,600 per month
Months 14 to 26	$2,300 per month
Months 27 to 39	$3,125 per month
Months 40 to 52	$3,300 per month
Months 53 to 65	$3,600 per month
Months 66 and each month there after	$4,000 per month
Renewal Term: During any applicable renewal term, Franchisor's Optional Fixed Fee Royalty Fee shall be determined by Franchisor but, shall not be less than Franchisor's Optional Fixed Royalty applicable in months 66 and after and shall be subject to increase as determined by Franchisor provided that, within each calendar year of any renewal term, Franchisor shall not increase Franchisor's Optional Fixed Royalty by not more than $600 per month.	

On-Going Obligation: The Royalty Fee is an on-going obligation due from Franchisee to Franchisor, is payable in United States Dollars and, as designated by Franchisor, is to be calculated and paid monthly, unless another recurring Accounting Period is designated by Franchisor, on the Gross Sales for the previous monthly Accounting Period for each and every month throughout the Term of this Agreement and any applicable renewal term.

Payment and Due Date: Royalty Fee payments will be paid monthly and sent by ACH, electronic funds transfer, or as otherwise designated by Franchisor and shall be due on the Thursday of each monthly Accounting Period, for the preceding month and each month thereafter throughout the entire Term of this

Agreement, or such other specific day of the month that Franchisor designates from time to time or for such other period that Franchisor may designate (the "Due Date").

Tax Obligations: If any federal, state or local tax, other than an income tax, is imposed on the Royalty Fee paid by Franchisee to Franchisor that, Franchisor cannot directly and, dollar of dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor for the Royalty Fee is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement.

Payment Authorization: Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee shall execute Franchisor's designated ACH Authorization Form and such other authorization agreements, in the form proscribed by Franchisor and permitting Franchisor's direct withdrawal and/or electronic transfer of sums from Franchisee's designated business bank account, for the on-going payment of Royalty Fees, and other fees and sums due from Franchisee under this Agreement. As of the Effective Date, Franchisor's current ACH Authorization that must be executed and complied with by Franchisee is attached to this Agreement as Exhibit ~~7~~6. Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

Royalty and Activity Reports: On the Due Date each month, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Sales, financial performance, and operations of the Franchised Business for the preceding monthly Accounting Period (the "Royalty and Activity Report"). Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner.

5.C. OTHER FEES

As designated by Franchisor in this Agreement, the operations manual, or otherwise, Franchisee shall pay to Franchisor and/or as otherwise directed by Franchisor, each of the following additional fees:

(1) Technology Fee – Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable technology fee (the "Technology Fee"). Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times throughout the Term of this Agreement, to implement and charge Franchisee a monthly Technology Fee in an amount designated by Franchisor but provided that such monthly fee does not exceed $500 per month. The Technology Fee is a general administrative fee and is not connected to any particular service. The Technology Fee shall be paid to Franchisor each and every month on the Due Date.

(2) Brand Development Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees the Brand Development Fund Fee as set forth in Article 10.A. of this Agreement.

(3) Quality Assurance Audit Fees – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees on-going weekly, monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to periodic inspections of Franchisee's Clinic and secret shopper evaluations.

(4) Annual Conference Fees – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee shall be

required to pay to Franchisor an Annual Conference Attendance Fee. **Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and Franchisee shall pay the Annual Conference Attendance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference.**

(5) Local Marketing Expenditure – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees, the monthly minimum local marketing expenditure as set forth in Article 9.B. of this Agreement.

(6) Supplemental Training Fees – Franchisee shall pay to Franchisor all training fees in accordance with the terms of this Agreement including, but not limited to, Additional Initial Training Fees and Supplemental Training Fees.

(7) Non-Compliance Fees – Franchisee shall pay to Franchisor all non-compliance fees in accordance with the terms of this Agreement including, but not limited to, Payment Non-Compliance Fees, Operations Non-Compliance Fees, and Reporting Non-Compliance Fees.

(8) All Other Fees and Obligations Set Forth in this Agreement – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees all other fees, charges, and/or expenses set forth in this Agreement and in accordance with the terms of this Agreement. If no particular due date is stated in this Agreement then such date or dates shall be determined by Franchisor in Franchisor's Reasonable Business Judgment.

5.D. PAYMENT NON-COMPLIANCE FEES AND CHARGES

In addition to all other rights afforded to Franchisor under this Agreement, in connection with each and every fee, charge, and/or obligation payable and due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to, this Article 5, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor: (a) a payment non-compliance fee in the amount of $150 (the "Payment Non-Compliance Fee") for each and every instance where a fee, charge, and/or obligation payable to Franchisor under this Agreement is not paid in full when due; plus (b) Interest on all unpaid fees, sums, and/or obligations payable and due from Franchisee to Franchisor at an interest rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law and with interest accruing on the date when such fee, sum, or obligation was due; plus (c) all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney's fees, costs, and expenses. Additionally, if Franchisee's bank account possesses insufficient funds and/or fails to process a payment related to any fee due to Franchisor, Franchisor may charge the greater of either (i) 5% of the amount; (ii) $50 for each instance; or (iii) the maximum amount allowed by law. The foregoing does not constitute Franchisor's agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Franchised Business. Nothing contained in this Article 5.D. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

5.E. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

5.F. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee agrees that under no circumstance is Franchisee entitled to withhold payments due to

Franchisor under this Agreement. Among other things and without limitation to the foregoing, Franchisee agrees that any claim by Franchisee as to the alleged non-performance of Franchisor's obligations shall not permit and/or entitle Franchisee to withhold payments due Franchisor under this Agreement.

ARTICLE 6
RESTRICTIVE COVENANTS AND OBLIGATIONS

6.A. NECESSITY FOR RESTRICTIVE COVENANTS

Franchisee agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Licensed Marks and, access to the operations manual and Confidential Information. Franchisee agrees that competition by Franchisee, Owners, Spouses and/or Immediate Family Members could jeopardize the entire System and cause irreparable harm to Franchisor and franchisees of Clinics and/or Franchised Businesses. Accordingly, Franchisee and Franchisee's Owners and, Spouses, agree to comply with the restrictive covenants set forth in this Article 6 and throughout this Agreement.

6.B. RESTRICTIVE COVENANTS: KNOW-HOW

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Know-How in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement and as instructed by Franchisor; (b) shall maintain the confidentiality of the Know-How at all times; (c) shall not make unauthorized copies of documents containing any Know-How; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How; and (e) shall stop using the Know-How immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Know-How was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit ~~3~~2.

6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the Franchised Business operated by Franchisee; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take such reasonable steps as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit ~~3~~2.

6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the "Prohibited Activities"): (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business; (b) operating, managing, funding and/or performing services whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor's affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a Clinic and/or Franchised Business; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and, collectively, referred to as the "Prohibited Activities"). Franchisee agrees that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and, would cause harm to Franchisor, the System and other Clinics and/or Franchised Businesses. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee's having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee's Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, any such extension of time will not be construed as a waiver of Franchisee's breach or otherwise impair any of Franchisor's rights or remedies relating to Franchisee's breach. Franchisee agrees that the foregoing covenants and restrictions shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Franchisee agrees that the covenants and restrictions set forth in this Article 6.E. and, otherwise in this Article 6, are fair and reasonable and, that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparable harm to Franchisor and the System.

6.F. IMMEDIATE FAMILY MEMBERS

Franchisee agrees that should Franchisee circumvent the restrictive covenants and obligations of this Article 6 by disclosing Confidential Information to an Immediate Family Member that Franchisor and, the System, will be irreparably harmed. Franchisee agrees that if Franchisee or, one of Franchisee's Owners, discloses Confidential Information to an immediate family member and, the immediate family member of Franchisee or an Owner, uses the Confidential Information to engage in activities that, for Franchisee, qualify as Prohibited Activities, that Franchisor and the System will be irreparably harmed. Franchisee agrees that as between Franchisee and Franchisor, that Franchisee and Franchisee's Owners are in a better position to know if Franchisee permitted and/or provided an immediate family member with access to the Confidential Information and that, therefore, Franchisee agrees that Franchisee will be presumed to have violated the terms of this Agreement and, in particular, the restrictive covenants and obligations set forth in this Article 6 if any member of Franchisee's immediate family or the immediate family of an Owner: (a) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities; and/or (b) uses or discloses the Confidential Information and/or Know-How.

Franchisee may rebut the foregoing presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee's Owners disclosed the Confidential Information and, did not permit disclosure of the Confidential Information to the family member of Franchisee or Franchisee's Owner. Franchisee agrees that the foregoing covenants, obligations, representations and burden of proof shall also apply to Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.G. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

6.H. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other Clinic and/or Franchised Business franchisees for which there is no adequate remedy at law. Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed $1,000. Franchisor's remedies under this Article 6.H. are not exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6.I. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS, AND INFORMATION

Franchisee agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of Clinics and/or Franchised Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates and employees assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.I. Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

ARTICLE 7
OPERATING STANDARDS

The Operating Standards set forth in this Article 7 are all subject to Article 3.J. of this Agreement. In connection with Franchisee's compliance with the terms of this Article 7, if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7 and/or Article 3.J. of this Agreement with Franchisor's standards and/or specifications as contained in this Agreement and/or otherwise, in the operations manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor's determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

7.A. OPERATING REQUIREMENTS

At all times, Franchisee and the Franchised Business shall: (a) exclusively offer and sell the Approved Clinic Products and Services or Clinic Facility and Management Services, as applicable and, as designated by Franchisor in the operations manual and/or as otherwise designated by Franchisor in writing and as may be modified by Franchisor from time to time; (b) exclusively purchase and utilize the System Supplies as designated by Franchisor in the operations manual and as may be modified by Franchisor from time to time; (c) maintain a complete and updated inventory and supply of System Supplies as designated by Franchisor in the operations manual and as may be modified by Franchisor from time to time; (d) maintain Franchisee's Service Vehicles and System Supplies in a clean, sanitary, functional and well maintained condition; and (e) maintain, update and recondition Franchisee's Service Vehicles as designated by Franchisor in the operations manual and as may be modified by Franchisor from time to time.

7.B. UPDATING AND UPGRADING

Upon the request of Franchisor, Franchisee must improve, modify and remodel Franchisee's Service Vehicles to the Franchisor's then current standards and specifications. Franchisee agrees to make such improvements or modifications when changes to Franchisor's standards and specifications are made applicable to Franchisee's Service Vehicles.

7.C. FRANCHISOR ENTRY FOR UPDATES, UPGRADES, AND APPEARANCE REQUIREMENTS

If Franchisee fails or refuses to initiate within 30 days after Franchisor's request, and/or fails to continue in good faith and with due diligence, any required improvement, modification, refurbishment, renovation, and/or remodel of Franchisee's Clinic Facility, then Franchisor has the right, but is not obligated, to enter upon Franchisee's Service Vehicle and location where stored and effect such improvement, modification, refurbishment, renovation, and/or remodel on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand.

7.D. DAMAGE CAUSED BY CASUALTY

If Franchisee's Service Vehicle is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than two ~~(2)~~ months after such casualty, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue until completion of the repairs or reconstruction, in order to restore the premises of Franchisee's Clinic Facility to its original condition before casualty and otherwise in accordance with Franchisor's standards and specifications.

7.E. ALTERATIONS

Franchisee shall not make any material alterations to Franchisee's Service Vehicle without Franchisor's prior written consent. Franchisee shall not replace or make any unapproved replacements of or material

alterations to the fixtures, equipment, furniture, designs or signs, comprising or being a part of, Franchisee's Service Vehicle. Franchisor has the right, in its sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchisee's Service Vehicle not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the operations manual or otherwise set forth by Franchisor. Franchisor will provide written notice to Franchisee before Franchisor makes the correction, if Franchisor elects to do so.

7.F. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the operations manual, as prescribed Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time to time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational requirements shall relate and include, among other things, the Approved Clinic Products and Services and, as applicable, the Clinic Facility and Management Services, the System Supplies, System standards as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, equipment requirements, equipment manufacturers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and satisfaction standards including, customer rewards programs, refund policies, gift card policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, manager requirements, Franchisor access to Business Management Systems, Franchisor access to the Franchised Business and, the overall operations of the Franchised Business.

7.G. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the supplies, suppliers and equipment used by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, and, as designated by Franchisor in the operations manual and, as modified by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

(1) The Franchised Business shall exclusively offer, sell, and provide, as applicable and, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, the Approved Clinic Products and Services or Clinic Facility and Management Services.

(2) Franchisee's Service Vehicle shall exclusively offer, sell, and provide to the public only those Approved Clinic Products and Services designated and authorized by Franchisor, in Franchisor's Reasonable Business Judgment, and, as may be modified by Franchisor from time to time in Franchisor's Reasonable Business Judgment.

(3) The Franchised Business will exclusively: (a) offer and provide the Approved Clinic Products and Services or, as applicable the Clinic Facility and Management Services; (b) offer and provide from the Service Vehicle the Approved Clinic Products and Services in accordance with the System's standards and specifications; (c) exclusively purchase and use System Supplies purchased from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and utilize

equipment, supplies, promotional materials, point of sale systems and Business Management System(s) designated by Franchisor and subject to Franchisor's specifications; (e) Purchase interior displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials including, but not limited to, System Supplies, as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) Purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies (including but not limited to System Supplies) used in preparing, offering, selling, promoting, and serving the Approved Clinic Products and Services.

(4) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Supplies, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be utilized by the Franchised Business.

(5) Franchisor, in Franchisor's Reasonable Business Judgment, may, from time to time, modify the list of approved brands, suppliers and distributors of System Supplies and approved equipment, supplies and services to be utilized by the Franchised Business and Franchisee shall, after receipt in writing of such modification, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor.

(6) Franchisor reserves the right to designate, from time to time, a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Supplies and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees and may use all amounts so received without restriction and for any purpose Franchisor and its affiliates deem appropriate.

(7) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not presently, at the time of Franchisee's request, approved for use in the System: (a) Franchisee must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request; (b) Shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; and (c) Shall pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the Supplier Evaluation Fees that Franchisor, in Franchisors Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third-parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all inspections and evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers and

Franchisor shall exclusively determine, in Franchisor's Reasonable Business Judgment, the level of evaluation to be conducted by Franchisor.

7.H. MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test and/or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

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7.I. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee shall, at all times, secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations.

(2) Franchisee shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, health and safety laws, veterinary medicine laws, rules, and regulations, and Authorized Care Provider Regulation.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must, at all times, immediately notify Franchisor in writing of any of the following concerning Franchisee, the Franchised Business, Franchisee's Service Vehicle and/or Franchisee's Clinic Facility: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and conforms to the highest standards of ethical advertising. Franchisee agrees to refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Franchised Businesses, or the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to the Franchised Business, Franchisor, the System, Franchised Businesses and/or using the Licensed Marks.

(6) Franchisee and Owners agree to comply with, and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being "blocked" under any of

the Anti-Terrorism Laws, and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee further certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at http://www.treasury.gov) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee agrees to immediately notify Franchisor if Franchisee or any Owner become so listed. "Anti-Terrorism Laws" refers to and means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

7.J. MANAGEMENT OF CLINIC

(1) Franchisee agrees that critical to the success of the Franchised Business is the active, continuing and substantial personal involvement and hands-on supervision of Franchisee's Managing Owner. At all times, Franchisee's Franchised Business must be under the active, continuing and substantial personal involvement and hands-on supervision of Franchisee's Managing Owner. The Managing Owner must at all times be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completed Franchisor's Initial Training Program and has otherwise meet the criteria and conditions for qualification as an Operating Manager. If the Operating Manager is a family member of Franchisee and/or an Owner then the Operating Manager must also sign and agree to be bound by the terms of the Franchise Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks.

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisor has the right to charge fees and expenses, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, for management services (the "Management Service Fees"). Any determination as to whether or not Franchisor may elect to provide management services, if any, and the extent of such services, and/or the discontinuation thereof, shall be exclusively determined by Franchisor in Franchisor's Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by us.

(4) Franchisee will at all times maintain sufficient working capital to fulfill its obligations under this Agreement.

7.K. REMEDIES FOR NONCOMPLIANCE WITH FRANCHISOR'S OPERATIONAL STANDARDS

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 7 (an "Operations Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the "Operations Non-Compliance Fee") in the amount of: (a) $1,000 for each and every instance / event related to an Operations Violation involving the sale of services and/or products that are not Approved Clinic Products and Services and/or authorized Clinic Facility and Management Services; (b) $1,000 for each and every instance / event related to an Operations Violation involving the failure to exclusively use System Supplies, and/or Franchisor designated suppliers; and (c) $1,000 for all other Operations Violation. Additionally, in each of the foregoing instances, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor's Reasonable Business Judgment, of determining whether or not Franchisee's Operations Violation has been cured in accordance with Franchisor's standards and specifications. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Operations Violations. Nothing contained in this Article 7.K. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 8
INSURANCE

Franchisee, at Franchisee's sole expense, must purchase and maintain in full force at all times during the Term of this Agreement an insurance policy or policies protecting Franchisee as named insured and naming, as additional insureds, Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor. The policy or policies must be written by a carrier or carriers with an A.M. Best Rating of at least A-, VII and reasonably acceptable to Franchisor.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the operations manual. Franchisor may, in Franchisor's Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every two ~~(2)~~ years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees.

By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

In the event Franchisee fails, for any reason, to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority (but not the obligation) to immediately to procure insurance and charge all costs, fees, and expenses associated with same to Franchisee, which such charges, together with a reasonable administrative fee for Franchisor's expenses in so acting, shall be immediately payable by Franchisee to Franchisor upon demand. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity.

ARTICLE 9
BRAND DEVELOPMENT AND MARKETING

Franchisor is not required to conduct any marketing on behalf of Franchisee or the System.

9.A. BRAND DEVELOPMENT FUND

At all times and from time to time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor may institute, implement, maintain, delegate and administer a brand development fund (the "Brand Development Fund"). The following shall apply to the Brand Development Fund at all times throughout the Term:

(1) If Franchisor institutes the Brand Development Fund, Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Brand Development Fund in an amount equal to a percentage of Gross Sales (as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment) for each monthly Accounting Period (the "Brand Development Fund Fee"), provided, however, Franchisee will not be required to contribute more than 2% of the Gross Sales of the Franchised Business for each monthly Accounting Period;

(2) Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the Brand Development Fund. Upon such written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the Brand Development Fund will be applicable for each and every monthly Accounting Period thereafter during the Term until otherwise designated by Franchisor in writing. The Brand Development Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and methods set forth in Article 5.B for the payment of Royalty Fees;

(3) Franchisor, in Franchisor's Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is and shall be for the general enhancement of the System brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The Brand Development Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor's Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes Franchisee's Service Vehicle or ~~Designated~~Operating Territory;

(5) Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters. Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Franchised Businesses to the Brand Development Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund;

(7) Franchised Businesses owned by Franchisor or Franchisor's affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any and all funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund, and Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Article 9.A(8);

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by Franchised Businesses operating in that geographic area or that any Franchised Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of Franchised Businesses in the System. Franchisor may use the Brand

Development Fund to promote or benefit Franchised Businesses located within a particular region of the United States. Franchisee agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third-parties.

9.B. LOCAL MARKETING

On an on-going monthly basis, Franchisee must spend not less than 2% of Franchisee's monthly Gross Sales on the local marketing of the Franchised Business within and/or targeted to Franchisee's ~~Designated~~Operating Territory. Franchisor, at its option, may require Franchisee to pay the amount of its monthly local marketing expenditure to Franchisor or Franchisor's designated marketing vendor at any time it chooses to do so. On or before the 5th day of each calendar year quarter, or, such other dates as specified by Franchisor, Franchisee shall provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the immediately preceding calendar year quarter. At the request of Franchisor, Franchisee shall provide Franchisor with on-going access to any and all data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and to provide Franchisor such other periodic reports and records as may be requested by Franchisor.

If the Franchisee's expenditures in any and all calendar month does not, in aggregate as to each respective calendar month period, equal or exceed 2% of Gross Sales for the respective monthly period then Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may require that the deficiency be added as additional local marketing expenditures, over and above 2% of Franchisee's Gross Sales, that Franchisee must spend within the immediately succeeding quarterly period or periods, as directed by Franchisor, or, at Franchisor's discretion, be contributed to a Brand Development Fund. All marketing of the Franchised Business by Franchisee must be pre-approved, in writing by Franchisor.

Franchisor reserves the right to reject any and all marketing efforts requested by Franchisee and to prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of the Franchised Business. Franchisee further agrees that:

(1) Franchisee shall provide Franchisor with monthly reports documenting Franchisee's advertising initiatives (which must be approved by Franchisor and consistent with Franchisor's standards and specifications) and expenditures, including Profit and Loss Statements, advertising return on investment calculations and other documentation as Franchisor may request to evaluate Franchisee's local marketing and local marketing expenditures. Franchisee agrees that all of Franchisee's marketing efforts must be focused on media and marketing directed toward Franchisee's ~~Designated~~Operating Territory, and Franchisee shall not direct Franchisee's

marketing and promotion efforts with the purpose of soliciting and/or attracting customers from outside of Franchisee's ~~Designated~~Operating Territory;

(2) 60 days prior to the opening of the Franchised Business, Franchisee shall submit to Franchisor, Franchisee's grand opening marketing plan for review and approval by Franchisor. Franchisee shall only utilize those portions of its grand opening marketing approved by Franchisor. In accordance with Franchisee's grand opening marketing plan, provided same is approved by Franchisor, Franchisee will spend a minimum of the amount Franchisor designates of up to $5,000 on the marketing and promotion of the grand opening of the Franchised Business commencing not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date. Franchisee will provide Franchisor a written accounting of Franchisee's expenditures for grand opening marketing within 30 days prior to the anticipated grand opening of the Franchised Business;

(3) Franchisee's marketing must be directed toward and contained within Franchisee's ~~Designated~~Operating Territory. To the extent that Franchisee's marketing efforts involve a marketing medium that is targeted toward Franchisee's ~~Designated~~Operating Territory but reaches outside of and beyond Franchisee's ~~Designated~~Operating Territory then Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to approve or disapprove of such marketing solely on the basis of the distribution reach of such marketing efforts;

(4) On a continuing basis and not later than 60 days before each calendar year quarter, Franchisee shall submit to Franchisor a written quarterly marketing plan for review and approval by Franchisor;

(5) Franchisee hereby grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, biographical information, and financial information related to the performance of the Franchised Business in any publication related to the System, including in relation to the sale of other Franchised Businesses; and

(6) Franchisor has the right to require Franchisee to pay all or a portion of Franchisee's local marketing expenditures to Franchisor for Franchisor to spend, in Franchisor's sole discretion, on local advertising in Franchisee's local market.

9.C. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of the Franchised Business and all marketing media utilized by Franchisee in the marketing and/or promotion of the Franchised Business must be professional and must conform to Franchisor's standards and specifications as set forth in the operations manual or as otherwise directed by Franchisor in writing. Before Franchisee uses any local marketing and promotional materials and/or media not prepared by or previously approved by Franchisor in writing, Franchisee shall submit samples of such materials to Franchisor for approval, which shall be at the discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the notification requirements set forth in this Agreement, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 30 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

9.D. WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations

of Franchisee under the Brand Development Fund and/or, if applicable, Advertising Cooperative. In no event shall such waiver or deferral extend beyond six ~~(6)~~ months. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund and/or, if applicable, Advertising Cooperative. Under no circumstance shall Franchisor be under any obligation to grant any waiver of deferral. Franchisor may reject Franchisees request for a waiver or deferral based on any reason or no reason at all and, nevertheless grant the request of another system franchisee.

9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS

Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possess no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Clinic Products and Services through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any and all future dates demanded by Franchisor, Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts Agreement attached to this Agreement as Exhibit ~~5~~4. Franchisee agree that the foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

9.F. ADVERTISING COOPERATIVE

At all times Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "Advertising Cooperative"). Franchisee agrees that Franchisor possesses the sole and exclusive right to designate any geographic area in which three ~~(3)~~ or more Clinic franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee's Clinic or ~~Designated~~Operating Territory is located within the geographic area of an Advertising Cooperative, franchisee must participate in and contribute to the Advertising Cooperative. Franchisee agrees to the following:

(1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee's ~~Designated~~Operating Territory, Franchisee shall participate in and make such on-going financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee Clinic located within the designated area of the Advertising Cooperative) with a quorum constituting 25% of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative shall be organized for the exclusive purpose of administering marketing programs and the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee's ~~Designated~~Operating Territory, or if such Advertising Cooperative is established during the Term of this Agreement,

Franchisee shall fully participate in the Advertising Cooperative and Franchisee shall execute, at the request of Franchisor, all documents required by Franchisor and Franchisee shall become a member of the Advertising Cooperative subject to the terms of those documents;

(5) Franchisee shall contribute to the Advertising Cooperative in the amounts as determined and required by the Advertising Cooperative or, otherwise in accordance with those documents governing the operation of the Advertising Cooperative; provided, however, Franchisee's contributions to the Advertising Cooperative shall not exceed Franchisee's local minimum marketing obligations set forth in Article 9.B. of this Agreement and Franchisee's contributions to the Advertising Cooperative shall count toward satisfaction of Franchisee's minimum local marketing obligations set forth in Article 9.B.;

(6) Franchisee shall submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely for the purpose of collection and expenditure of the Advertising Cooperative's fees for the purpose set forth in this Article 9.F.;

(7) No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;

(8) Franchised Businesses owned by Franchisor and/or Franchisor's affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and

(9) The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the operations manual which may be modified by Franchisor from time to time.

ARTICLE 10
RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A. INDEPENDENT CONTRACTORS

This Agreement does not create a fiduciary relationship between Franchisor and Franchise, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. The parties' relationship is strictly a franchisor and franchise relationship.

Franchisee is the sole employer of the employees of the Franchised Business. Franchisee has the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling and paying wages to, and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees shall not be construed, considered, or represented as Franchisor's employees, representatives, or agents. There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the operations manual includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and

standards concerning the Approved Clinic Products and Services, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of "joint employer" and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the operations manual, the terms of this Agreement shall take precedence and govern.

Franchisee must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a Clinic under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee must not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent, willful act or failure to act.

Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed, or business conducted by Franchisee.

10.B. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages arising out of, or relating to, Franchisee's Service Vehicle, and/or the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B shall survive the termination, expiration or Transfer of this Agreement.

Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate

loss in no way reduces the amounts recoverable from Franchisee or any Owner.

10.C. INDEMNIFICATION BY FRANCHISOR

Franchisor shall indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's Franchised Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor agrees that the terms of this Article 10.C. shall survive the termination, expiration or Transfer of this Agreement.

ARTICLE 11
LICENSED MARKS, SYSTEM, AND INNOVATIONS

11.A. OWNERSHIP AND GOODWILL

Franchisee agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee further agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

11.B. USE OF THE LICENSED MARKS

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall

not use the Licensed Marks as part of its corporate or other legal name, and Franchise shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of, or challenge to, Franchisee's use of any Licensed Mark and/or the System or of any claim by any person claiming any rights in any manner with respect to the Licensed Mark, the System, or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge, or claim by any third party to the Licensed Marks and/or the System. Franchisor and/or Franchisor's licensor shall possess sole and complete discretion, in Franchisor's Reasonable Business Judgment, to take any action and/or to refrain from taking action, Franchisor and/or Franchisor's licensor deems appropriate, including, without limitation, the right to exclusively control any litigation or administrative proceeding arising out of, or relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the System. Franchisee agrees to execute all documents, render assistance, and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or Franchisor's licensor in any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor and/or Franchisor's licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding provided Franchisee timely notifies Franchisor of such litigation or administrative proceeding, and Franchisee complies with the written instructions of Franchisor respecting any such litigation or administrative proceeding.

11.D. DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisee agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any Licensed Marks, then Franchisee shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Mark(s). Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this Article 11.D. or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

11.E. INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (i) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (ii) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (iii) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to

notifying Franchisor of the IP Claim in accordance with this Agreement, including this Article 11.E.

11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION

Franchisee agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of Franchised Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

ARTICLE 12
RECORDS AND REPORTS

12.A. MAINTENANCE AND PRESERVATION OF RECORDS

Subject to requirements and obligations set forth in Article 3.J. of this Agreement, Franchisee shall maintain during the Term, and, preserve for at least three ~~(3)~~ years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Such records shall be maintained and preserved in the form and manner by Franchisor in the operations manual or otherwise in writing.

12.B. REPORTING OBLIGATIONS

In additional to the reporting obligations otherwise set forth in this Agreement and, subject to requirements and obligations set forth in Article 3.J. of this Agreement, Franchisee agrees to the following additional reporting obligations that shall include all of the data and information requested by Franchisor, in Franchisors Reasonable Business Judgment, and as may be modified by Franchisor from time to time:

(1) Royalty and Activity Reports – on the Due Date each month, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.

(2) Monthly Financial Statements and Reports – within 30 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. At all times Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(3) Annual Financial Statements and Reports – within 60 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee's annual financial statements and other reports

related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(4) Tax Returns – Franchisee shall provide to Franchisor, Franchisee's annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities; and

(5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the operations manuals.

12.C. REMEDIES FOR NONCOMPLIANCE WITH RECORDS AND REPORTING

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a "Reporting Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the "Reporting Non-Compliance Fee") in the amount of $500 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Reporting Violations. Nothing contained in this Article 12.C. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 13
INSPECTION AND AUDITS

The following Inspection and Audits provisions are all subject to Article 3.J. of this Agreement:

13.A. FRANCHISOR'S RIGHT TO INSPECT

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee's Clinic Facility. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of Franchisee's Clinic Facility and interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

13.B. FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee's Clinic Facility. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit. In the event Franchisor's examination of Franchisee's records reveals that Franchisee underreported any figure to Franchisor by more than 2%, then Franchisee shall reimburse to Franchisor, all of Franchisor's costs in connection with Franchisor's audit/examination.

ARTICLE 14
TRANSFER OF INTEREST

14.A. TRANSFER BY FRANCHISOR

At all times, Franchisor possesses and maintains the sole, absolute and unilateral right to Transfer and/or assign Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or third party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements.

14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL

Franchisee agrees, and, Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

(1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;

(2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the lease or ownership interests in Franchisee's Service Vehicle, (c) the Franchised Business, or (d) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Business Commencement Date) of the Franchised Business;

(3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;

(4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B. shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and

(5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued

and/or arose prior to and/or after the date of Transfer.

14.C. CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a Franchised Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

(1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F below;

(2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;

(3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;

(4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1;

(5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;

(6) Franchisee, each Owner, and each Spouse must execute the General Release attached to this Agreement as Exhibit ~~6~~5 releasing Franchisor, Franchisor's affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;

(7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then current standard form Franchise Agreement offered to new franchisees of Franchised Businesses and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then current agreements may differ from the terms in this Agreement,

provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;

(8) Unless Franchisee has met the requirements of Article 3.E within the five ~~(5)~~ year period immediately preceding the Transfer, the transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's Clinic Facility to conform to the then current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;

(9) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement;

(10) At the transferee's expense, the transferee, and the transferee's Managing Owner, Managers and/or any other applicable employees of transferee's Franchised Business must complete any training programs then in effect for franchisees of Franchised Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee to Franchisor;

(12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;

(13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached hereto as Exhibit ~~3~~2;

(14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees and Advertising Contributions;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;

(16) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(17) The Transfer must be made in compliance with all applicable laws;

(18) The Transfer of the Franchised Business, the lease for Franchisee's Service Vehicle and the assets of the Franchised Business shall be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and

(19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

14.D. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Clinic is not being managed by a Franchisor approved Operating Manager (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Clinic for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's Clinic. Franchisor's appointment of a manager for Franchisee's Clinic does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Clinic may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Clinic or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Clinic. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Clinic is not being managed by a Franchisor approved Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Clinic for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's Clinic. Franchisor's appointment of a manager for Franchisee's Clinic does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Clinic may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Clinic or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Clinic. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D(1) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other

personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(4) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to properly and legally document such Transfer of this Agreement. Furthermore, said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement, and execute the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchise may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

14.F. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or an Owner desires to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, Franchisee's Clinic, Franchisee's Service Vehicle, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, Franchisee's Clinic, Franchisee's Service Vehicle for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30 day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner, as applicable, all customary representations and warranties given by Franchisee or Owner, as applicable, as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner, as applicable, may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal in this Article 14.F shall not apply to any Transfer pursuant to Article 14.E of this Agreement.

ARTICLE 15
RENEWAL OF FRANCHISE

15.A. FRANCHISEE'S RIGHT TO RENEW

Subject to Franchisee's satisfaction of the terms of this Agreement, including this Article 15, Franchisee shall possess the option to renew the franchise for Franchisee's continued license and franchised operation of the Franchised Business for three ~~(3)~~ additional five ~~(5)~~ year terms (the "Renewal Term"). The foregoing Renewal Term shall not be afforded to or available to Franchisee if, prior to the Effective Date of this Agreement, the Franchised Business was previously operated or developed pursuant to a prior Franchise Agreement with Franchisor or Franchisor's predecessors respecting the Franchised Business.

15.B. CONDITIONS FOR RENEWAL

Franchisee's renewal rights under this Article 15 are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

(1) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor written notice (the "Renewal Notice") of Franchisee's election to renew;

(2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee's Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;

(3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor's reasonable satisfaction, that: (a) Franchisee maintains and has secured the legal right to remain in possession of Franchisee's Clinic Facility and Clinic Location through the entire Renewal Term or; (b) Franchisee has selected a proposed new Administrative Office within the ~~Designated~~Operating Territory that Franchisor, at Franchisor's sole discretion, has approved in writing and that may be timely developed by Franchisee, in accordance with Franchisor's standards and specifications, for the development and operation of the Franchisee's Clinic throughout the duration of the Renewal Term;

(4) Franchisee must update and/or agree to update the condition, appearance and functionality of Franchisee's Service Vehicle and to otherwise modify Franchisee's Service Vehicle in compliance with Franchisor's specifications and standards then applicable for new Vetama Clinics;

(5) Franchisee pays the Renewal Fee and Franchisee agrees to, signs, and delivers to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form Clinic Franchise Agreement for the Renewal Term (the "Renewal Franchise Agreement");

(6) Franchisee's Owners and their Spouses, respectively, must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current individual guaranty agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, but not limited to, payment obligations, non-compete obligations, and restrictive covenants (the "Renewal Ancillary Agreements");

(7) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor's Reasonable Business Judgment; and

(8) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form of general release whereby Franchisee and Franchisee's Owners shall each fully release and discharge Franchisor, Franchisor's affiliates and it's officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee's issuance of a general release, Franchisor at Franchisor's election, may condition renewal on Franchisee and each ~~Owners~~Owner's delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor's agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee not to renew the franchise.

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15.C. RENEWAL FRANCHISE AGREEMENT

Franchisee expressly acknowledges and agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor's sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

ARTICLE 16
DEFAULTS AND REMEDIES

16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(1) **Defaults and Automatic Termination** – Franchisee shall be in default of this Agreement, and, this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee admits in writing Franchisee's inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;

(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;

(e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator,

custodian or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;

(f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee is dissolved, and/or Franchisee's leasehold interests and/or rights in or to Franchisee's Service Vehicle are terminated;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against the assets of the Franchised Business;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of the Franchised Business and not dismissed within 60 days after the summons is served on Franchisee;

(l) Real or personal property of Franchisee used in the operation of the Franchised Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or

(m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4) of this Agreement.

(2) **Defaults and Automatic Termination upon Written Notice without Cure Period** – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

(a) Franchisee, on three ~~(3)~~ or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.D. of this Agreement and that is cured/remedied in with Article 7.D.;

(e) Franchisee, as to applicable, laws, rules and/or regulations, loses and/or fails to continuously possess, the legal right to operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the operations manual and/or as otherwise communicated by Franchisor from time to time;

(f) Franchisee and/or Franchisee's Owners intentionally misrepresent and/or omit material information ~~in Franchisee's Disclosure Questionnaire attached to this Agreement as Exhibit 2~~;

(g) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the operations manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(h) Franchisee attempts to Transfers or, purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(i) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer or, purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the operations manual to any third party not otherwise authorized by Franchisor;

(k) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;

(l) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, Franchised Businesses, the Franchised Business, and/or the reputation of the Vetama brand;

(m) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Franchise Owner and Spouse Agreement and Guaranty;

(n) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads

guilty or nolo contendere to a felony crime;

(o) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, Franchised Businesses, the Franchised Business, and/or the reputation of the Vetama brand;

(p) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;

(q) Franchisee fails, upon receiving actual or constructive notice, shall: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and (3) take reasonable steps including ,notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(r) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(s) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) **Defaults and Automatic Termination ~~after~~After 10 Day Cure Period** – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay and/or satisfy the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay and/or satisfy any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's affiliate, Franchisee and/or Franchisee's affiliate; and/or

(c) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor's Reasonable Business Judgment, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(3) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article

16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

(4) **Defaults and Automatic Termination ~~after~~After 30 Day Cure Period** – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:

(a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;

(b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;

(c) Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest as to a Franchisor approved Administrative Office;

(d) Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Business Commencement Date, in compliance with the terms of this Agreement, as designated or specified in the operations manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;

(e) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the operations manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;

(f) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;

(g) At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor's Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the operations manual, and/or as communicated to Franchisee from time to time;

(h) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the operations manual, and/or as requested by Franchisor

(i) If any inspection or review of Franchisee's records, reports, books, accounts, statements,

data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee's Gross Sales, and/or any other metrics or data, resulting in the underpayment, by 2% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;

(j) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the operations manual; and/or

(k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

16.B. TERMINATION BY FRANCHISEE

If Franchisee, each Owner and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

(1) Franchisor does not correct the material breach within 30 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor; or

(2) In a case where Franchisor's material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor's receipt of Franchisee's written notice of Franchisor's material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 30 day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be at 10 days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in this and in compliance with this Article 16.B. shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A. are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article

16.A. or, as otherwise set forth in this Agreement, Franchisee agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.

(2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, but not limited to Royalty Fees, Brand Development Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. In calculating and determining the foregoing Franchisee agrees that in calculating and in determining such damages that it is fair and reasonable to use Franchisee's most recent calendar year Gross Sales in calculating and determining Franchisor lost revenues and fees and by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. If, however, the Franchised Business has been open and in operation for less than one ~~(1)~~ calendar year, Franchisee agrees that it is fair and reasonable to use an average of Gross Sales of Franchised Businesses across the System during the year in which this Agreement was terminated and to use such average Gross Sales for the purpose of calculating and determining Franchisor lost revenues and fees and, in doing so, by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(4) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions and other related expenses.

(5) To enjoin, restrain, and otherwise prohibit Franchisee from operating the Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction or other means.

(6) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void.

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchise, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's such rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

ARTICLE 17
OBLIGATIONS UPON TERMINATION, EXPIRATION AND CONTINUING OBLIGATIONS

17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Supplies.

17.B. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

(1) Permanently cease to be a franchise owner of the Clinic that was the subject of this Agreement and cease to operate such Clinic under the System;

(2). Refrain from directly or indirectly, hold itself out to any person or entity, or represent itself, as a present or former Franchised Business franchisee;

(3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the operations manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or constitute Franchisor's trade secrets; (c) System Supplies, including communicating with or ordering products from Franchisor's designated

suppliers and vendors of System Supplies; (d) the Approved Clinic Products and Services; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, Franchised Businesses, the Franchised Business, and Franchisee's former Franchised Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and Franchised Businesses;

(4) Return to Franchisor the operations manual (including any and all parts, supplements, and copies of the operations manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all digital media, intra-nets, cloud based systems, and/or servers that store, maintain, and/or provide access to the operations manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the operations manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) Except in the event an authorized transferee continues to operate Franchisee's former Clinic at Franchisee's Administrative Office subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former Clinic, Franchisee's former Clinic Facility, and Franchisee's Administrative Office, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Clinic Facility and Franchisee's Administrative Office have been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a Clinic at the Administrative Office; (b) remove from Franchisee's Clinic Facility and Franchisee's Administrative Office all distinctive physical and structural features identifying a Clinic and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; and (c) make specific additional changes to Franchisee's Clinic Facility and Franchisee's Administrative Office as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former Clinic. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Clinic Facility and Franchisee's Administrative Office at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee further agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's Clinic Facility and Franchisee's Administrative Office will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (~~i~~a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data; and (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former Clinic and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit ~~5~~4;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6.B through Article 6.E of this Agreement~~.~~; and

(11) Provide Franchisor, within 30 days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

17.C. CONTINUING OBLIGATIONS

All obligations of Franchisor and Franchisee under this Agreement which expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, under no circumstance shall Franchisee be relieved of Franchisee's Obligations under this Agreement and under no circumstance shall each Owner and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1. The immediately foregoing shall not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

ARTICLE 18
ENFORCEMENT AND CONSTRUCTION

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each and every term and condition of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other governmental agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any

respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with Franchisee's obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

18.C. FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God, including, but not limited to, natural disaster, tornados, earthquakes, wildfires, and pandemics and/or labor strikes unassociated with Franchisee or Franchisor (collectively, "Force Majeure"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay.

Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than ~~6~~six months.

18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.H of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.H. are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G. of this Agreement and shall be consistent with same.

18.E. RIGHTS OF PARTIES ARE CUMULATIVE

The rights under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

18.F. GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF CALIFORNIA SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

18.G. CHOICE OF LAW, NON-BINDING MEDIATION, BINDING ARBITRATION, AND CONSENT TO JURISDICTION

(1) **Non-Binding Mediation** – Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation shall be non-binding and shall be conducted by the American Arbitration Association ("AAA") in accordance with the AAA's then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in San Luis Obispo County, California or, if a mediator is not available in San Luis Obispo County, California then at a suitable location selected by the mediator that is

located closest to San Luis Obispo County, California. Mediation shall be conducted by one ~~(1)~~ mediator and if Franchisor and Franchise cannot agree on a mediator then the mediator shall be selected by the AAA. Mediation shall be conducted within 45 days of the AAA's designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing and signed by each respective party. Franchisor and Franchisee shall each be responsible for their own costs associated with mediation and Franchisor and Franchisee shall each be responsible for and shall each pay 50% of the mediator's fee and the AAA's mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Article 18.G.(1) and, thereby, the prerequisite requirement of non-binding mediation, shall not, at Franchisor's election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement; and/or (b) claims by either Franchisor or Franchisee under this Agreement that relates to either Franchisor's or Franchisee's failure to pay fees or other monetary obligations due under this Agreement.

(2) **Arbitration** – Subject to the prerequisite requirements of non-binding mediation as set forth in Sub-Article 18.G.(1), and, except, at Franchisor's election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the validity of this Agreement and/or the Ancillary Agreements, shall be submitted, on demand of either Franchisor or Franchisee, to the AAA for binding arbitration. Arbitration shall be conducted by one ~~(1)~~ arbitrator in accordance with the AAA's then current rules for commercial disputes, except as may be otherwise required in this Article 18.G. All arbitration proceedings shall be conducted in San Luis Obispo County, California or, if suitable AAA facilities are not available in San Luis Obispo County, California then at a suitable AAA location selected by the arbitrator that is located closest to San Luis Obispo County, California.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

(a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(b) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;

(c) The arbitrator shall render written findings of fact and conclusions of law;

(d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Articles 18.I., 18.J., 18.N., 18.O., 18.R., 18.T., and 18.X. of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no

circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;

(e) They shall each be bound to the limitations periods set forth in Article 18.I. of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;

(f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction;

(g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Article 18.

(3) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G, Franchisor and Franchisee agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within California and within San Luis Obispo County or the county closest to San Luis Obispo County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

18.H. VARIANCES

FRANCHISEE AGREES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

18.I. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6 OF THIS AGREEMENT, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY AND ALL CLAIMS AND/OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO ~~(2)~~ YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE

CLAIM OCCURRED OR ONE ~~(1)~~ YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

18.J. WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT; PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

18.K. WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

18.L. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

18.M. COMPLETE AGREEMENT

This Agreement, and the Schedules and Exhibits to this Agreement, as executed and, as applicable, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. ~~The~~ Notwithstanding the foregoing ~~shall not constitute and does not constitute~~, nothing in this or any ~~disclaimer as~~related agreement is intended to disclaim the express representations made ~~by Franchisor~~ in the Franchise Disclosure Document ~~disclosed to Franchisee in connection with this Franchise Agreement.~~, its exhibits and amendments.

18.N. ATTORNEY FEES AND EXPENSES

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or, a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

18.O. NO CLASS ACTION OR MULTI-PARTY ACTIONS

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE VETAMA FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND, THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18.P. ACCEPTANCE BY FRANCHISOR

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

18.Q. OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisee agrees and represents that prior to the signing of this Agreement that Franchisor recommended and that Franchisee had the opportunity to have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant and other business advisors.

18.R. NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS OR AGENTS

Franchisee agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers. The foregoing shall not be construed to imply that Franchisor and/or Franchisor's agents have made any oral promises as pursuant to Article 18.M of this Agreement, this written Agreement represents the sole Agreement between Franchisor and Franchisee.

18.S. NON-UNIFORM AGREEMENTS

Franchisee agrees that Franchisor makes no representations or warranties that all other agreements with Vetama, Inc. franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.

18.T NO RIGHT TO OFFSET

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchise to Franchisor pursuant to this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

18.U. HEADINGS

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

18.V. AUTHORITY TO EXECUTE

Each party agrees, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

18.W. COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

18.X. JOINT AND SEVERAL LIABILITY

If Franchisee consists of more than one ~~(1)~~ person or entity, then their liability under this Agreement shall be deemed joint and several.

18.Y. RECITALS

The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

18.Z. NO DELIVERY OF VETERINARY CARE AND NO PRACTICE OF VETERINARY MEDICINE

The parties agree that nothing contained in this Agreement shall be interpreted as requiring and/or authorizing the performance of veterinary medical services or the delivery of veterinary care. This Agreement and all of its provisions shall be interpreted in accordance with Article 3.J. of this Agreement.

ARTICLE 19
NOTICES

All written notices permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one ~~(1)~~ business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three ~~(3)~~ business days after placed in the U.S. mail by registered or certified mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery shall be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement. All written notices permitted or required to be delivered by the operations manual and/or updates or modifications to the operations manual shall be deemed so delivered at the time of notifying Franchisee by electronic means, as designated by Franchisor including, but not limited to, immediately by email. Notwithstanding the foregoing, the operations manual and modifications to the operations manual may be delivered and/or noticed to Franchisee by such means selected by Franchisor, including electronic notice and email.

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and, unless otherwise expressly proscribed in this Agreement, the Franchisor shall respond within 10 business days after receiving

Franchisee's written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor's consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor's consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

Franchisor: Vetama, Inc.	**Franchisee:**
By: _____ Signature	_____ Signature
_____ Name and Title (please print)	_____ Name (please print)
_____ Dated	_____ Dated
_____ Signature	
_____ Name (please print)	
_____ Dated	

Franchise Agreement – Schedule 1
Location and ~~Designated~~Operating Territory Acknowledgment

Pursuant to the Franchise Agreement dated _____, 20__ by and between Vetama, Inc., as Franchisor, and _____, as Franchisee (the "Franchise Agreement"), Franchisor and Franchisee agree:

(a)Franchisee's ~~Designated~~Operating Territory – Franchisee's "~~Designated~~Operating Territory," as such term is defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A., is designated as follows:

[To be Effective this Schedule Must be Completed and Signed by Franchisor. If not completed and signed at time of signing Franchise Agreement, may be completed in the future pursuant to the terms of the Franchise Agreement]

If there is any inconsistency or conflict between the terms of this Acknowledgment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

Dated: _____

Franchisor:
Vetama, Inc.

By: _____
Signature

_____
Name and Title

_____
Signature

_____
Name (please print)

Franchisee:

_____
Signature

_____
Name (please print)

Franchise Agreement – Schedule 2
Statement of Franchise Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee's Owners, Franchisee's Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests.		
Owner Name	**Owner Address**	**Ownership Interest Percentage**
Name of designated **Managing Owner:**		

Dated: _____

Franchisor:
Vetama, Inc.

By: _____
Signature

_____
Name and Title

_____
Signature

_____
Name (please print)

Franchisee:

_____
Signature

_____
Name (please print)

Franchise Agreement – Exhibit 1
Franchise Owner and Spouse Agreement and Guaranty

FRANCHISE OWNER AND SPOUSE AGREEMENT AND GUARANTY

This Franchise Owner and Spouse Agreement and Individual Guaranty (the "Agreement") is individually entered into by you as either an owner of _____ (hereinafter referred to as "**Franchisee**"), Franchisee, or the spouse of the owner of franchisee and is given and signed by you in favor of Vetama, Inc., franchisor of the Vetama franchise system and in favor of Vetama, Inc.'s successors and assigns, upon the terms and conditions set forth in this Agreement. In this Agreement Vetama, Inc. is referred to as "**us**", "**our**" or "**we**", and each individual that signs this Agreement is referred to as "**you**".

Recitals and Representations

WHEREAS, You agree that we have developed a distinctive and proprietary system (the "System") for the non-medical development, management and, potentially, the operation of a Clinic (the "Clinic") that offers and mobile veterinary wellness and illness care and laboratory services, and other mobile veterinary medical Clinic and Clinic related services and retail products (the "Approved Clinic Products and Services") under the Licensed Marks (defined below);

WHEREAS, the System relates to and includes the development and operation of a franchised business (hereinafter referred to as either the "Franchised Business" or the "Franchised Business"), that depending on Franchisee's qualifications and applicable local, state and federal laws and regulations involves either:

a. Franchised Business that Owns and Operates a Clinic: Franchisee's development and operation of a Franchised Business that owns and operates a Clinic that provides the Approved Clinic Products and Services under the Licensed Marks and in accordance with the requirements of the System; or

b. Franchised Business that Owns and Operates a Clinic Facility and Management Company: Franchisee's development and operation of a Franchised Business that owns and operates a management business ("Clinic Management Business") that provides management, marketing, and Clinic facility based services (the "Clinic Facility and Management Services") to medical practices and licensed professionals authorized to offer and provide the Approved Clinic Products and Services (hereinafter referred to as "Authorized Care Providers") at a Clinic that is operated by the Authorized Care Providers and/or their professional corporation authorized to directly offer and provide the Approved Clinic Products and Services.

WHEREAS, Franchisee has entered into a Vetama Franchise Agreement (the "Franchise Agreement") for the development and operation of a Franchised Business;

WHEREAS, you have received and have thoroughly reviewed the completed Franchise Agreement, including the completed Schedules and Exhibits attached thereto;

WHEREAS, we have recommended that you thoroughly review the Franchise Agreement, this Agreement and all exhibits and schedules to the Franchise Agreement with a lawyer selected and hired by you;

WHEREAS, you represent to us that you are either: (a) an Owner of Franchisee such that you own or control a legal, equitable or beneficial ownership or equity interest in Franchisee and/or otherwise meet the

definition of an "Owner" as set forth in this Agreement; and/or that you are (b) the "Spouse" of an Owner of Franchisee;

WHEREAS, you acknowledge that this Agreement will apply to you individually, jointly and severally with all others who sign this Agreement (including if this Agreement is signed in counterparts or electronically among other Owners and Spouses);

WHEREAS, you acknowledge that this Agreement, personally obligates you to guarantee Franchisee's obligations to us and obligates you to brand protection, confidentiality and non-competition restrictions and covenants and that you enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee; and

WHEREAS, you acknowledge that we are relying on this Agreement and that without this Agreement we would not have entered into and/or would not be simultaneously entering into the Franchise Agreement with Franchisee.

NOW THEREFORE, to induce us to enter into the Franchise Agreement and as consideration to us for entering into the Franchisee Agreement with Franchisee and other consideration, the receipt and sufficiency of which you acknowledge, you agree as follows:

1. Recitals and Representations.

You agree that the foregoing Recitals and Representations are true and accurate and constitute a material part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions.

Supplementing the terms and definitions contained in the Recitals and Representations:

"**Administrative Office(s)**" refers to and means the location(s) from which Franchised Businesses are established, operated and managed.

"**Approved Clinic Products and Services**" shall have the meaning defined in the "Recitals" section of this Agreement and shall further refer to and mean those products and services that we authorize for sale by Franchised Businesses. We shall exclusively designate and determine the Approved Clinic Products and Services and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Clinic Products and Services that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The operations manual, subject to changes that we may make from time to time and our right to change and modify the Approved Clinic Products and Services, shall designate the Approved Clinic Products and Services that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Clinic Products and Services.

"**Authorized Care Providers**" shall have the meaning defined in the "Recitals" section of this Agreement and is supplemented, as follows: the term "Authorized Care Providers" shall further refer to and mean those licensed individuals, professional corporations and other individuals that, under applicable federal, state and local rules and regulations are trained, authorized and are permitted to offer, provide, oversee, and manage, those Approved Clinic Products and Services that such individual and/or Corporate Entity provides at a Clinic Facility.

"**Authorized Care Provider Regulation**" shall have the meaning defined in the "Recitals" section of this Agreement and is further supplemented, as follows: the term "Authorized Care Provider Regulation" shall further refer to and mean all applicable federal, state and local rules and regulations that relate to the ownership and operation of a Clinic, the Approved Clinic Products and Services, Clinic Facilities and Management Services, Clinic Management Agreements, and the operations of a Clinic Management Business including, but not limited, laws related to actions that an Authorized Care Provider may or may not engage in regarding ownership, diagnosis, treatment, supervision, delegation, flow of funds and the actions that Franchisee may or may not engage in. Without limitation to the foregoing, Authorized Care Provider Regulation shall include all health law regulations and rules including, but not limited to, to health privacy laws that include the Health Insurance Portability and Accountability Act of 1996.

"**Business Management System**" refers to and means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by us, in our Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day to day sales, ordering, operations and management of the Franchised Business.

"**Business Management System Data**" refers to and means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by us or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

"**Clinic(s)**" shall have the meaning defined in the Recitals and Representations section of this Agreement and, without limitation to the Recitals and Representations section of this Agreement, the term "Clinic" shall further refer to and mean a business that operates at Clinic Facility from which the Approved Clinic Products and Services, under the Licensed Marks, are offered and provided to customers in accordance with the terms of this Agreement and the requirements of the System and/or an Administrative Office from which the Approved Clinic Products and Services are required to be offered and provided.

"**Clinic Facility**" refers to and means the fixed commercial facility including, the fixtures and improvements, from which Franchised Businesses are established, operated and managed.

"**Competitive Business**" refers to and means any business that is the same as or similar to a Franchised Business and/or a Clinic including, but not limited to a business that offers or provides either: (a) veterinary services and other pet health services, and any business and/or other businesses that offers, sells, and/or provides products and/or services similar to the Approved Clinic Products and Services that are authorized and designated by us and, as we may designate from time to time in the future; or (b) administration, management and/or marketing services for any business that offers or provides veterinary services and other pet health services, and any business and/or other businesses that offers, sells, and/or provides products and/or services similar to the Clinic Facility and Management and Services that are authorized and designated by us and, as we may designate from time to time in the future and designated by us as of the Effective Date of this Agreement and, as we may designate from time to time in the future.

"**Confidential Information**" refers to and means all of our and/or our affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems

relating to the development, establishment, marketing, promotion and operation of Franchised Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Franchised Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Franchised Businesses; (d) customer lists and information related to Franchised Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the operations manual; and (g) Know-How.

"**Copyrights**" refers to and means all works and materials for which we or any affiliate of ours has secured common law or registered copyright protection and we utilize and/or allow Franchised Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a Clinic and/or Franchised Business, whether as of the Effective Date or any time in the future.

"**Corporate Entity**" refers to and means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

"**Digital Media**" refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web including, but not limited to, the System Website, websites, web based applications, software applications, smart phone based applications and/or social media platforms including, but not limited to, Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to Franchised Businesses, the Franchised Business, the Licensed Marks, the System and/or us.

"**Effective Date**" refers to the "Effective Date" of the Franchise Agreement as the term "Effective Date" is set forth and defined in the Franchise Agreement. If, for any reason, the Effective Date cannot be determined by reference to the Franchise Agreement, the Effective Date shall be the date that you sign this Agreement.

"**Franchised Business**" refers to and means the Franchised Business to be developed, owned and operated by Franchisee pursuant to the terms of the Franchise Agreement.

"**Franchisee's Administrative Office**" refers to and means the location of Franchisee's Administrative Office, from which Franchisee's manages the Franchised Business.

"**Franchisee's Clinic Facility**" refers to and means the Clinic Facility from which Franchisee establishes, operates and manages the Franchised Business.

"**Franchisee's ~~Designated~~Operating Territory**" refers to and means the "~~Designated~~Operating Territory" as such term is set forth and defined in the Franchise Agreement.

"**Immediate Family**" refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

"**Intellectual Property**" refers to and means, individually and collectively, our Licensed Marks, Copyrights, Know-How, and System.

"**Know-How**" refers to means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Clinic and Franchised Business including,

but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the operations manual and the Confidential Information.

"**Licensed Marks**" refers to and means the trademarks, service marks, emblems and indicia of origin, including the "Vetama" trademark, the Vetama logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by us in connection with the identification of Franchised Businesses and the Approved Clinic Products and Services, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by us in our Reasonable Business Judgment.

"**Operations Manual**" refers to and means, individually and collectively, the manual(s) designated by us and relating to the development and/or operations of Franchised Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Clinics, and, as applicable, Clinic Management Businesses. The operations manual may consist of one ~~of~~or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means.

"**Owner**" refers to and means collectively, individually, jointly and, as of the Effective Date: (a) the officers and directors of Franchisee including, the officers and directors of any general partner of Franchisee, who hold an ownership interest in Franchisee and/or in any Corporate Entity that maintains an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s).

"**Prohibited Activities**" refers to and means any or all of the following: (a) owning and/or having any legal or equitable interest whether, as an individual proprietor or as an owner, partner, member or shareholder of a Corporate Entity or, in any similar capacity, in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from us (or one of our affiliates or franchisees); and/or (d) inducing any customer or client of ours (or of one of our affiliates or franchisees) or of Franchisee to any other person business that is not a Vetama.

"**Reasonable Business Judgment**" refers to our business judgment and means and relates to any and all decisions, actions and choices made by us concerning or relating to this Agreement, the Franchise Agreement, the System, Franchised Businesses, Franchisee's Administrative Office, and/or the Franchised Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining ~~designated territory~~Operating Territory markets, minimizing potential customer confusion as to the location of Franchised Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination,

action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by us in our Reasonable Business Judgment that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) we shall not be required to consider Franchisee's individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under the Franchise Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for our Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge our Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

"**Restricted Period**" refers to and means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the 18 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee.

"**Restricted Territory**" refers to and means the geographic area: (a) comprising Franchisee's ~~Designated~~Operating Territory; (b) within a 25 mile radius surrounding Franchisee's ~~Designated~~Operating Territory (or, if Franchisee is not granted or designated ~~a designated territory~~an Operating Territory, then a 25 mile radius surrounding Franchisee's Administrative Office; (c) within a 10 mile radius surrounding the Administrative Offices for all other Franchised Businesses operating and/or under development as of the Effective Date; and (d) within a 10 mile radius surrounding the Administrative Offices for all other Franchised Businesses that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within Franchisee's ~~Designated~~Operating Territory plus a 25 mile radius surrounding Franchisee's ~~Designated~~Operating Territory or, if Franchisee is not granted or designated ~~a designated territory~~an Operating Territory, then a 25 mile radius surrounding Franchisee's Administrative Office.

"**Spouse**" refers to and means, as of the Effective Date, the legal spouse of an Owner.

"**System**" refers to and means our system for the development, establishment and operation of Franchised Businesses including, but not limited to: (a) methods, procedures and requirements for the development and operation of a Franchised Business, a Clinic Management Business, a Clinic, an Administrative Office, and a Clinic Facility; (b) the Approved Clinic Products and Services, Clinic Facility and Management Services, System Supplies and the services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Franchised Business and/or Clinic; (c) the Licensed Marks; (d) the Trade Dress; (e) Copyrights; (f) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Franchised Business and/or Clinic; (f) operations manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by us in our Reasonable Business Judgment.

"**System Supplies**" refers to and means the products, equipment, supplies, inventory, materials and services including, but not limited to, branded and unbranded packaging, materials, uniforms, displays, and merchandise, and the Business Management System designated by us in the operations manual and as may be modified and supplemented by us from time to time in our Reasonable Business Judgment.

"**System Website**" refers to and means the web page and/or pages located on the world wide web at www.vetama.com and, shall further include all webpages and subdomains (including those that are franchisee and/or geography specific) that are a part of www.vetama.com, or as designated by us as being associated with the URL of www.vetama.com and/or Franchised Businesses.

"**Trade Dress**" refers to and means the Clinic designs, images, marketing materials, packaging, branding and/or branding images which we authorize and require Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by us from time to time.

"**Transfer**" refers to and means a transfer, sale and/or assignment whether legally, equitably or otherwise.

3. Additional Acknowledgments by You.

In addition to the representations and acknowledgments contained in the Recitals and Representations, above, and incorporated into this Agreement, you acknowledge and represent that:

(a) as of the Effective Date you are an Owner and/or Spouse;

(b) that you are signing this Agreement in your individual capacity and that you are bound to the terms and conditions of this Agreement and irrespective of any change in your status as an Owner and/or Spouse;

(c) in your capacity as an Owner of Franchisee or as the Spouse of an Owner of Franchisee that you have and will be gaining access to, among other things, the System and Intellectual Property;

(d) you acknowledge that all of the components and aspects of the System and Intellectual Property (both individually and as they relate to one another collectively) are critical to our success as the franchisor of the System and to the overall System;

(e) you acknowledge that we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, to agree to the brand protection, non-competition and other covenants and restrictions contained in this Agreement and that you personally guarantee the financial and other obligations of Franchisee to us; and

(f) you acknowledge that the terms of this Agreement are fair and reasonable and that you have elected, based on your own decision, to enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee.

4. Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions.

(a) Know-How. You agree that: (i) you will not use the Know-How in any business or capacity other than the Franchised Business; (ii) you will maintain the confidentiality of the Know-How at all times; (iii) you will not make unauthorized copies of documents containing any Know-How; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How; and (v) you will stop using the Know-How immediately if you are no longer an Owner of Franchisee or your Spouse is no longer an Owner of Franchisee, as applicable. You will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and operations manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Non-Competition During Franchise Relationship. Subject to the terms and conditions of Article 5 of this Agreement, below, you represent and agree that while you are an Owner of Franchisee or while your Spouse is an Owner of Franchisee (as applicable) that you will not engage in any Prohibited Activities. You acknowledge and agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(c) Non-Competition After Franchise Relationship. You represent, acknowledge and agree that during the Restricted Period you will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach). You acknowledge and agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(d) Confidentiality Restrictions. You represent, acknowledge and agree that, at all times you:

(i) shall not use the Confidential Information in any business or capacity other than the Franchised Business; (ii) shall maintain the confidentiality of the Confidential Information; (iii) shall not make unauthorized copies of documents containing any Confidential Information; (iv) shall take such reasonable steps as we may ask of you and/or Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) shall immediately and permanently stop using the Confidential Information upon the expiration or termination of the Franchise Agreement; (vi) shall immediately and permanently stop using the Confidential Information if you are no longer an Owner of Franchisee and/or the Spouse of an Owner; (vii) shall immediately and permanently stop using the Confidential Information upon Franchisee's Transfer of the Franchise Agreement; and (viii) shall not disclose the Confidential Information to any third party except in a legal proceeding pursuant to an order of a court of competent jurisdiction and after affording us no less than 15 business days prior notice and an opportunity for us, at our election, to appear in such action.

(e) Immediate Family Members. You acknowledge that should you circumvent the purpose and protections (due to us) of this Agreement by disclosing Know-How to an immediate family member (*i.e.*, parent, sibling, child, or grandchild) we will and the System will be irreparably harmed. You acknowledge that if you did disclose the Know-How to an immediate family member and your immediate family member used the Know-How to engage in activities that, for you, qualify as Prohibited Activities as defined above, that we and the System will be irreparably harmed. You agree that as between you and us that you are in a better position to know if you permitted and/or provide an immediate family member with access to the Know-How. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-How. However, you may rebut this presumption by providing evidence conclusively demonstrating that you did not disclose the Know-How nor permit disclosure of the Know-How to the family member.

(f) Reasonableness of Covenants and Restrictions. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of this Article 4 (Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Article 4 to ensure that the terms and covenants are enforceable under applicable law.

(g) Breach. You agree that failure to comply with these Article 4 Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions will cause irreparable harm to us and/or other Clinic franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being

expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

5. Transfer Restrictions and Non-Competition Covenants and Restrictions.

Notwithstanding anything contained in this Agreement to the contrary, you expressly acknowledge and agree that if you are an Owner, and/or the Spouse of an Owner, that, prior to Transferring an Owner's equity and/or ownership interests in Franchisee that, among other things, Franchisee must notify us and obtain our written consent. Likewise, you acknowledge and agree that under the Franchise Agreement that prior to Franchisee's Transfer of the Franchise Agreement, among other things, Franchisee must notify us and obtain our written consent. For our protection and to prevent the subversion of the non-competition covenants contained in Article 4 of this Agreement and, to induce us to enter into the Franchise Agreement with Franchisee, you agree, that:

(a) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(b) if you are a Spouse, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(c) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement; and

(d) if you are the Spouse of an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement.

6. Personal Guaranty of Franchise Agreement and Financial Obligations.

To secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours (collectively the "Ancillary Agreements") you individually, jointly and severally, and personally and unconditionally:

(a) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Franchise Agreement;

(b) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Ancillary Agreements;

(c) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us pursuant to the terms of the Franchise Agreement (including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement);

(d) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us and/or our affiliates under the Ancillary Agreements;

(e) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement; and

(f) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Ancillary Agreements.

You waive: (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand for payment of any indebtedness guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Franchise Agreement and the Ancillary Agreements upon demand if Franchisee fails or refuses punctually to do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Franchise Agreement and the Ancillary Agreements and following the termination, expiration or Transfer of each of the Franchise Agreement and the Ancillary Agreements to the extent any financial obligations under any such Franchise Agreement and Ancillary Agreements survive such termination, expiration or Transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment

of one or more of the Franchise Agreement and/or and Ancillary Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

7. Arbitration, Consent to Jurisdiction and Venue, and Cross-Default.

Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. Without limitation to the foregoing, you agree that:

(a) Arbitration – Except, at our option, as to any claims or disputes related to or concerning a breach of this Agreement by you that may entitle us to the award of injunctive relief, you agree that any and all disputes, controversies, and claims, arising from and/or related to this Agreement, shall be submitted to the American Arbitration Association ("AAA") for binding arbitration. Arbitration shall be conducted by one ~~(1)~~ arbitrator in accordance with the AAA's then current rules for commercial disputes, except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in San Luis Obispo County, California or, if suitable AAA facilities are not available in San Luis Obispo County, California then at a suitable AAA location selected by the arbitrator that is located closest to San Luis Obispo County, California.

In connection with binding arbitration, you agree that:

(i) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(ii) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;

(iii) The arbitrator shall render written findings of fact and conclusions of law;

(iv) Except as may be otherwise required and/or prohibited by this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid; and

(~~iv~~v) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) **Consent to Jurisdiction and Venue – You agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within California and within San Luis Obispo County or the county closest to San Luis Obispo County. You do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, you agree that we, at our election, may**

bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking our enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where you reside.

(c) Acknowledgment as to Cross-Default – You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us, among other things, to terminate the Franchise Agreement in accordance with the terms thereof.

8. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to and alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

(b) This Agreement will be governed by, construed and enforced under the laws of California and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

Owner / Spouse:

Signature of Owner / Spouse

Name (please print individual name)

Date

Signature of Owner / Spouse

Name (please print individual name)

Date

Owner / Spouse:

Signature of Owner / Spouse

Name (please print individual name)

Date

Signature of Owner / Spouse

Name (please print individual name)

Date

Franchise Agreement – Exhibit 2
~~Franchisee Disclosure Questionnaire~~
Confidentiality Agreement

FRANCHISEE DISCLOSURE QUESTIONNAIRE

You, (hereinafter referred to as "**you**") the undersigned individual who, individually or on behalf of a Corporate Entity, is about to sign a Vetama Franchise Agreement or has signed a Vetama Franchise Agreement, represent to us, Vetama, Inc. the franchisor of the Vetama franchise system (hereinafter referred to as "**we**" or "**us**") that your response to the questions contained this document are true and represent accurate representations on your behalf. You acknowledge and represent that we are relying on your responses and the information provided by you.

[As to the questions below please respond "Yes" or "No" in response to the question]

Yes/No ____ 1. Have you received and personally reviewed the Franchise Agreement and each schedule and exhibit attached to it?

Yes/No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document that we provided?

Yes/No ____ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes/No ____ 4. Did you receive the Franchise Disclosure Document at least 14 calendar days before signing any agreement relating to the franchise or paying any money?

Yes/No ____ 5. Do you understand that the success or failure of your Vetama Business will depend, in large measure, on your skills, abilities and efforts and those of the persons you employ as well as many other factors beyond your control such as competition, cash flow, interest rates, the economy, inflation, labor and supply costs and other relevant factors?

Yes/No ____ 6. Do you understand that you must satisfactorily complete the initial training before we will allow to open your Vetama Business?

Yes/No ____ 7. Do you agree that no employee or other person speaking on our behalf made any statement or promises to you as to the costs that you may incur in establishing, operating, or running your Vetama Business, except as to the specific information disclosed in writing in the Vetama Franchise Disclosure Document?

Yes/No ____ 8. Do you agree that no employee or other person speaking on our behalf made any statements or promises to you about how much income, money, profits or return on investment that your Vetama Business may or could potentially earn?

Yes/No ____ 9. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or

earnings of a Vetama Business?

Yes/No ____ 10. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the likelihood of success of your Vetama Business or the amount of money you may earn?

All representation 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.

YOU ACKNOWLEDGE AND AGREE THAT WE ARE RELYING ON YOUR ANSWERS TO THIS QUESTIONNAIRE AND YOU REPRESENT THAT EACH RESPONSE IS TRUE AND ACCURATE

Signature of Franchisee	Signature of Franchisee
Name (please print)	Name (please print)
Date	Date
Signature of Franchisee	Signature of Franchisee
Name (please print)	Name (please print)
Date	Date
Signature of Franchisee	Signature of Franchisee
Name (please print)	Name (please print)
Date	Date

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE]

Confidentiality Agreement (Sample Only)

This Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of:

[Insert On the Line Below Name of Franchisee that Owns and Operates the Vetama Franchised Business]

_____ (hereinafter referred to as "us", "our" or "we")

Recitals and Representations

WHEREAS, we are the owners of a licensed Vetama Business (hereinafter referred to as the "Vetama Business") that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Vetama Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Vetama, Inc. is not a party to this agreement and does not own or manage the Vetama Business but is an intended third party beneficiary of this Agreement; and

~~WHREAS~~WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Vetama Business.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Management System" refers to and means the software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Vetama Business.

"Business Management System Data" refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Vetama Business.

"Confidential Information" refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development,

establishment, marketing, promotion and operation of the Vetama Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Vetama Business; (c) customer lists and information related to the Vetama Business; (d) Business Management System Data; (e) current and future information contained in the Vetama operations manual made available to the Vetama Business by Vetama, Inc.; and (f) recipes, production, cooking, and service procedures that are not disclosed to the public but used by the Vetama Business.

"*Digital Media*" refers to and means any interactive or static electronic document, application or media including, but not limited to, www.vetama.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Vetama Business or other Vetama Business.

"Licensed Marks" refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Vetama Business, including, but not limited to, the "Vetama" word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Vetama Business.

"Operations Manual" refers to and means the confidential operations manual made available to the Vetama Business by our franchisor or as otherwise designated by us. The operations manual may consist of one ~~of~~or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced or supplemented.

"Trade Dress" refers to and means the Vetama designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Vetama Business.

3. **Your Access to Confidential Information.** In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Vetama Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Vetama Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You agree that the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor Vetama, Inc., and other Vetama franchisees for which there is no adequate

remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our Franchisor Vetama, Inc. to injunctive relief. You agree that we and/or our Franchisor Vetama, Inc. may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(c) YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

(d) YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, VETAMA, INC., IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

_____	_____
Individual Signature of Restricted Party	Individual Signature of Restricted Party
_____	_____
Name (please print)	Name (please print)
Date: _____	Date: _____
_____	_____
Individual Signature of Restricted Party	Individual Signature of Restricted Party
_____	_____
Name (please print)	Name (please print)
Date: _____	Date: _____

Franchise Agreement – Exhibit 43
Site Selection Acknowledgment

SITE SELECTION ACKNOWLEDGMENT

(THIS DOCUMENT DOES NOT CONSTITUTE THE APPROVAL OF AN ADMINISTRATIVE OFFICE, DOES NOT GRANT OR DESIGNATE AN OPERATING TERRITORY AND DOES NOT GRANT ANY TERRITORIAL RIGHTS)

Date of this Acknowledgment:_____(the "Site Selection Acknowledgment Date")

Pursuant to and subject to the terms of the Franchise Agreement dated _____ by and between Vetama, Inc., as Franchisor, and _____, as Franchisee (the "Franchise Agreement"), Franchisee has identified a potential area in which Franchisee may seek to identify a potential Clinic for Franchisee's Vetama. Based on Franchisee's request, Franchisor agrees that during the limited period of time that commences on the Site Selection Acknowledgment Date and automatically expires 60 calendar days after the Site Selection Acknowledgment Date, that Franchisor shall not grant to any third party the license or right to establish a Vetama Location within the following geographic area constituting the Site Selection Area, as such term is defined in the Franchise Agreement:

Site Selection Area: [Must be completed by Franchisor]

The terms contained in this Site Selection Acknowledgment shall have the meaning set forth in the Franchise Agreement including, but not limited to Article 1 and Article 2 of the Franchise Agreement. In the event of any inconsistency or conflict between this Site Selection Acknowledgment and the terms of the Franchise Agreement, the terms of the Franchise Agreement shall take precedence and govern. If Franchisor does not complete the Site Selection Acknowledgment Date and sign this Site Selection Acknowledgment, then this Site Select Addendum shall not be effective and there shall be no Site Selection Area. As set forth in the Franchise Agreement, among other things, A SITE SELECTION AREA IS NOT AN OPERATING TERRITORY, DOES NOT CONSTITUTE THE APPROVAL AS TO ANY ADMINISTRATIVE OFFICE AND DOES NOT AFFORD FRANCHISEE ANY TERRITORIAL RIGHTS.

Franchisor:
Vetama, Inc.

By: _____
Signature

_____
Name and Title

_____
Signature

_____
Name (please print)

Franchisee:

_____
Signature

_____
Name (please print)

ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS

(for the benefit of Vetama, Inc. and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS ASSIGNMENT ("Assignment") is entered into between _____ (the "Assignor") and Vetama, Inc. and its successors and assigns (the "Assignee").

WHEREAS, Assignee is the franchisor of the Vetama franchise system (the "Vetama Franchise System");

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Vetama Franchise Agreement (the "Franchise Agreement")

WHEREAS, the term "Digital Media" shall refer to and mean "any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to a Vetama, Franchised Businesses, Assignor's Vetama and/or trademarks associated with the Vetama Franchise System and/or Assignee. Digital Media further includes the Vetama website, web pages and website subdomains (including those related to, associated with and/or a part of the Vetama Franchise System) associated with and/or related to Assignor's Vetama and all web pages, blog posts, videos, articles, information, sub-domains, and all other media and/or publications relating to the Vetama Franchise System that is displayed and/or transmitted digitally";

WHEREAS, in connection with Assignor's establishment and operation of a Vetama, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise Agreement; and

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor's Vetama including, the following (all collectively referred to as the "Media"):

(a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor's Vetama;

(b) The following telephone and facsimile numbers:

_____

_____; and

(c) All Digital Media, all Digital Media accounts and all Digital Media log-in information.

The foregoing shall not be construed and/or interpreted as Assignees acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts

and/or Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license pursuant to the Vetama Franchise Agreement which shall take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

2. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties' proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee's declaration shall be dispositive and not subject to challenge. Assignor agrees that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE

Assignor:	**Assignee: Vetama, Inc.**
_____	_____
Signature	Signature
_____	_____
Name and Title (please print)	Name and Title (please print)
Dated _____	Dated _____

GENERAL RELEASE

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW THAT:

_____, as RELEASOR, in consideration of good and valuable consideration received from:

Vetama, Inc., as RELEASEE, receipt of which is hereby acknowledged, releases and discharges the RELEASEE, RELEASEE'S heirs, officers, members, agents, executors, administrators, successors and assigns, from all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, contracts, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity which against the RELEASEE, the RELEASOR, RELEASOR'S, heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE. The words "RELEASOR" and "RELEASEE" include all releasors and releasees under this Release. This Release may not be changed orally.

IN WITNESS WHEREOF, the **RELEASOR** has hereunto set ~~RELEASORS~~RELEASORS' had and seal on the date set forth below.

Releasor:

_____
Signature

_____
Name (please print)

Date _____

NOTARY SIGNATURE, SEAL AND INFORMATION: On _____before me, the undersigned, personally appeared _____ personally known to me or proven to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Signature and Seal

Franchise Agreement – Exhibit ~~7~~6
ACH Authorization Form

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone Number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	[ ] Checking [ ] Savings (check one)	Bank Routing No.
Bank Phone No.		

Authorization:
Franchisee hereby authorizes Vetama, Inc. ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____

Name: _____ Federal Tax TD No.: _____

Its: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT

Franchise Agreement – Exhibit ~~8~~7
Sample Form Management Agreement

DISCLAIMER: THIS IS A SAMPLE ONLY AND FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY AS TO THE ATTACHED MANAGEMENT AGREEMENT. SEE SPECIFIC DISCLAIMERS CONTAINED IN THE DEFINITION OF "MANAGEMENT AGREEMENT" AS CONTAINED IN ARTICLE 1 OF THE FRANCHISE AGREEMENT.

IF FRANCHISEE WISHES TO USE THIS SAMPLE IN ANY WAY FRANCHISEE MUST HIRE INDEPENDENT LEGAL COUNSEL TO ADVISE FRANCHISEE AS TO THE LEGALITY, FITNESS, AND APPROPRIATE USE OF THIS MANAGEMENT AGREEMENT AND TO APPROVE AND/OR MODIFY THIS SAMPLE TO ENSURE THAT FRANCHISEE'S USE OF THIS MANAGEMENT AGREEMENT IS IN COMPLIANCE WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS.

FRANCHISEE MUST OBTAIN FRANCHISOR'S CONSENT TO USE ANY MANAGEMENT AGREEMENT, INCLUDING THE ATTACHED SAMPLE, AND ANY APPROVAL BY FRANCHISOR IS SIMPLY A REPRESENTATION BY FRANCHISOR THAT FRANCHISOR DOES NOT OBJECT TO THE USE OF THE MANAGEMENT AGREEMENT. UNDER NO CIRCUMSTANCE DOES FRANCHISOR REPRESENT OR WARRANT THAT THE SAMPLE MANAGEMENT AGREEMENT IS ENFORCEABLE OR COMPLIANT WITH VETERINARY CARE LAWS, RULES, AND REGULATIONS.

THE SAMPLE MANAGEMENT AGREEMENT SHOULD BE USED FOR DISCUSSION PURPOSES ONLY BETWEEN FRANCHISEE AND FRANCHISEE'S INDEPENDENT LEGAL COUNSEL INCLUDING HEALTH CARE COUNSEL.

MANAGEMENT SERVICES AGREEMENT

BETWEEN

[FRANCHISEE MSO ENTITY]
("MANAGER")

AND

[VETERINARY MEDICAL ENTITY]
("PRACTICE")
MANAGEMENT SERVICES AGREEMENT

SAMPLE ONLY

The Parties enter into this Agreement to be effective as of the Effective Date. Capitalized terms used, but not otherwise defined in the main body of this Agreement, are defined in Appendix A, which is attached and incorporated by reference.

Recitals

A. Manager is organized to engage in the business of managing and administering veterinary medical practices, and providing support services to veterinary medical practices.

B. Practice is engaged in the practice of veterinary medicine rendering Professional Services and is owned solely by a veterinarian holding a valid license to practice veterinary medicine in the State of _____. All of Practice's veterinary medical employees and independent contractors hold valid licenses to practice veterinarian medicine in the State of _____.

C. In order to enable its veterinary medical employees and independent contractors to focus their efforts and time on the practice of veterinary medicine and the delivery of veterinary services to the public, Practice has requested, and Manager has agreed to provide certain services pursuant to this Agreement.

Based upon the recitals and the mutual covenants in this Agreement, the Parties agree as follows:

Article 1
Management Services

1.01. **Engagement and Authority of Manager.** During the Term, Practice engages and appoints Manager as the exclusive manager to provide comprehensive management, administrative and other related services to Practice, by and through employees and independent contractors retained by Manager. Manager will provide service through officers of Manager and secretarial, accounting, financial, clerical, and technical support personnel. Manager is granted the authority necessary to manage the non-veterinary medical business aspects of Practice, as required under this Agreement. Subject to Practice's oversight and ultimate authority, Manager is expressly authorized to take any actions that Manager, in the exercise of reasonable discretion, deems appropriate to fulfill its obligations under this Agreement and meet the day to day requirements of Practice. Manager will have the right at all times to have access to Practice facilities for the purposes of performing its responsibilities under this Agreement, or for any reasonable purpose. Manager agrees to furnish to Practice management services as described on Appendix B of this Agreement, which is attached and incorporated by reference. Upon written request by Practice, additional services may be added to Manager's responsibilities and reflected in the execution by both Parties of an addendum or amendment covering such services and the additional fees for such services.

1.02. **Revenue and Other Accounts.** All receipts and monies arising from Practice operations will be received by Manager on behalf of Practice and Manager will, in the name of Practice, deposit all amounts in the Revenue Account.

1.03. **Veterinary Medical Records.** Subject to Practice's oversight and ultimate authority and subject to strict compliance with the requirements of state law, Practice appoints Manager to be responsible for maintenance, storage, retention, and custody of veterinary medical records of Practice.

SAMPLE ONLY

Article 2
Conduct of Veterinary medical Practice and Practice Obligations

2.01. **Practice of Veterinary Medicine.** The professional relationship between Practice Professionals and their patients will be solely between the Practice Professionals and their patients. Manager will not interfere with the exercise of veterinary medical judgment or in the care or treatment. Further, Manager will not interfere with, control, direct, or supervise Practice, or any employee or independent contractor of Practice, in connection with the provision of Professional Services. Notwithstanding any provision to the contrary, this Agreement is not intended to (1) constitute the use of a veterinary medical license or the practice of veterinary medicine by anyone other than a licensed veterinarian; (2) aid Manager or any other unlicensed Person to practice veterinary medicine; or (3) create any other arrangements in violation of _____ law. If Manager is unable to perform any service required of Manager under this Agreement because it is deemed to constitute the practice of veterinary medicine by applicable authorities, Manager will deliver notice to Practice. Manager and Practice specifically acknowledge the following:

(a) **Clinical Services.** Although Manager will provide support services to Practice, Practice will remain entirely independent of Manager as to the diagnosis and treatment and all other medical, professional and ethical affairs of Practice. Practice accepts the full responsibility for the nature and character of all Professional Services rendered.

(b) **Professional Fees.** Upon request, Manager will provide research and analysis regarding fees for Professional Services rendered by Practice's Practice Professionals.

(c) **Approval Authority over Provision of Veterinary Medical Services.** The Practice will have approval authority over (1) hiring and firing of clinical personnel, (2) choice of modalities and veterinary medical services offered through the operations, (3) banking (subject to day to day operational delegations to Manager), (4) choice of veterinary medical equipment, and (5) content of any advertising subject to the _____ [Occupations/Professional Code] and/or _____ [Administrative Code].

2.02. **Professional Services.** Practice will provide Professional Services in compliance at all times with ethical standards, laws and regulations applying to the veterinary medical profession and in compliance with any agreements between Practice and any third parties. Practice will also ensure, with the assistance of Manager, that any Practice Professional or contractor associated with Practice has all required licenses, credentials, approvals, and other certifications to perform the duties and services for Practice. In the event that any disciplinary actions or veterinary medical malpractice actions are initiated or threatened against any Practice Professional or contractor, Practice will immediately inform Manager of the action and the underlying facts and circumstances. Practice will carry out a program to monitor quality of veterinary medical care with Manager's administrative assistance. Practice, in cooperation with Manager, will take steps necessary to resolve any utilization review or quality assurance issues that may arise in connection with the operation of Practice.

2.03. **Employment or Contracting of Practice Professionals.** Practice will have final authority for the hiring, supervision, evaluation and termination of its Practice Professionals (in consultation with Manager). Manager will consult with and assist Practice in identifying, pre-qualifying, and recruiting new Practice Professionals. Manager will assist Practice in the credentialing of its Practice Professionals.

SAMPLE ONLY

2.04. **Professional Insurance Eligibility.** The Parties will cooperate in obtaining and retaining professional liability insurance at commercially reasonable rates. Practice will coordinate with Manager and participate in risk management programs in conjunction with insurers.

2.05. **Powers of Attorney.** Practice appoints Manager for the Term to be its true and lawful attorney-in-fact for all purposes in connection with the provision of management services in this Agreement. Practice will require all Practice Professionals to execute and deliver to Manager powers of attorney, satisfactory in form and substance to Manager, appointing Manager as attorney-in-fact for each of the purposes set forth in this Agreement. The powers of attorney will immediately terminate upon termination of this Agreement, except with respect to Practice's billings for Professional Services rendered prior to termination of this Agreement. With respect to such billings, the powers of attorney will terminate 12 months after the termination of this Agreement. A form of the power of attorney is attached as Appendix C, which is incorporated by reference.

2.06. **Veterinary medical Facilities.** Practice agrees the importance of Manager's access to Practice's facilities to provide services under this Agreement. Accordingly, Practice agrees that if Practice prevents or otherwise terminates Manager's access to Practice's facilities during the Term (other than Manager's fraud or knowing and intentional misappropriation of Practice's funds as finally judicially adjudicated by a court of competent jurisdiction), Manager may immediately terminate this Agreement, cease providing all services to Practice, and terminate any other agreements between the Parties.

2.07. **Practice's Authority to Bind Manager.** Practice does not have the right to commit Manager to any obligations or liabilities. Any obligation incurred by Practice is the sole responsibility of Practice, and Practice will indemnify Manager against any related Claims or Losses.

Article 3
Compensation

3.01. **Management Fee.** As a condition precedent to Manager's obligations under this Agreement, Practice will pay Manager the Management Fee. The Parties agree that the Management Fee is being paid to Manager in consideration of the substantial commitment made by Manager under this Agreement and that such fees are fair and reasonable given the commitments and risks taken by Manager and consistent with fair market value. The Management Fee is not a share in Practice's fees for veterinary medical services. Rather, it is the Parties' negotiated agreement, having considered the business risks taken by the parties and the various compensation formulas, as to the reasonable fair market value of support and services furnished by Manager under this Agreement.

3.02. **Payment of Management Fee.** To the extent funds are available in the Revenue Account (and subject to the priorities set forth in Section 3.06 below), Manager will pay on Practice's behalf, the Management Fee by the 5th day of each month. Unpaid Management Fees will be booked as accounts receivable for Manager and accounts payable for Practice. Unpaid Management Fees will be paid when there are sufficient funds in the Revenue Account (and subject to the priorities set forth in Section 3.06 below).

SAMPLE ONLY

3.03. **Practice Expenses.** Commencing on the Effective Date and to the extent funds are available in the Revenue Account or Practice otherwise makes funds available, Manager will pay on Practice's behalf, all unpaid Practice Expenses in a timely manner within the limits of business prudence. To the extent funds are unavailable in the Revenue account, Manager may either pay Practice Expenses or provide an Advance to the Practice pursuant to 3.04 below. Practice will reimburse and indemnify Manager for all Practice Expenses as follows:

(a) **General.** All Practice Expenses that have been paid by Manager will be reimbursed by Practice no later than 30 days following the month in which such Practice Expenses were paid by Manager if sufficient funds are in the Revenue Account to make such payment; if payment would cause the Revenue Account to have insufficient funds, Manager will treat the unreimbursed payment as an Advance to Practice pursuant to Section 3.04 below.

(b) **Non-Cash Expenses.** All non-cash Practice Expenses (e.g., depreciation and amortization) will be determined monthly in accordance with GAAP and paid contemporaneously with the payment of the Management Fee.

3.04. **Payment of Advances.**

(a) **Advances.** If there are insufficient funds in the Revenue Account to pay any Practice Expenses or other amounts owed by Practice, Manager may, in its sole discretion, advance funds on behalf of Practice from time to time ("**Advance(s)**"). Practice expressly grants Manager the authority to make any Advances during the Term without any notice provided by Manager or any further request made by Practice. Manager, however, has no obligation to make any Advance to Practice. Notwithstanding anything to the contrary in this Agreement, all Advances are due and payable upon demand to Practice by Manager. Further, any outstanding Advance plus interest unpaid at the date of termination of this Agreement is due and payable immediately at such date.

(b) **Interest.** Advances will bear interest from the date disbursed by Manager until repaid, at the Interest Rate, compounded daily. Interest on such outstanding amounts will be computed on the basis of a 365- or 366-day year, as the case may be, and for the actual number of days elapsed. Practice promises to pay Manager the sum of all Advances made to Practice and all other amounts due and owing to Manager under this Agreement, plus interest accrued at the Interest Rate on such amounts according to the terms of this Article 3.

3.05. **Practice Professional Compensation.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06 below), Manager will pay, on behalf of Practice when due, all Practice Professional Compensation.

3.06. **Payment Priority.** Each month Manager will apply funds that are in the Revenue Account in the following priorities:

(a) To Practice Professional Compensation;

(b) To all Practice Expenses;

(c) To repay Manager for Advances by Manager;

(d) To reimburse Manager for Practice Expenses paid by Manager;

SAMPLE ONLY

(e) To accrued and unpaid Management Fees;

(f) To the Management Fee; and

(g) To Manager or a designated entity for education and training.

In the event that either Party directs or diverts funds from the Revenue Account other than in accordance with the Payment Priority as stated above, such action will constitute a material breach of the Agreement, giving the non-breaching Party the right to terminate the agreement pursuant to Section 6.02(a) or 6.03(a) below. The breaching party will also be obligated to return the funds to the Revenue Account to be disbursed pursuant to Section 3.06 by Manager.

Article 4
Representations and Warranties

4.01. **Manager.** Manager represents and warrants the following to Practice:

(a) **Entity Organization.** Manager is duly formed, validly existing and in good standing under the laws of the State of _____.

(b) **Authorization.** The execution, delivery and performance by it of this Agreement is within its power and has been duly authorized. The execution of this Agreement does not and will not violate (1) any provision of applicable law or regulation, (2) its certificate of formation or other comparable organizational documents, or (3) any agreement, judgment, injunction, order, decree or other instrument to which Manager is a party or by which Manager or any of its properties is bound.

4.02. **Practice.** Practice represents, warrants, and covenants the following to Manager:

(a) **Entity Organization.** Practice will be duly formed, validly existing and in good standing under the laws of the State of _____.

(b) **Authorization.** The execution, delivery and performance by it of this Agreement is within its power and has been duly authorized. The execution of this Agreement does not and will not violate (1) any provision of applicable law or regulation, (2) its certificate of formation or other comparable organizational documents, or (3) any agreement, judgment, injunction, order, decree or other instrument to which Practice is a party or by which Practice or any of its properties is bound.

(c) **Licensed to Practice Veterinary medicine.** All Practice Veterinarians have, and will maintain during the Term, a current and unrestricted license to practice veterinary medicine in the State of _____.

(d) **Compliance with Law.** Practice is in compliance with and will continue to be in compliance with and obey all Federal, State, and local laws, regulations and ordinances relating to its business, Manager's obligations, and the Professional Services which Practice provides.

(e) **Cooperation.** Practice and each Practice Professional will cooperate with Manager and its employees as reasonably requested in the completion of any forms necessary for third party reimbursement for physician or non-physician services.

(f) **Provision of Services.** As a continuing condition of this Agreement, Practice and

SAMPLE ONLY

each Practice Professional will comply with and provide services in accordance with the laws of the State of _____ and the United States.

(g) **Records.** Practice will use its best efforts to assure that each Practice Professional maintains accurate and complete veterinary medical records.

Article 5
Protective Covenants

5.01. **Confidentiality.** Practice agrees that Manager, in connection with its business, has developed and will develop certain Confidential Information and Proprietary Information. During the Term, Manager will provide Practice and/or Practice will otherwise be exposed to Confidential Information and Proprietary Information regarding Manager's business activities. Practice agrees it will receive such Proprietary Information and agrees not to use, and Practice will ensure its Practice Professionals, employees, independent contractors, and agents do not use, any such Proprietary Information during the Term, except in furtherance of Practice's obligations under this Agreement. Further, Practice will not, and Practice will ensure its Practice Professionals, employees, independent contractors, and agents do not, directly or indirectly disclose, reveal, or use for the benefit of themselves or others, any Confidential Information or Proprietary Information of Manager without the prior written consent of Manager. Practice agrees that following the termination of this Agreement Practice will neither take nor retain any Confidential Information or Proprietary Information without the prior written consent of Manager.

Article 6
Term and Termination

6.01. **Term.** Performance of obligations set forth in this Agreement will commence on the Effective Date and continue for the Term. This Agreement will automatically renew upon the expiration of the Initial Term and any subsequent Terms for additional one ~~(1)~~ year Terms unless either Party provides the other Party with notice of its intent to not renew this Agreement at least 60 days, but not more than 90 days, prior to the expiration of the then current Term.

6.02. **Termination by Practice.** Practice may terminate this Agreement prior to the expiration of the Term only as follows:

(a) **Material Breach.** Practice may terminate this Agreement immediately upon notice if (1) Manager breaches a material provision of this Agreement (other than as provided in (2) below), and such breach is not cured within 30 days after notice specifically stating the nature of such breach has been given to Manager by Practice (provided such breach is not attributable to acts or omissions of Practice); or (2) Manager wrongfully fails to remit the payments due as provided in Article 3 of this Agreement (i.e., there are sufficient funds in the Revenue Account and Manager intentionally or negligently fails to perform as required under this Agreement) and such failure to remit will continue for a period of 30 days after notice to Manager.

(b) **Without Cause.** Practice may terminate this Agreement without cause upon at least 90 days prior written notice to Manager.

6.03. **Termination by Manager.** Manager may terminate this Agreement prior to expiration of the Term only as follows:

(a) **Material Breach.** Manager may terminate this Agreement immediately upon

SAMPLE ONLY

notice if (1) Practice breaches a material provision of this Agreement (other than as provided in (2) below), and such breach is not cured within 30 days after notice specifically stating the nature of such breach has been given to Practice by Manager (which breach is not attributable to acts or omissions of Manager); or (2) Practice fails to timely pay amounts due to Manager under this Agreement 30 days after notice has been given to Practice by Manager.

(b) **Suspension.** Manager may suspend performance under this Agreement if Practice is unable to pay, states its intent that it will not pay, or Manager reasonably believes Practice will not pay amounts due to Manager under this Agreement.

(c) **Without Cause.** Manager may terminate this Agreement without cause upon at least 90 days prior written notice to Practice.

6.04. **Legislative, Regulatory or Administrative Change.** If there is a change in the law, the adoption of new legislation, or a change in any third party reimbursed system, any of which materially and adversely affects the manner in which either Party may perform or be compensated for its services under this Agreement, the Parties will immediately enter into a new service arrangement or basis for compensation for the services furnished pursuant to this Agreement that complies with the law and that approximates as closely as possible the economic terms of the Parties under this Agreement prior to the change. If good faith negotiations cannot resolve the matter within 30 days, this Agreement may be terminated by either Party upon notice.

6.05. **Insolvency.** A Party may immediately terminate this Agreement upon notice if the other Party: (a) becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due; (b) generally is not paying its debts as such debts become due; (c) has a receiver, trustee or custodian appointed for, or take possession of, all or substantially all of its assets, either in a proceeding brought by it or in a proceeding brought against it and such appointment is not discharged or such possession is not terminated within 60 days or it consents to or acquiesces in such appointment or possession; or (d) files a petition for relief under present or future federal or state insolvency, bankruptcy, or similar laws or an involuntary petition for relief is filed against it under any such laws and such involuntary petition is not dismissed within 60 days after filing, or an order for relief naming it is entered under any such law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or later existing is requested or consented to by it.

6.06. **Effect on Termination.** Subject to any rights or remedies an aggrieved Party may have under this Agreement or at law, if this Agreement is terminated under Section 6.02 or 6.03, the Management Fee and Advances will be calculated through the effective date of termination. Management Fee and Advances will be paid as follows and pursuant to payment priority in 3.06.

(a) **Management Fee.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06), Manager will pay, on behalf of Practice, the accrued and unpaid Management Fees on the date of termination. To the extent that revenue is received by Practice after the date of termination, such revenue will be applied towards the outstanding Management Fees using the payment priority in 3.06. Otherwise, Practice will not be obligated to pay any accrued and unpaid Management Fees to Manager following termination of this Agreement.

(b) **Advances.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06), Manager will pay,

SAMPLE ONLY

on behalf of Practice, Advances on the date of termination. To the extent that revenue is received by Practice after the date of termination, such revenue will be applied towards the outstanding Advances using the payment priority in 3.06. Otherwise, Practice will not be obligated to pay any Advances to Manager following termination of this Agreement.

Article 7
Indemnification & Insurance

7.01. **Indemnification by Manager.** To the extent not covered by insurance, Manager will indemnify, defend, and hold Manager Indemnitees harmless from any third party Claims and Losses resulting from (a) Manager's breach of any of Manager's representations, warranties, or covenants made under this Agreement; and (b) any negligent, reckless or intentional acts or omissions of Manager, or its employees, independent contractors, or agents related to the provision of services under this Agreement.

7.02. **Indemnification by Practice.** To the extent not covered by insurance, Practice will indemnify, defend, and hold Practice Indemnitees harmless from any third party Claims and Losses resulting from (a) Practice's breach of any of Practice's representations, warranties, covenants, or agreements made under this Agreement; (b) Practice's (including all Practice Professionals) practice of veterinary medicine, including any violation of any law, rule, regulation or contractual obligation by Practice or Practice Professionals; and (c) any negligent, reckless, or intentional acts or omissions of Practice, or its Practice Professionals, employees, independent contractors, or agents related to the operation of its practice.

7.03. **Defense of Third party Claims.** The Indemnitee will give the Indemnitor written notice of any Claim of which defense is sought. However, failure to provide such notice will not relieve the Indemnitor from its obligations under this Agreement, except to the extent the Indemnitor is materially prejudiced as a direct result of such failure. If any such proceeding is brought against an Indemnitee, the Indemnitor will be required to assume the defense of such proceeding, except as otherwise set forth below, using legal counsel acceptable to the Indemnitee in its reasonable discretion. The Indemnitee will cooperate with the Indemnitor at the Indemnitor's expense in connection with the defense and settlement of the Claim. The Indemnitor may not settle any indemnified Claim in a manner that adversely affects the Indemnitee without its prior written consent, which will not be unreasonably withheld or delayed. Further, the Indemnitee may participate in the defense of the Claim through counsel of its own choosing at its own cost and expense. If the Indemnitor fails promptly to assume the defense and employ counsel reasonably satisfactory to Indemnitee, or the Indemnitee has been advised by counsel that there exist actual or potential conflicting interests between the Indemnitor or the Indemnitor's counsel and Indemnitee, the Indemnitee may employ separate counsel to represent Indemnitee. The Indemnitor agrees to pay the fees of separate counsel as incurred. The Indemnitor's obligations under this Article 7 are in addition to any rights that any Indemnitee may have at common law or otherwise.

7.04. **Right to Control Defense.** If the Indemnitee gives notice to the Indemnitor that, in its good faith judgment, Claim(s) made against it could have a non-monetary material adverse effect on the Indemnitee, the Indemnitee will have the right to control (at the Indemnitor's expense and with counsel reasonably satisfactory to the Indemnitor) the defense (but not with respect to the Indemnitor). If an Indemnitee elects to control the defense under this section, the Indemnitee will not consent to the entry of a judgment or enter into a settlement that would require the Indemnitor to pay any amounts under this Section 7.04 without the prior written consent of the Indemnitor, which will not to be unreasonably withheld, conditioned, or delayed.

7.05. **Indemnification Payment.** Indemnitor will pay any Losses awarded by final judgement

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or agreed upon by settlement to the Indemnitee that are attributable to the Claims. Payment to the Indemnitee will be made within 30 days of a final determination of monies owed.

7.06. **Insurance.** The Parties will maintain insurance as required by law with reasonable policy limits. In addition, Practice will require each of its Practice Professionals to secure and maintain, at each Practice Professional's own expense professional liability insurance in a minimum amount not less than the amount determined reasonable by Manager. Unless covered by an "occurrence" malpractice policy, Practice will cause each Practice Professional to enter into an agreement with Practice that upon termination of such relationship with Practice, for any reason, tail insurance coverage will be purchased by the individual. The Practice Professional and Practice will enforce the provisions relating to the tail insurance coverage or, alternatively, provide tail coverage at the expense of Practice.

Article 8
Regulatory Compliance

8.01. **Compliance with Laws and Regulations.** Each Party represents and warrants that, to the best of its knowledge and understanding, all obligations pertaining to and benefits derived under this Agreement are in full compliance with applicable state law, including all regulations pertaining to the corporate practice of veterinary medicine.

Article 9
Additional Provisions

9.01. **Assignment.** Practice will not assign this Agreement or any of its obligations under this Agreement without the prior written consent of Manager. Any attempted assignment without consent is void. Subject to the forgoing, this Agreement inures to the benefit of and is binding upon each Parties' successors and heirs.

9.02. **Governing Law.** This Agreement will be governed by _____ law (without reference to its rules as to conflicts of law).

9.03. **Rules of Construction.**

(a) **Interpretations.** The Parties agree that neither Party nor its representatives will be deemed the drafter of this Agreement. In construing this Agreement, no provision will be construed in favor of one Party on the grounds that it was drafted by the other Party. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption, burden of proof, or persuasion will be implied because this Agreement was prepared by or at the request of a Party or its counsel.

(b) **Captions.** The headings and captions of this Agreement are inserted for reference convenience and do not define, limit or describe the scope or intent of this Agreement or any particular section, paragraph, or provision of this Agreement.

(c) **Limitations.** Unless otherwise expressly provided, the words "include(s)," "included," or "including" do not limit the preceding words or terms.

(d) **Pronouns.** Pronouns will refer to the masculine, feminine, neuter, singular or plural as the context will require.

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9.04. **Amendment.** Amendments of a provision of this Agreement will not be binding unless the amendment is in writing and signed by an authorized representative of each Party.

9.05. **Waiver.** The failure of either Party to insist in one or more instances upon performance of any terms of this Agreement will not be construed as a waiver of future performance required by the term. No term of this Agreement may be waived except by written consent of the waiving Party. All remedies, rights, undertakings, and obligations contained in this Agreement will be cumulative and none of them will be in limitation of any other remedy, right, undertaking, or obligation of a Party.

9.06. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior proposals, understandings, and agreements, whether oral or written, between the Parties with respect to the subject matter of this Agreement.

9.07. **Severability.** The provisions of this Agreement are severable. The invalidity, in whole or in part, of any provision of this Agreement will not affect the enforceability of any other provisions. If one or more provisions of this Agreement are declared unenforceable, the remaining provisions will be enforceable and construed in the broadest possible manner to effectuate the purposes of this Agreement.

9.08. **Counterparts.** This Agreement may be executed in multiple counterparts and by facsimile signature or any electronic signature complying with the U.S. Federal ESIGN Act of 2000 (e.g., www.docusign.com).

9.09. **Notices.** All notices under this Agreement will be in writing (including electronic form) and will be delivered to the address set forth by each Party in this Agreement, or to such other party and/or address as any of such Parties may designate in a written notice served upon the other Parties. Each notice will be given and will be effective: (a) if delivered by hand, when so delivered; (b) if delivered by nationally recognized overnight courier service or sent by United States Express Mail, upon confirmation of delivery; (c) if delivered by certified or registered mail, on the third following day after deposit with the United States Postal Service; (d) if delivered by facsimile, upon confirmation of successful transmission; or (e) if delivered by email, upon confirmation of receipt by the other Party in writing by return email.

9.10. **Independent Contractors**. The Parties acknowledge and agree that the Parties are at all times independent contractors under this Agreement. Further, no employment, partnership, joint venture or landlord and tenant relationship exists. Except as otherwise provided in this Agreement, neither Party is the agent of the other. Manager will neither have nor exercise any control or direction over the methods by which Practice or Practice Professionals practice veterinary medicine. The sole function of Manager under this Agreement is to provide all management services in a competent, efficient and satisfactory manner. Manager will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing obligations, liabilities or debts of Practice unless otherwise specifically provided for under the terms of this Agreement. Practice will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing obligations, liabilities, or debts of Manager, unless otherwise specifically provided for under the terms of this Agreement. Manager will in its management role have only an obligation to exercise reasonable care in the performance of the management services. Neither Party will have any liability whatsoever for damages suffered on account of the willful misconduct or negligence of any employee, agent, or independent contractor of the other Party. Each Party will be solely responsible for compliance with all State and Federal laws pertaining to employment taxes, income withholding, unemployment compensation contributions and other employment related statutes regarding their respective employees, agents, and servants.

9.11. **Survival**. In addition to the periods expressly set forth in the respective provisions of this

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Agreement, the terms of Section 6.05 and Article 3 will survive this Agreement for so long as any amounts are owed to Manager by Practice; the terms of Section 2.05 will survive this Agreement for 12 months; the terms of Article 4 and Sections 7.01, 7.02 and 7.03 will survive this Agreement for ~~five (5)~~10 years; and the terms of Sections 5.01, 7.04, Article 9, and Appendix A will survive this Agreement indefinitely.

The Parties have executed this Agreement duly authorized to be effective as of the Effective Date.

MANAGER	**PRACTICE**
[Franchisee MSO Entity]	**[Veterinary medical Entity]**
By:_____	By:_____
[Name, Title]	[Name, Title]

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Appendix A

Definitions

As used in this Agreement, the following defined terms have the meanings set forth below. The definition of a term applies to all variants of the term. Where a plural term is defined, reference to a singular form refers to a single member of the group defined by the plural term. If the group defined by a plural term consists of one member, it is equivalent to the singular.

(a) "**Agreement**" means this Management Services Agreement dated to be effective as of the Effective Date, as it may be amended from time to time, including all appendixes, exhibits, addendums, and other attachments that are expressly incorporated into this Agreement.

(b) "**Business Records**" means all records relating to the operation of Practice excluding all veterinary medical records and files and other records or documents which relate to treatment by physicians.

(c) "**Claims**" means each and every claim, request, accusation, allegation, assertion, complaint, petition, demand, suit, action, proceeding, and cause of action of every kind and description.

(d) "**Confidential Information**" means any and all non-public, confidential Proprietary Information, Trade Secrets, and such other information of or relating to Manager that Practice has reason to know is confidential.

(e) "**Effective Date**" means _____.

(f) "**GAAP**" means generally accepted accounting principles applied on a consistent basis, set forth in the Opinions of the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, or their successors which are applicable in the circumstances as of the date in question. The requisite that such principles be applied on a consistent basis will mean that the accounting principles observed in a preceding period are comparable in all material respects to those applied in the current period.

(g) "**Indemnitee**" means a Person entitled to be indemnified, defended, and/or held harmless by a Party pursuant to Article 7 of this Agreement.

(h) "**Indemnitor**" means a Party required to indemnify, defend, and/or hold harmless a Person pursuant to Article 7 of this Agreement.

(i) "**Initial Term**" means the initial term of this Agreement beginning on the Effective Date and continuing for 12 months.

(j) "**Interest Rate**" means the lesser of 1.5% per month or the maximum rate allowable pursuant to applicable law.

(k) "**Leased Personnel**" means all Non-Veterinary medical Personnel and Non-Veterinary Medical Personnel leased to Practice in accordance with Appendix B.

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(l) "**Loss**" means each and every liability, loss, damage, and injury (including injury or damage to any property right, and injury, damage, or death to any Person), wound, wrong, hurt, harm, expense, deficiency, diminution in value, obligation, expenditure and disbursement of any kind or nature (including all fees, costs, and expenses of investigation, travel expenses, and value of time expended by personnel), settlement, fine, fee, cost, cost of court, and all expenses of litigation (including reasonable attorneys' fees) incident to any of the foregoing.

(m) "**Management Fee**" means the monthly fee payable by Practice to Manager for services performed by Manager pursuant to this Agreement, including consideration for the trademark rights granted to Practice in Schedule B(m), in the amount of $_____ per month.

(n) "**Manager**" means [Franchisee MSO Entity], a _____ with offices at _____.

(o) "**Manager Indemnitee**" means Practice, its officers, directors, managers, shareholders, members, agents, employees, successors, and assigns.

(p) "**Manager Personnel**" means all personnel as detailed and assigned in Appendix B.

(q) "**Non-Medical Personnel**" means all personnel, including accountants, bookkeepers, office managers, and receptionists who perform services, which do not constitute the practice of veterinary medicine, for or on behalf of Practice and may be leased to Practice by Manager.

(r) "**Non-Veterinary Medical Personnel**" means all personnel, including licensed professionals , and assistants, who perform services for or on behalf of Practice and may be leased to Practice by Manager.

(s) "**Party**" and "**Parties**" means Manager and/or Practice, as applicable.

(t) "**Payor Plan**" means any health maintenance organization, preferred provider organization, employer self-insured plan, governmental plan such as Medicare/Medicaid other insurance plan or company which contracts with Practice for the provision of veterinary medical services to beneficiaries of the payor plan.

(u) "**Person**" means a natural person, corporation, business trust, estate, trust, custodian, trustee, executor, administrator, nominee, partnership, limited liability partnership, limited partnership, association, limited liability company, government, governmental subdivision, governmental agency, governmental instrumentality, any other legal or commercial entity, in its own or representative capacity.

(v) "**Veterinarian Contractor**" means any physicians, not classified as a Veterinarian Employee, providing veterinary medical services for which Practice bills and collects fees or other consideration.

(w) "**Veterinarian Employee**" means any physician employed by Practice and providing veterinary medical services on behalf of Practice.

(x) "**Veterinarian Extender**" means any non-physician professional employee employed by or under contract with Practice who provide direct care for which a billed charge is generated.

(y) "**Practice**" means the non-invasive veterinary medical services provided under the

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_____ name at _____ by [Veterinary medical Entity], a _____ with offices at _____. Practice does not include any other services provided by [Veterinary medical Entity].

(z) "**Practice Expense(s)**" means the amount of the following operating and non-operating expenses, on a cash basis, incurred in the operation of Practice:

(1) Salaries, benefits (including contributions under any Manager or Practice benefit plan), and other direct costs of Practice employees or contractors.

(2) Cost of goods sold relating to the provisions of Professional Services according to GAAP.

(3) Rent for the sublease of Space as contemplated in Schedule B(d) of the Agreement.

(4) All insurance expenses for insurance obtained pursuant to Section 7.06 of this Agreement for Practice Professionals.

(5) All salaries, benefits, and associated payroll costs paid to Non-Veterinary medical Personnel leased to the Practice.

(6) Rent for the lease of veterinary medical equipment as contemplated in Schedule B(e) of the Agreement.

(7) Any provider tax assessed against Practice or any Practice Professional by the State of _____ and any sales and use taxes assessed against Practice or any Practice Professional related to Practice's operations or the practice of veterinary medicine by any Practice Professional, or assessed against Manager related to services provided under this Agreement.

(8) Any federal or state income or franchise taxes of Practice.

(9) Any liabilities, judgments or settlements relating assessed against Practice or Practice Professionals in excess of any insurance policy limits, including attorneys' fees.

(10) Expenses incurred in connection with any employee benefit plan maintained by Practice.

(11) Any liabilities, judgments, settlements or indemnity expenses arising, commencing or related to activities prior to the Effective Date.

(12) Interest expense for borrowings by Practice but not including accrued interest for Advances.

(13) Any other expense incurred in the operation of the Practice.

(aa) "**Practice Indemnitee**" means Manager and its officers, directors, managers, shareholders, members, agents, employees, successors, and assigns.

(bb) "**Practice Veterinarians**" means all Veterinarian Employees and Veterinarian Contractors.

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(cc) "**Practice Professionals**" means Practice Veterinarians, Veterinarian Extenders, and Technical Employees.

(dd) "**Practice Professional Compensation**" means compensation payable to Practice Professionals for the services provided to Practice including compensation to the current veterinary medical director, _____, in the amount of $_____per month beginning on the Effective Date.

(ee) "**Practice Revenue(s)**" means all amounts received by Practice from all sources including all contractual payments, gross revenue, capitation payments and fees and co-payments, including ancillary health care service revenue, and any other revenues of a nature that have historically been recorded by Practice for the delivery of veterinary medical and other services, including Professional Services, veterinary medical ancillary services, pharmaceuticals and other items and supplies sold, and other fees or income generated by Practice, Practice Professionals or Practice Veterinarians (acting within the scope of their duties to Practice) for services rendered by Practice.

(ff) "**Professional Services**" means all professional veterinary medical services provided by Practice.

(gg) "**Proprietary Information**" means any and all (1) operating manuals, symbols, Trademarks, trade names, service marks, designs, contracts, vendor and supplier lists, procedures, protocols, processes, systems, records and files respecting services provided and to be provided to Practice, provider lists and fee schedules, vendor price lists, third party payor payment rates, outside provider information, provider contracting information, and documentation relating to the provision of services performed under this Agreement; (2) photographs, books, publications, records, correspondence, notes, letters, documents, plan, proposed plans, manuals, forms, or any other material, files or data, including ledger cards, bookkeeping records, computer programs, and all other records or files of, affecting, or relating to the business of Manager; (3) inventions, discoveries, formulae, processes, products, designs, literary works, programs or other written material or documents conceived or developed by a Manager alone or in conjunction with others related to the subject matter of the Manager's business; (4) Manager's unique skills, concepts, sales presentations, marketing programs, marketing strategy, business practices, methods of operation, licenses, technical information, computer software, financial and other information concerning the Manager's operations and expansion plans, and any tapes, discs, or other storage medium with information concerning the Manager's operations, systems, hiring or training methods; and (5) all memoranda, notes, records, drawings, documents, computer software programs, tapes and discs, or other writings whatsoever made, compiled, acquired, or received in connection with, or related to any activity or business of Manager, including the Manager's suppliers, vendors, or others with whom Manager has a business relationship, Manager's arrangements with such parties, and Manager pricing and expansion policies and strategy.

(hh) "**Revenue Account**" means the bank account(s) established and maintained by Manager in the name of Practice for the deposit of all Practice Revenues, payment of all Practice Expenses, and payment of all amounts due to Manager under this Agreement. For purposes of this Agreement, Revenue Account will include any such investment accounts of Manager in which funds collected pursuant to this Agreement have been deposited.

(ii) "**Technical Employee**" means any technician who provides services in any diagnostic areas for Practice.

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(jj) "**Term**" means the term of this Agreement beginning on the Effective Date and continuing for one ~~(1)~~ year unless otherwise terminated or renewed pursuant to the terms of this Agreement.

(kk) "**Trade Secret**" means any and all Confidential Information, which qualifies as a "trade secret" under _____ law.

(ll) "**Trademark**" means any trademark and service mark (registration, renewal, application and non-registered trademark and service mark), trade name, trade dress, logo, design, slogan, domain name, and other source identifying indicia, together with all goodwill related to the foregoing, and similar rights of any type under the laws of any governmental authority, domestic or foreign, now known or later developed.

Appendix B
Services

Consistent with the provisions of this Agreement and subject to Practice's oversight and ultimate authority, Manager will have the responsibility and commensurate authority to provide such full service management services for Practice and recruit, qualify, hire, and supervise all Non-Veterinary medical Personnel required to support the management and administration of Practice as agreed to by the Parties. The Parties agree such full service management services may include the following:

(a) **Records and Accounts.** Manager will provide all bookkeeping and accounting services necessary or appropriate to the functioning of the Practice including maintenance, custody, and supervision of all Business Records. Manager will use reasonable efforts to preserve the confidentiality of veterinary medical records and use information contained in these records only for the limited purposes necessary to perform the services set forth in this Agreement. A breach of this confidentiality is not a default under this Agreement. All Business Records are the property of Manager. Upon expiration or termination of this Agreement, Practice will retain all veterinary medical records and files maintained by Practice.

(b) **Billing, Collections.** Subject to Practice's oversight and ultimate authority, Manager will be responsible, for and on behalf of Practice, as its agent, for billing and collecting the charges made with respect to all veterinary medical services provided by Practice at the Practice unless otherwise agreed in writing. The extent to which Manager attempts to collect such charges, the methods of collection and the amount of settlements with respect to disputed charges, and the determination of which charges are not collectible, will be determined by Manager. However, the fee schedule to determine the cost of such services will be determined solely by Practice.

(c) **Personnel.**

(1) Manager Personnel are staff employed and paid by Manager to perform management services on behalf of Manager for the benefit of Practice. Manager Personnel are controlled by Manager and generally are not a Practice Expense. However, if Manager Personnel perform services that are listed as Practice Expenses under Appendix A, or services requested by Practice that Manager and Practice have agreed will be treated as a Practice Expense, the applicable portion of Manager Personnel's time may be reimbursed by Practice as a Practice Expense.

(2) **Leased Personnel.**

(i) Except as otherwise provided in subsection (C), all Non-Veterinary medical Personnel (which does not include Practice Professionals) will be directly employed by Manager with Non-Veterinary medical Personnel being leased to the Practice as follows:

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(A) Non-Veterinary medical Personnel will be employees or independent contractors of Manager, and the cost of Manager, including but not limited to their salaries, benefits and associated payroll costs, will be borne by Manager. Manager will select for employment and terminate the employment of all Non-Veterinary medical Personnel as Manager deems necessary or advisable, and will be responsible for the supervision, direction, training and assigning of duties of all Non-Veterinary medical Personnel, as well as determining the rates of compensation for such personnel.

(B) Non-Veterinary medical Personnel will perform their day to day duties at Practice and will be under the supervision and direction of Practice for those day to day duties. Non-Veterinary medical Personnel will be subject to the reasonable instructions, directions and policies of Practice in the performance of their duties. All time spent by Non-Veterinary medical Personnel performing day to day duties for, on behalf of, or for the benefit of Practice will be reimbursable by Practice as a Practice Expense at the rates agreed upon by Practice and Manager. Non-Veterinary medical Personnel, to the extent required for Practice to direct their duties, would be co-employed by Practice.

(C) Practice and Manager may specifically agree in writing for certain Non-Veterinary medical Personnel providing any services for, on behalf of, or for the benefit of Practice to be directly employed by or contracted with Practice. Such Non-Veterinary medical Personnel would be employees or independent contractors employed or engaged by Practice, and the selection and terms of employment or engagement, including the rates of compensation, supervision, direction, training and assignment of duties would be determined and controlled by Practice.

(ii) Except as otherwise provided in subsection (C), all Non-Veterinarian Veterinary medical Personnel will be directly employed by Manager with Non-Veterinarian Veterinary medical Personnel being leased to the Practice as follows:

(A) Non-Veterinarian Veterinary medical Personnel will be employees of Manager, and the cost of Manager, including but not limited to their salaries, benefits and associated payroll costs, will be borne by Manager and not passed on to Practice. Manager may select for employment and terminate the employment of all Non-Veterinarian Veterinary medical Personnel as Manager deems necessary or advisable, and may be responsible for the supervision, direction, training and assigning of duties of all Non-Veterinarian Veterinary medical Personnel, as well as determining the rates of compensation for such personnel.

(B) Consistent with this Agreement, Practice will provide supervision of the Non-Veterinarian Veterinary medical Personnel. Such supervision will include on-site supervisions and delegation of duties consistent with state and federal law, regulations, certification, and generally accepted community standards. Non-Veterinarian Veterinary medical Personnel will be subject to the reasonable instructions, directions and policies of Practice in the performance of their duties. All time spent by Non-Veterinarian Veterinary medical Personnel performing duties for or on behalf of Practice will be reimbursable by Practice as a Practice Expense at the rates agreed upon by Practice and Manager. Non-Veterinarian Veterinary medical Personnel, to the extent required for Practice to direct their duties, would be co-employed by Practice.

(C) Practice and Manager may specifically agree in writing for certain Non-Veterinarian Veterinary medical Personnel providing any services for or on behalf of Practice to be directly employed by or contracted with Practice. Such Non-Veterinarian Veterinary medical Personnel would be employees or independent contractors employed or engaged by Practice, and the selection and

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terms of employment or engagement, including the rates of compensation, supervision, direction, training and assignment of duties would be determined and controlled by Practice.

(3) Manager may provide assistance to Practice in recruiting and evaluating prospective physicians and Leased Personnel as employees or independent contractors of Practice. Practice will make all decisions relating to hiring, training, managing, and termination of veterinary medical personnel.

(4) Manager will comply and will ensure compliance by Practice with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects in connection with all Leased Personnel.

(5) All Manager Personnel and Leased Personnel will be subject to Manager's general policies and procedures regarding human resources (with Practice retaining ultimate responsibility for the hiring, firing, training and compensation of veterinary medical personnel and Non-Veterinarian Veterinary medical Personnel). Subject to clinical issues that would dictate otherwise, Practice will adopt personnel policies and procedures that are consistent with Manager's policies and procedures. These policies and procedures will, at a minimum, establish fair and uniform standards for personnel, and provide procedures for resolving disputes between supervisors and the personnel.

(d) **Space.** Pursuant to the sublease agreement entered into between the Parties attached under Schedule B(d), which is incorporated by reference, Manager has subleased to Practice the Space necessary for operation which Practice deems appropriate for its needs and will have use of on an exclusive, full-time basis.

(e) **Equipment.** Practice has ultimate authority over all veterinary medical equipment used in Practice. Manager will suitably furnish and equip the Space subleased pursuant to subsection (d) above as set forth in this Agreement for Practice's operation. Manager will provide all non-veterinary medical equipment, software, fixtures, office supplies, furniture and furnishings. In addition, Manager agrees to lease to Practice the Veterinary medical Equipment deemed reasonably necessary by Practice for the operation of the Practice pursuant to the terms and conditions described on Schedule B(e), which is attached and incorporated by reference. If Practice deems it necessary to acquire new veterinary medical equipment, the Manager may decline to purchase the veterinary medical equipment and lease the equipment to the Practice under Schedule B(e).

(f) **Marketing and Advertising Programs.** Subject to Practice's oversight and ultimate authority, Manager will, following consultation with Practice, develop marketing and advertising programs for Practice; provide advice and assistance to Practice on overall marketing programs, and determine and analyze the effect of such programs; plan, create, write and prepare advertising materials; negotiate contracts with advertising media for Space and time; and obtain services necessary in connection with the production and presentation of advertisements. Notwithstanding anything to the contrary, Practice must make all final decisions relating to marketing and advertising materials.

(g) **Vendor & Other Contracts.** Subject to Practice's oversight and ultimate authority, Manager (or its designee) will be the exclusive negotiator, as agent and on behalf of Practice, of all (1) agreements with all vendors and other entities for all service, software, and technology contracts, and the purchase and/or lease of equipment, supplies, and materials that are necessary for the operation of Practice; (2) agreements with facilities for the provision of veterinary medical services; and (3) all Payor Plan agreements. Practice would promptly refer inquiries by or relating to all such agreements to Manager, as

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Practice's sole agent, for discussion and negotiation of all such potential agreements. Practice and Manager, however, will mutually determine which such potential agreements to explore and negotiate and which such agreements Practice will ultimately enter into as a contractual party. With respect to vendors and other entities for service, software, and technology contracts, and the purchase and/or lease of equipment, supplies, and materials that are necessary for the operation of Practice, such goods and services will be provided by Persons affiliated with Manager provided (i) the terms and conditions of the transaction, on any overall basis, are fair and reasonable to the Practice and are at least as favorable to the Practice as those that are generally available from Persons capable of similarly performing them and in similar transactions between parties operating at arm's length; or (ii) approval of the Practice is obtained. Manager may receive discounts on goods and services it obtains for Practice. Manager is not obligated to pass on such discounts and may add a reasonable markup to the cost of goods and services obtained for Practice.

(h) **Insurance.** Manager will make reasonable efforts to obtain and maintain in full force and effect during the Term, general liability and property insurance which Manager deems appropriate to protect against loss, claims, and other risks, or which is necessary to comply with the terms of lease agreements for the Practice, and Manager will assist Practice and the physicians in obtaining professional liability insurance.

(i) **Supplies; Inventory.** Manager will acquire and supply to Practice all non-veterinary medical supplies which may be reasonably required in connection with the operation of Practice. Subject to Practice's oversight and ultimate authority, Manager will, on behalf of Practice, acquire all veterinary medical supplies and other inventory needs which may be reasonably required in connection with the operation of Practice.

(j) **Bank Accounts, Cash Management.** Manager is authorized to establish and maintain for and on behalf of Practice bank accounts for the collection and disbursement of Practice's funds. Manager will manage all cash and cash equivalents of Practice. Practice agrees the importance of Manager's access to such accounts in providing services under this Agreement. Accordingly, Practice agrees that if Practice prevents or otherwise terminates Manager's access to any such accounts, including the Revenue Account, during the Term for any reason other than in the case of Manager's fraud or knowing and intentional misappropriation of Practice's funds, as finally judicially adjudicated by a court of competent jurisdiction, Manager may immediately terminate this Agreement, cease providing all services to Practice, and terminate any other agreements between the Parties upon notice to Practice without any recourse by Practice as a result of such termination.

(k) **Litigation Management.** Manager will (1) manage and direct the defense of all claims, actions, proceedings or investigations against the Practice or any of its officers, directors or employees in their capacity as such relating to the operations of Practice, and (2) manage and direct the initiation and prosecution of all claims, actions, proceedings or investigations brought by Practice against any person other than Manager relating to the operations of Practice. However, Practice will have the ultimate authority to settle all matters and direct the prosecution of such claims.

(l) **Licenses and Permits.** Manager will, on behalf of and in the name of Practice, coordinate all development and planning processes, and apply for and use reasonable efforts to obtain and maintain all federal, state, and local licenses and regulatory permits required for or in connection with the operation of Practice and equipment (existing and future) located at the Practice, other than those relating to the practice of veterinary medicine or the administration of drugs by physician retained by or associated with Practice.

(m) **License Agreement.** Manager owns all intellectual property rights in and to certain intellectual property, including a Trademark (as defined in Appendix A). Manager agrees to license to Practice the Trademark to be used in connection with its operations pursuant to the terms and conditions described on Schedule B(m), which is attached and incorporated by reference.

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(n) **Quality Assurance and Compliance Programs.** Subject to Practice's oversight and ultimate authority, Manager will assist Practice in developing and implementing relevant and appropriate compliance programs to assist Practice in maintaining adherence to regulatory and contractual requirements. Manager will also provide assistance to Practice in the establishment of utilization review/quality assurance programs and maintenance and implementation of such programs.

(o) **Tax Returns.** Manager will assist Practice in the preparation and filing of W-2's as 1099's annually for each employee and contractor of Practice.

(p) **Financial Planning and Reports.** Manager will provide financial planning and propose annual budgets for Practice. Manager will create and prepare ad-hoc reports as necessary to demonstrate the financial and operational activities of Practice.

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Schedule B(d)
Sublease Agreement

1. **Parties.** This Sublease Agreement ("**Sublease**"), dated to be effective as of _____ ("**Effective Date**"), is made between [Franchisee MSO Entity] ("**Sublandlord**") and [Veterinary medical Entity] ("**Subtenant**"). Unless otherwise defined in this Sublease, capitalized terms have the meanings set forth in the Office Lease Agreement between Landlord (defined below) and Sublandlord dated _____ ("**Master Lease**").

2. **Premises.** Sublandlord subleases to Subtenant on the terms and conditions set forth in this Sublease the exclusive right to use certain designated Space Sublandlord is leasing from _____ ("**Landlord**"), located at _____ ("**Premises**") comprising _____ rentable square feet on the Premises ("**Sublease Premise**s").

3. **As-Is.** Subtenant specifically agrees that the Sublease Premises is being sublet by Sublandlord to Subtenant in its "As-Is" condition and with no obligation for Sublandlord to make any improvements to the Sublease Premises or otherwise maintain or repair the Sublease Premises.

4. **Term and Conditions Precedent.** Subject to the terms in this Agreement, the "**Term**" of this Sublease shall commence on the Effective Date, and end on termination of the Management Services Agreement, unless otherwise terminated as set forth below ("**Termination Date**"). Possession of the Sublease Premises ("**Possession**") shall be delivered to Subtenant on the commencement of the Term. In the event of the termination of Sublandlord's interest as Tenant under its Lease of Premises with Landlord, or the termination of the Management Services Agreement for any reason, then this Sublease will terminate automatically upon such termination without any liability of the Landlord or Sublandlord.

5. **Rent.** Subtenant will pay to Sublandlord, rent attributable to the Sublease Premises as part of Sublandlord's monthly management fee as set forth in the Management Services Agreement.

6. **Security Deposit.** Not applicable.

7. **Office Keys.** On or before the Effective Date, Sublandlord will provide Subtenant with office keys to the Premises.

8. **Use of Premises.** The Sublease Premises will be used and occupied by Subtenant solely for treatment purposes in connection with Subtenant's provision of aesthetic veterinary medical procedures and treatments and for no other purpose.

9. **Assignment and Subletting.** Subtenant may not assign this Sublease or further sublet all or any part of the Sublease Premises without the prior consent of Sublandlord.

10. **Governing Law.** This Sublease is governed by the laws of the State of _____.

11. **Attorneys' Fees.** If a party commences an action against the other arising out of or in connection with this Sublease, the prevailing party is be entitled to recover its costs of suit and reasonable attorneys' fees.

12. **Agency Disclosure.** Sublandlord and Subtenant each warrant that they have dealt with no real estate broker in connection with this transaction.

SAMPLE ONLY

13. **Notices.** All notices and demands by either party on the other hereunder must be in writing.

The undersigned have executed this Sublease duly authorized to be effective as of the Effective Date.

SUBLANDLORD	**SUBTENANT**
[Franchisee MSO Entity]	**[Veterinary medical Entity]**
By:_____ [Name, Title]	By: _____ [Name, Title]

SAMPLE ONLY

Schedule B(e)
Veterinary medical Equipment Lease Terms

1.01. **Veterinary medical Equipment.** Manager is the owner and/or lessee of certain veterinary medical equipment located at Practice ("**Veterinary medical Equipment**"). Practice has examined the Veterinary medical Equipment and determined that the Veterinary medical Equipment is necessary and appropriate for the provision of Practice's professional veterinary medical services.

1.02. **General Lease Terms.**

(a) **Grant of Lease.** During the Term, provided Practice remains in compliance with the terms of this Agreement, Manager agrees to the exclusive, full-time lease of the Veterinary medical Equipment to Practice in accordance with the terms of this Agreement and, more specifically, this Schedule B(e). Practice will use the Veterinary medical Equipment in a careful and proper manner and will comply with and conform to all applicable laws, ordinances, and regulations in any way relating to the possession, use, or maintenance of the Veterinary medical Equipment. All rights, titles and interest in and to the Veterinary medical Equipment, including any custom development or modifications, is the exclusive property of Manager. Practice covenants and agrees that it will not take any action or assist any third party in any action that may impair Manager's ownership rights to the Veterinary medical Equipment.

(b) **Warranty Limitation.** MANAGER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS SCHEDULE B(E), INCLUDING THE VETERINARY MEDICAL EQUIPMENT, AND PRACTICE EXPRESSLY WAIVES AND MANAGER DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, INCLUDING ANY WITH RESPECT TO TITLE, NON-INFRINGEMENT, MERCHANTABILITY, VALUE, RELIABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PRACTICE'S USE OF THE VETERINARY MEDICAL EQUIPMENT IS AT ITS OWN RISK ON AN "AS IS" BASIS.

(c) **Repairs and Maintenance.** Practice, at its own cost and expense, will keep the Veterinary medical Equipment in good repair, condition, and working order and pay for regular cleaning and preventative maintenance during the Term and until Practice delivers the Veterinary medical Equipment to Manager in the same condition it was in when delivered to Practice, normal wear and tear excepted.

(d) **Taxes.** Practice will keep the Veterinary medical Equipment free and clear of all levies, liens, and encumbrances. Practice, or Manager as a Practice Expense, will report, pay and discharge when due all license and registration fees, assessments, sales, use and property taxes, gross receipts, taxes arising out of receipts from use or operation of the Veterinary medical Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing, together with any penalties or interest, imposed by any state, federal or local government or any agency, or department upon the Veterinary medical Equipment or the use, operation, or leasing of the Veterinary medical Equipment or otherwise in any manner and whether or not the same will be assessed against or in the name of Manager or Practice. However, Practice will not be required to pay or discharge any such tax or assessment so long as it will contest, in good faith and by appropriate legal proceedings, the validity of such proceedings in any reasonable manner which will not affect or endanger the title and interest of Manager to the Veterinary medical Equipment. Practice will, however, reimburse Manager for any damages or expenses resulting from such failure to pay or discharge. In case of failure of Practice to pay fees, assessments, charges and taxes, all as specified in this Agreement, Manager will have the right, but not the obligation, to pay such fees, assessments, charges and taxes, as the case may be. In that event, Practice will promptly reimburse Manager for such costs in accordance with this Agreement.

SAMPLE ONLY

(e) **Insurance; Risk of Loss.** During the Term, Practice must maintain insurance coverage for the full value of the Veterinary medical Equipment and insurance coverage against liability for bodily injury, including death, and property damage arising out of the ownership, maintenance, use and operation of the Veterinary medical Equipment with limits acceptable to Manager. Practice must ensure the policies name Manager as additional insured and provide a waiver of subrogation in favor of Manager. Such coverage must be in a form acceptable to Manager and Practice must deliver all policies of insurance, or evidence satisfactory to Manager of such coverage, upon Manager's request. Practice's insurer must agree, by endorsement upon the policy issued by it, or by an independent document provided to Manager, that it will give Manager 30 days prior written notice of the effective date of any alteration or cancellation of such policy and that such notice will be sent to Manager via certified mail, return receipt requested at the address in this Agreement. Except as otherwise provided in this Agreement, Practice assumes the risk of loss of, or damage to the Veterinary medical Equipment from any and every cause whatsoever, including, but not limited to, casualty, collision, upset, fire, theft, malicious mischief, vandalism, graffiti, glass breakage, and mysterious disappearance.

1.03. **Compliance with Law.** The Parties intend that the Lease of Veterinary medical Equipment complies with all applicable law including, without limitation, the Medicare/Medicaid Fraud and Abuse statutes, Federal Stark and Anti-Kickback, and similar State and Federal laws. The Parties acknowledge that (a) the rent is fair market value for the lease of the Veterinary medical Equipment in an arm's-length transaction, and (b) no portion of the respective consideration flowing to the Parties is intended to induce or be compensation for past or future referrals or veterinary medical services by one Party to the other Party. Nothing will require, directly or indirectly, that either Party refer or direct any patients to the other Party. If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either Party to be in violation of such laws due to the existence of any provision of this Schedule B(e), then the Parties agree to negotiate in good faith for a period of 30 days to modify the terms of this Schedule B(e) to comply with applicable law. Should the Parties fail to agree upon modified terms during such 30-day period, either Party may terminate upon notice.

1.04. **Survival.** Upon expiration or termination of this Agreement for any reason, the terms of Section 1.02(d) will survive until all amounts due by Practice are paid in full and/or until Practice's obligations under such provisions are fulfilled; and Section 1.02(b) and (e) will survive for ~~five (5)~~10 years.

SAMPLE ONLY

Schedule B(m)
License Agreement

1.01. **Nonexclusive License.** Subject to the terms and conditions of this Agreement, Manager grants to Practice a limited, nonexclusive, nontransferable license to use Manager's Trademark "Vetama" in connection with and in furtherance of the operation of Practice's operations including the use of "Vetama" and in Practice's assumed name at Practice's physical address located at _____. In partial consideration of Manager's grant of the foregoing rights, Practice covenants with Manager that Practice will not market, advertise, or otherwise operate its business under any name or Trademark(s) other than Manager's Trademark during the Term unless otherwise required by law.

1.02. **Ownership & Goodwill.** Subject to the rights granted in this Agreement, all title to and the rights in the Trademark and the associated goodwill are the exclusive property of Manager and/or its licensor. Practice agrees that its use of any of the Manager's Trademark pursuant to the expressly rights granted under this Agreement will not create any right, title, or interest in or to Manager's Trademark other than as set forth in this Agreement, and that all goodwill associated with Manager's Trademark, including any goodwill generated through Practice's use of the Trademark will belong and inure solely to the benefit of Manager. Practice covenants and agrees that it will not:

(a) take any action or assist any third party in any action to contest or impair Manager's ownership rights or dilute, tarnish, or infringe the Trademark;

(b) at any time, dispute or contest the right, title, or validity of the Trademark; or

(c) attempt to register or use any intellectual property, including any trademarks, service marks, or copyrights similar to the Trademark.

1.03. **Reservation of Rights Not Granted.** Practice agrees that it has no rights in Manager's Trademark except those expressly granted under this Agreement. Any and all rights not granted by Manager under this Agreement are reserved by Manager. For the avoidance of doubt and except as expressly permitted in this Agreement, Practice will not sublicense, copy, reproduce, alter, create derivative works from, or otherwise modify Manager's Trademark, or lease, loan, sublicense, distribute, or otherwise provide others access to Manager's Trademark.

1.04. **Acknowledgment and Marking.**

(a) In using Manager's Trademark, Practice will acknowledge Manager's ownership of the Trademark, including properly marking any products or services.

(b) The Parties will comply with all reasonable conditions set forth in writing from time to time by Manager with respect to style, appearance, and manner of use of the Trademark.

(1) Prior to a new use of Manager's Trademark, Practice will submit to Manager for approval representative samples of all proposed materials bearing the Trademark. Upon receipt of a proposed use of Manager's Trademark, Manager will have 10 business days to review the proposed use and to determine its acceptability based upon Manager's reasonable discretion. If Manager does not object to the proposed use in writing within the 10-day period, then Practice will be permitted to proceed with the proposed use. If Manager does object to the proposed use in writing (which may include email) within the 10-day period, then Practice will not be entitled or permitted to proceed with the proposed use until the issues regarding Manager's objections have been satisfied. Manager agrees that it will not

SAMPLE ONLY

unreasonably object to proposed uses, and that it will work in good faith with Practice to permit such uses. Practice agrees that, notwithstanding the failure of Manager to timely object to a proposed use, Practice will cooperate in good faith with Manager to correct and/or remedy inappropriate uses of the Trademark.

(2) In connection with Practice's use of Manager's Trademark, Practice agrees to make proper use of the "®" symbol or other proper notice to indicate a federally registered mark, and the "™" symbol to indicate an unregistered mark. Upon receiving notice from Manager that the use of a registration notice or "™" symbol is incorrect or otherwise unacceptable, Practice will promptly modify such uses to obviate Manager's objections.

1.05. **Assumed Trade Name and Trademarks.** Upon termination of this Agreement for any reason, Practice will cease using "Vetama" in the assumed trade name of Practice and will not use "Vetama" or any variation in any manner in connection with its name, any assumed name, or otherwise use any of Manager's Trademark in any way, form, or medium, as provided below. Within 30 days of termination of this Agreement for any reason, Practice will terminate all assumed name certificates filed with the _____ Secretary of State and any applicable counties and de-identify the Premises of all uses of and references to Manager's Trademark.

SAMPLE ONLY

Appendix C
Special Power of Attorney

STATE OF _____ §
§
_____ COUNTY §

1.01. **Effective Date.** This special power of attorney is executed to be effective as of _____ ("**Effective Date**"). Capitalized terms used but not defined in this special power of attorney are defined in the Agreement.

1.02. **Power of Attorney.** Practice grants to Manager, both as defined in the Management Services Agreement ("**Agreement**"), dated _____, an exclusive special power of attorney and appoints Manager as Practice's exclusive true and lawful agent and attorney-in-fact with respect to the powers set forth below, and Manager accepts the special power of attorney and appointment, for the following purposes:

(a) to open a bank account in Practice's name and on its behalf;

(b) to bill Practice patients in Practice's name and on its behalf;

(c) to collect accounts receivable resulting from such billing in Practice's name and on its behalf;

(d) to receive the cash proceeds of any accounts receivable;

(e) to take possession of and endorse in the name of Practice (and/or in the name of individual physicians) any such payment intended for purpose of payment of a physician's bill, any cash, notes, checks, money orders, and other instruments received in payment for services rendered;

(f) to sign checks, drafts, bank notes, or other instruments on behalf of Practice, including affixing stamps of signatures of Practice's authorized signatories on any of the foregoing, and to make withdrawals from the Revenue Account for payments specified in the Agreement and as requested from time to time by Practice;

(g) to obtain and take possession of any mail piece addressed to Practice under the control of the United States Postal Service or a private organization; to sign on Practice's behalf for any accountable piece of mail, including, but not limited to, certified, registered, express, insured, or return receipt marked "Restricted Delivery," including items delivered by private organizations; and to exercise dominion over any mail piece of Practice in any other lawful manner whatsoever or any other item addressed to Practice and placed, for delivery, with the term "mail" or "mail piece," being defined in the glossary in Sec. 001, "Quick Service Guide," of the Domestic Mail Manual, as amended (see also "piece" and "mail piece"); and

(h) to initiate legal proceedings in the name of Practice to collect any accounts and monies owed to Practice, to enforce the rights of Practice as creditor under any contract or in connection with the rendering of any service, and to contest adjustments and denials by governmental agencies (or its fiscal intermediaries) as third party payors. Manager will monitor Practice claim submissions for improper upcoding and unbundling and no person will be compensated so as to provide a financial incentive to improperly upcode claims.

SAMPLE ONLY

1.03. **Additional Documents.** Upon request of Manager, Practice will execute and deliver to the financial institution where Practice's account is maintained, additional documents or instruments as may be reasonably necessary to accomplish the intent and objectives of this special power of attorney.

1.04. **Duration.** The rights, powers, and authority of Manager as attorney-in-fact to exercise any and all of the rights and powers granted in this special power of attorney will begin and be in full force and effect as of the Effective Date and will continue for 12 months after the termination of the Agreement.

The undersigned has executed this special power of attorney to be effective as of the Effective Date.

[Veterinary medical Entity]

By:_____
[Name, Title]

STATE OF _____ §
§
_____ COUNTY §

This instrument was acknowledged before me on the ____ day of _____, 20___, by _____ of [Veterinary medical Entity], a _____.

_____
Notary Public, State of _____

_____
Printed Name of Notary

My Commission Expires:_____

SAMPLE ONLY

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT F
LIST OF FRANCHISEES

THERE ARE NO FRANCHISEES TO REPORT IN THIS EXHIBIT F.

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT G
LIST OF FRANCHISEES
THAT HAVE LEFT THE SYSTEM

THERE ARE NO FRANCHISEES TO REPORT IN THIS EXHIBIT G.

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT H
STATE SPECIFIC ADDENDA

CALIFORNIA FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

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

1. Item 17 "Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship," is supplemented by the addition of the following:

A. 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.

B. The franchisor, any person or franchise broker in Item 2 of the FDD is not 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 such association or exchange.

C. California Business and Professions Code Sections 20000 through 20043 establish the rights of 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.

D. 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.).

E. 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.

F. The Franchise Agreement requires binding arbitration. The arbitration will occur in California with the costs being borne by the franchisee and franchisor.

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.

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

3. You must sign a general release of claims 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).

4. 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. Item 6 "Other Fees," is supplemented by the addition of the following statement: "The highest interest rate allowed by law in the State of California is 10%."

6. The following URL address is for the franchisor's website: vetama.com

7. Whether a franchisee can purchase a Clinic or a Clinic Management business is controlled by various provisions of California law including California Corporations Code Sections 13400 through 13410 and Business and Professions Code Sections 4800 through 4917.

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.

CONNECTICUT FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

1. Item 3 "Litigation," is supplemented by the addition of the following:

A. Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

B. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the 10 year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

C. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

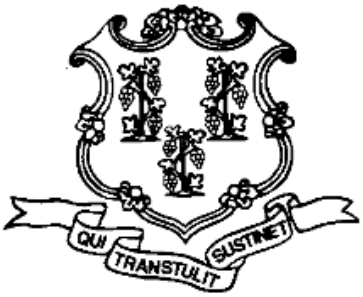
D. Neither Company nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. Item 4 "Bankruptcy," is supplemented by the addition of the following:

No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous 10 fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one ~~(1)~~ year after the period that the person held a position with the other person.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract be cancelled.

DISCLOSURES REQUIRED BY CONNECTICUT LAW



The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

BUSINESS OPPORTUNITY DISCLOSURE

The following business opportunity disclosure is provided by Vetama, Inc. a registered business in the State of Connecticut.

Disclosure Document is dated: April 17, 2023

HAWAII FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

ADDITION TO FDD RECEIPT EXHIBIT "J"

Exhibit J "FDD Receipts," is supplemented with the addition of the following:

The Receipt for this Disclosure Document (Exhibit "J") is supplemented to add the following:

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

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN ~~(7)~~ DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN ~~(7)~~ DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

ILLINOIS FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

Illinois Law governs the Franchise Agreement.

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.

Franchisee's rights upon Termination and Non-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 acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiting any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of

the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, ~~DIAGNOSISI~~DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL.
See Medical Corporation Act, 85 ILCS 15/2, 5 (West, 2014);
Medical Practice Act of 1987, 225 ILCS 60/ (West, 2014); and
Prohibition Against Fee Splitting at 225 ILCS 60/22.2 (West, 2014).

IF YOU ARE NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS ~~DISLCOSURE~~DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT THE FRANCHISED BUSINESS OFFERS. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

INDIANA FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

1. Item 8, "Restrictions on Sources of Products and Services," is supplemented by the addition of the following:

> Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Item 6, "Other Fees" and Item 9, "Franchisee's Obligations", are supplemented, by the addition of the following:

> The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

> A. Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> B. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

C. ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

D. ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

E. ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

MARYLAND FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

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

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

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

~~D. In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.~~

~~E~~
D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

~~F. 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.~~

MICHIGAN FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

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

A. A prohibition of your right to join an association of Franchisees.

B. A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

C. A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.

D. A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us 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: (a) the term of the franchise is less than ~~five (5)~~10 years, and (b) you are prohibited by the Franchise Agreement 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 you do not receive at least six ~~(6)~~ months advance notice of our intent not to renew the franchise.

E. A provision that permits us 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 litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.

G. A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
(ii) The fact that the proposed transferee is our or Sub-franchisor's competitor.
(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
(iv) Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us 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 us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in Item 17(g).

I. A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

2. If our most recent financial statements are unaudited and show a net worth of less than $100,000.00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items

included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow.

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

4. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913; telephone number (517) 373-3800.

MINNESOTA FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

ADDITIONAL RISK FACTORS:

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

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

AMENDMENT OF FDD DISCLOSURES:

A. Item 6, "Other Fees", Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

B. Item 13, "Trademarks", Item 13 is supplemented by the addition of the following: As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

C. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be

given 90 days- notice of termination (with 60 days to cure) and 180 days-notice of non-renewal of the Agreement.

D. Item 17 "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

E. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement 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.

NEW YORK FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or,

within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

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

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

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

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

8. The following is added to the end of the "Summary" sections of **Item 17(v)**, titled "**Choice of forum"**, and Item 17(w), titled "**Choice of law"**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA FDD ADDENDUM

Amendment to the Vetama Franchise Disclosure Document

1. Item 5, "Initial fees", Item 5 is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6, "Other Fees", Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

A. Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

B. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

C. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

D. Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

E. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

F. Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

G. Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

RHODE ISLAND FDD ADDENDUM

Amendment to the Vetama Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

A. The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 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 the Rhode Island Franchise Investment Act.

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

VIRGINIA FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17(h) is supplemented by the addition of the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in Vetama 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.

WASHINGTON STATE FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

In recognition of the Washington State Franchise Investment Protection Act, Chapter 19.100 RCW, the following amendments are made to the Franchise Disclosure Document:

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

2. 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.

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

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of 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.

7. 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.

WISCONSIN FDD ADDENDUM

Amendments to the Vetama Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

CALIFORNIA FRANCHISE AGREEMENT AMENDMENT

Amendments to the Vetama Franchise Agreement

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.

IN WITNESS WHEREOF, the parties have duly executed and delivered this California State amendment to the Vetama, Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Vetama, Inc.	**Franchisee:**
Signature	Signature
Name and Title (please print)	Name (please print)
Dated	Dated

HAWAII FRANCHISE AGREEMENT AMENDMENT

Amendments to the Vetama Franchise Agreement

In recognition of the requirements of the Hawaii Franchise Investment Law, the undersigned agree to the following modifications to the Vetama, Inc. Franchise Agreement (the "Franchise Agreement"), as follows:

1. Sub-Article 14.C.(6). Sub-article 14.C.(6), under the Article section titled "Conditions for Approval of Transfer," is supplemented by the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this Sub-article contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Sub-Article 15.B.(8). Sub-article 15.B.(8), under the Article section titled "Conditions for Renewal," is supplemented by the addition of the following:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the Vetama, Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Vetama, Inc.	**Franchisee:**
_____	_____
Signature	Signature
_____	_____
Name and Title (please print)	Name (please print)
_____	_____
Dated	Dated

ILLINOIS FRANCHISE AGREEMENT AMENDMENT

Amendments to the Vetama Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the undersigned agree to the following modifications to the Vetama, Inc. Franchise Agreement (the "Franchise Agreement"), as follows:

1. Article 14.C of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," the following language is added to the end of subarticle 14.C.(6):

; excluding only such claims as the transferor and its Owners may have under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45).

2. Article 15.B. of the Franchise Agreement, under the heading "Conditions for Renewal," the following language is added to the end of subarticle 15.B.(8):

; excluding only such claims as the transferor and its Owners may have under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45).

3. Article 18.F. of the Franchise Agreement, under the heading "Governing Law", shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.F. of the Franchise Agreement:

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

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.

Franchisee's rights upon Termination and Non-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.

4. Article 18.G. of the Franchise Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction", shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.G. of the Franchise Agreement:

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

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.

Franchisee's rights upon Termination and Non-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.

5. Article 18.K of the Franchise Agreement, under the heading "Waiver of Jury Trial", shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.

6. Article 18 of the Franchise Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 18.AA. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Illinois Franchise Disclosure Act.

7. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

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

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the Vetama, Inc. Franchise Agreement, on the same date as each respective agreement was executed.

Franchisor: Vetama, Inc.	**Franchisee:**
Signature	Signature
Name and Title (please print)	Name (please print)
Dated	Dated

MARYLAND FRANCHISE AGREEMENT AMENDMENT

Amendments to the Vetama Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Vetama, Inc. Franchise Agreement (the "Franchise Agreement"):

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

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

3. Article 18.G. of the Franchise Agreement under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

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

4. Article 18.I. of the Franchise Agreement under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three ~~(3)~~ years after the grant of the franchise.
>
> A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. 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.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Vetama, Inc. Franchise Agreement on the same date as the Franchise Agreement was, respectively, executed.

Franchisor: Vetama, Inc.	**Franchisee:**
Signature	Signature
Name and Title (please print)	Name (please print)
Dated	Dated

MINNESOTA FRANCHISE AGREEMENT AMENDMENT

Amendment to the Vetama Franchise Agreement

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Vetama, Inc. Franchise Agreement (the "Franchise Agreement") as follows:

1.Article 14.C of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," subarticle 14.C(6) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

2. Article 15.B of the Franchise Agreement, under the heading "Conditions for Renewal," sub article 15.B(8) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

3. Under Article 11 of the Franchise Agreement, under the heading "Notification of Infringement and Claims," the subarticle 11.C. shall be supplemented by the addition of the following:

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to Article 11.E. of this Agreement.

4. Under Article 14 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 14.C. shall be supplemented by the addition of the following:

Franchisor shall not unreasonably withhold consent to transfer the Franchise Agreement.

5. Under Article 16 of the Franchise Agreement, under the heading "Defaults and Automatic Termination Upon Written Notice Without Cure Period," the subarticle 16.A.(2). shall be supplemented by the addition of the following:

Article 16.A.(2) will not be enforced to the extent prohibited by applicable law.

6. Under Article 16 of the Franchise Agreement, under the heading "Defaults and Automatic Termination After 30 Day Cure Period," the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading "Governing Law", shall be amended by the addition of the following statement added to the end of the last sentence of Article ~~19~~18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction", shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement:

; except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K of the Franchise Agreement, under the heading "Waiver of Jury Trial", shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement under the heading "Limitations of Claims," shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three ~~(3)~~ years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 18.AA. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the Vetama, Inc. Franchise Agreement.

Franchisor: Vetama, Inc.	**Franchisee:**
Signature	Signature
Name and Title (please print)	Name (please print)
Dated	Dated

NEW YORK FRANCHISE AGREEMENT AMENDMENT

Amendments to the Vetama Franchise Agreement

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Vetama, Inc. Franchise Agreement (the "Franchise Agreement") as follows:

1. Under Article 14.C of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 14.C(6) is supplemented with the addition of the following language:

> ; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Under Article 15.B of the Franchise Agreement, under the heading "Conditions for Renewal," the subarticle 15.B(8) is supplemented with the addition of the following language:

> ; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Article 18 of the Franchise Agreement under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 18.AA. to the Franchise Agreement:

> Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Vetama, Inc. would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. Vetama, Inc. is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the Vetama, Inc. Franchise Agreement.

[SIGNATURE PAGE TO FOLLOW]

Franchisor: Vetama, Inc.	**Franchisee:**
Signature	Signature
Name and Title (please print)	Name (please print)
Dated	Dated

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to the Vetama Franchise Agreement

In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached Vetama, Inc. Franchise Agreement (the "Franchise Agreement") agree as follows:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Warrior Factory outlet will be located within the State of North Dakota.

1. Article 15 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring North Dakota franchisees to sign a general release upon renewal of the Franchise Agreement are not enforceable in North Dakota."

2. Article 16 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring North Dakota Franchisees to consent to termination or liquidated damages are not enforceable in North Dakota."

3. Articles 6 and 17 of the Franchise Agreement are hereby amended by the addition of the following language: "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

4. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: "Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota."

5. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: "for North Dakota Franchisees, North Dakota law shall apply."

6. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law."

7. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law."

8. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring a franchisee to consent to a limitation of claims within one ~~(1)~~ year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply."

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]

Franchisor: Vetama, Inc.	**Franchisee:**
Signature	Signature
Name and Title (please print)	Name (please print)
Dated	Dated

WASHINGTON FRANCHISE AGREEMENT AMENDMENT

Amendment to the Vetama Franchise Agreement

In recognition of the Washington State Franchise Investment Protection Act, Chapter 19.100 RCW, the parties to the attached Vetama, Inc. Franchise Agreement (the "Franchise Agreement") agree as follows:

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

2. 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.

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

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of 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.

7. 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the Vetama, Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Vetama, Inc.

Signature

Name and Title (please print)

Dated

Franchisee:

Signature

Name (please print)

Dated

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT I
STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration:
California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

Effective Dates	
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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.

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT J
RECEIPTS

Vetama, Inc.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If Vetama, Inc. offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale, of sooner if required by applicable law.

Applicable state laws in New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time of if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is: ~~July 19, 2022~~April 17, 2023

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Jacob Wright	793 Foothill Blvd Ste A, San Luis Obispo, CA 93405	805-423-3550

I received a Disclosure Document issued on ~~July 19, 2022~~April 17, 2023 that included the following exhibits:

A. List of State Administrators	F. List of Franchisees
B. List of Agents for Service of Process	G. List of Franchisees Who Have Left the System
C. Operations Manual Table of Contents	H. State Specific Addenda
D. Financial Statements	I. State Effective Dates
E. Franchise Agreement	J. Receipts

Date	**Print Name**	**Signature**

Date	**Print Name**	**Signature**

Please sign this copy of the receipt, date your signature, and return it to Vetama, Inc., 793 Foothill Blvd Ste A, San Luis Obispo, California 93405.

Vetama, Inc.

RECEIPT

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