FRANCHISE DISCLOSURE DOCUMENT

Wagbar Franchising, LLC
A North Carolina limited liability company
34 Magnolia Avenue
Asheville, NC 28801
828-554-1021
Franchising@wagbar.com
www.wagbar.com

As a Wagbar franchisee, you will operate a business which integrates an off-leash dog park with a bar that primarily sells beer and wine to customers and members while their dogs enjoy the park.

The total investment necessary to begin operation of a Wagbar franchise is $472,450 to $1,147,500. This includes $38,500 to $57,500 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation under a three-unit Multi-Unit Development Agreement (including the first unit) is $508,450 to $1,202,500 increased by $21,000 to 32,500 for each additional unit to be developed beyond three. This includes $73,500 to $107,500 that must be paid to the franchisor or affiliate increased by $21,000 to 32,500 for each additional unit to be developed beyond three. You must develop at least three Wagbar units under the Multi-Unit Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Kendal Kulp at 34 Magnolia Avenue, Asheville, NC 28801 and 828-554-1021.

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

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

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

Issuance date: May 29, 2024.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
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 F 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 Wagbar business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Wagbar franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in North Carolina. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in North Carolina than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

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

In this disclosure document, "we", "us," or "our" refers to Wagbar Franchising, LLC. "You" means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is Wagbar Franchising, LLC. Our principal business address is 34 Magnolia Avenue, Asheville, NC 28801. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names "Wagbar Franchising, LLC" and "Wagbar". We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in North Carolina is Earl F. Kulp, Jr., and the agent's principal business address is 34 Magnolia Avenue, Asheville, NC 28801. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a North Carolina limited liability company. We were formed on March 10, 2023.

Information About Our Business and the Franchises Offered

Wagbar Franchising LLC does not operate businesses of the type being franchised. We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a business under the trade name "Wagbar" which integrates an off-leash dog park with a bar. Wagbar offers a unique social experience for dogs, their owners, and anyone seeking a canine-friendly environment. Wagbar provides a clean, safe space for dogs to frolic, while patrons can unwind and mingle while enjoying drinks. Wagbar primarily offers beer and wine, as well as pre-packaged snacks, dog treats, and other items.

Customers pay an entry fee per visit or can choose a monthly or annual membership which provides them with unlimited access to the dog park and other benefits and discounts. You must

offer memberships to the public on the terms and conditions that we specify. We may require you to offer various levels and types of memberships specified by us and may establish a reciprocity program that permits members from your location to use other Wagbar locations and vice versa, under such terms and conditions as we establish. We have the right to specify pricing for all types and levels of memberships, subject to applicable law. We currently require that you offer your customers both monthly and annual memberships, as stated above. We have not established a reciprocity program nor have we specified pricing for different types or levels of membership.

Dogs must have proof of vaccination, be at least six months old, be spayed and neutered, and must meet behavior guidelines. Your location will be approximately 1 to 3 acres. Due to legal restrictions, a Wagbar does not prepare and serve food on the premises. You will not have a kitchen. You can sell prepared food and we encourage you host food trucks and other mobile food service providers, if permitted by local law.

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

The general market for a combination of outdoor bar and off-leash dog park concepts is dog enthusiasts that are 18 years of age and older. This market is relatively new and undeveloped. Our customers are primarily dog owners. Sales can be seasonal depending on your climate.

Your competition include dog parks and bars.

Laws and Regulations

A Wagbar business will need to comply with applicable laws and regulations regarding alcohol, as well as any particular laws and regulations about dogs being present in the place of business. You will need to obtain a license to sell beer and wine. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty, and cost associated with obtaining a license, the restrictions placed on the manner in which alcoholic beverages maybe sold, and the potential liability imposed by dram shop laws addressing injuries directly and indirectly related to the sale of alcohol and its consumption. Such laws, regulations, and ordinances may also vary widely with respect to dogs being present and off-leash. You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business, including any permits and licenses necessary to operate in your market.

Prior Business Experience

We have offered franchises since July 2023. None of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

Our affiliate, Wagbar, LLC, has operated Wagbar in Weaverville, NC since 2020. This affiliate's business address is 320 Merrimon Avenue, Weaverville, NC 28787.

Item 2
BUSINESS EXPERIENCE

Kendal Kulp – Chief Executive Officer. Kendal Kulp has been Chief Executive Officer of Wagbar in Asheville, NC, since 2019. Mr. Kulp was also a self-employed insurance broker in Asheville, NC from December 2017 to September 2020.

Kajur Kulp – Operations Manager. Kajur Kulp has been Operations Manager of Wagbar in Asheville, NC, since 2019. Mr. Kulp was previously a Project Manager for Accent on Granite from December 2015 to November 2019 in Marion, NC.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay an initial franchise fee to us. The fee is $35,000 for the first 10 franchise agreements that we sign. Thereafter, the initial franchise fee will be $50,000. This fee is not refundable.

Signage

You must purchase all primary signage from us. You may not purchase primary signage from an alternate source unless we provide approval in writing. The current estimated cost for primary signage, including shipping, is between $3,500 to $7,500. You will pay the cost when you order the sign from us. This payment is not refundable.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement ("MUDA") in the form of Exhibit C to this disclosure document. If you commit to three or more franchises, your franchise fees will be reduced by 50% for each franchise after the first franchise. If you commit to three franchises, your total initial franchise fees will be $70,000 (assuming you commit to three of our first 10 franchise agreements at $35,000 for the first one and $17,500 each for the second and third) to $100,000 (assuming you commit to three franchise agreements after we have already sold 10, at $50,000 for the first one and $25,000

each for the second and third). You will pay all franchise fees upon signing the MUDA. They are not refundable.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your adjusted gross sales	Monthly, on the 5th day of the following month	See Notes 1, 2 and 3.
Marketing Fund Contribution	1% of your adjusted gross sales	Monthly, on the 5th day of the following month	We reserve the right to raise the Marketing Fund Contribution to 2% of adjusted gross sales.
Technology Fee	Currently, none.	Monthly, on the 5th day of the following month	We reserve the right to charge a commercially reasonable fee for software and other technology products and services we provide. The technology fee will not necessarily be a pass-through of our exact costs. We may add, remove, or alter the software or technology products or services that we provide.
Replacement / Additional Training fee	Currently, $600 per person per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Software subscription	Currently, $514 per month	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee	$500 per instance	On demand	We may charge you $500 for any aspect of your business which is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection or enforcement	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us or otherwise enforcing your franchise agreement.
Special support fee	Our then-current fee, plus our expenses. Currently, $600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.

Type of Fee	Amount	Due Date	Remarks
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported adjusted gross sales by more than 3% for any month.
Special inspection fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	All of our costs and losses from any legal action related to the operation of your franchise or any act by you or your employees	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the development or operation of your franchise, or any act or omission by you or any employee of your business (unless caused by our intentional misconduct or gross negligence).

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

All fees are payable only to us (other than software subscription charges). All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

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

2. You must report your adjusted gross sales to us each month. If you fail to report your adjusted gross sales, we will withdraw estimated royalty fees and marketing fund contributions based on 125% of the most recent adjusted gross sales you reported. We will true-up the actual fees after you report adjusted gross sales. We reserve the right to change your reporting period, i.e., to weekly or bi-weekly, after providing 30 days' notice of such change to you.

3. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method. If we permit you to pay by credit card or any other method which causes us to incur a processing fee, you will be responsible for the amount of the processing fee. We reserve the right to change your payment period, i.e., to weekly or bi-weekly, after providing 30 days' notice of such change to you.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	$35,000 - $50,000	Check or wire transfer	Upon signing the franchise agreement	Us
Real Estate (see Note 2)	$2,000 - $20,000	Check	Upon signing lease	Landlord
Lease Security Deposit (see Note 2)	$2,000 - $20,000	Check	Upon signing lease	Landlord
Utilities (see Note 3)	$500 - $50,000	Check, debit, and/or credit	Upon ordering service	Utility providers; government
Container Bar and Bathroom / Storage Structure (see Note 4)	$203,000 - $242,000	Electronic funds transfer	50% upon order; 50% before delivery	Manufacturer or us, at your option
Delivery of Container Bar and Bathroom / Storage Structure (see Note 5)	$2,400 - $14,000	Check, debit, and/or credit	Prior to delivery	Transport company
Metal Building / Awning	$20,000 - $57,000	Check, debit, and/or credit	Upon ordering	Contractors
Leasehold Improvements (see Note 6)	$44,200 - $383,300	Check	As incurred or when billed	Contractors
Furniture, Fixtures, and Equipment (see Note 7)	$90,000 - $140,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Market Introduction Program	$5,000 - $10,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Computer Systems	$3,500 - $5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance (3 months)	$2,000 - $8,500	Check	Upon ordering	Insurance company
Signage (see Note 8)	$3,950 - $8,600	Check, debit, and/or credit	Upon ordering	Us; vendors
Office Expenses	$500 - $1,000	Check, debit, and/or credit	As incurred	Vendors

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Inventory	$5,500 - $9,500	Check, debit, and/or credit	Upon ordering	Vendors
Licenses and Permits (see Note 9)	$1,500 - $8,000	Check	Upon application	Government
Dues and Subscriptions (including Software)	$400 - $600	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (engineer, surveyor, lawyer, etc.)	$18,000 - $40,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	$3,000 - $5,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 10)	$30,000 - $75,000	Varies	Varies	Employees, suppliers, utilities
Total	$472,450 - $1,147,500			

YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
First franchise (see table above)	$472,450 - $1,147,500	Check or wire transfer	Upon signing the franchise agreement	Us
Initial franchise fees for two additional franchises (see Note 11)	$35,000 - $50,000	Check or wire transfer	Upon signing the MUDA	Us
Business planning and miscellaneous expenses	$1,000 - $5,000	Check	As incurred	Vendors and suppliers
Total	$508,450 - $1,202,500			

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

Notes

1. The initial franchise is $35,000 for the first 10 franchise agreements that we sign. Thereafter, the initial franchise fee will be $50,000.

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

3. The initial cost of utilities will depend on availability at your site. The low-end assume water, sewer, and electrical utilities are in place at your site. Connecting to a sewer and electrical utilities are important parts of any commercial development, and may vary widely based on size and complexity, distance, government fees, and other factors.

4. If your site requires a shipping container to be used as the bar space, you must purchase the container bar, as well as a separate container built out for use as a bathroom and storage structure, from either us or an approved third-party manufacturer. The structures will be substantially built out and complete, with certain equipment installed. The current cost range for our standard container bar and separate bathroom/storage structure is $203,000 to $242,000. If you purchase from an approved manufacturer, this cost range includes a Design and Project Management Fee payable to us, which is 15% of the total purchase price of the container(s) and is estimated to be between $29,000 to $33,000. If you purchase from us, you pay half upon ordering, and you pay the balance before we ship the container bar to you. You will be responsible for having your site ready for the containers (such as plumbing, footings, and power) and for installing them.

5. We estimate delivery of your container bar and your container bathroom/storage structure at $2.50 per mile for each.

6. Leasehold improvements may consist of sitework, fencing, parking, and other improvements to the property, as well as labor and contractor fees, equipment and tools, and other costs. The estimate includes a 10% markup from your general contractor.

7. Your FF&E will include your beer service equipment, patio furniture, playground equipment, video camera system, PA system, sound system, and other equipment.

8. You must purchase all primary signage from us. You may not purchase primary signage from an alternate source unless we provide approval in writing. The current estimated cost for primary signage (including shipping) that you will purchase from us is $3,500 to $7,500. The remainder of this range estimate accounts for secondary signage costs. You must purchase all secondary signage according to our specifications and from a vendor(s) that we designate.

9. The cost of a license to serve beer and wine, or to serve all alcoholic beverages, will vary widely by jurisdiction. You should investigate the cost of the appropriate licenses in your jurisdiction.

10. This includes any other required expenses you will incur before operations begin and during the initial three-month period of operations including employee payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Wagbar business by our affiliate, and our general knowledge of the industry.

11. This estimate assumes you sign a Multi-Unit Development Agreement for three franchises. The franchise fee for your first unit is counted in the "Estimated Initial Investment – Franchise Agreement" table. Your initial franchise fees are reduced by 50% for the second and each additional franchise if you sign a MUDA for three or more franchises. The first ten individual franchises that we sell will be $35,000 each (and therefore you would pay $17,500 each for your additional franchises if you buy three or more). After the first ten, the franchise fee will be $50,000 each (and therefore you would pay $25,000 each for your additional franchises if you buy three or more). You will pay all franchise fees upon signing the MUDA.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

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

Specific Obligations

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

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

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Operations Manual, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iii) liquor liability coverage, in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation. You may obtain your insurance from any vendor so long as it meets the above stated requirements.

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

D. Container Bar and Bathroom Structure. If your site requires a shipping container to be used as the bar space, you must purchase the container bar and separate bathroom structure from either us or an approved third-party manufacturer. The structures will be substantially built out and complete, with certain equipment installed. If you choose to purchase your container(s) from an approved manufacturer you will pay us a Design and Project Management Fee that is 15% of the purchase price of the container(s) because of our significant time and effort in developing the plans and working with the manufacture. 50% of the Design and Project Management Fee will be payable upon ordering your container(s) from the manufacturer, and 50% will be payable when you make your final payment to the manufacturer.

E. Retail Products. You must purchase all retail items according to our specifications and from vendors that we specify. Such items include, but are not limited to, t-shirts, jackets, sweatshirts, hats, keychains, stickers, decals, and dog items such as treats, collars, leashes, and bandanas.

F. Signage. You must purchase all primary signage from us. You may not purchase primary signage from an alternate source unless we provide approval in writing. You must purchase all secondary signage according to our specifications and from a vendor(s) that we designate.

G. Security Camera System. We require you to purchase, from an approved vendor, and install our specified security camera system.

Us or our Affiliates as Supplier

Except as disclosed above regarding your container bar and bathroom and required signage, neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

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

Alternative Suppliers

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

supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

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

Revenue to Us and Our Affiliates

We will derive revenue from the required purchases and leases by franchisees (specifically, the container bar, if your location requires one). Our total revenue in the prior fiscal year ending December 31, 2023 was $0. Our revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year was $0. The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 0%.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 40% to 60% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 40% to 60% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so. We have the right to earn a profit from any product we supply or from designated suppliers. We are not required to give you an accounting of any payments we receive from designated suppliers, nor are we required to share any benefits of supplier payments with you or with any other franchisee.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

Benefits Provided to You for Purchases

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

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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	Section in franchise or other agreement	Disclosure document item
a. Site selection and acquisition/lease	Franchise Agreement: §§ 6.1, 6.2 MUDA: §3	Item 11
b. Pre-opening purchase/leases	Franchise Agreement: §§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Franchise Agreement: Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	Franchise Agreement: §§ 5.2, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	Franchise Agreement: §§ 6.5, 6.6 MUDA: §1	Items 7, 8 and 11
f. Fees	Franchise Agreement: Article 4, §§ 5.3, 7.8, 8.4, 10.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17.6 MUDA: §1	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Franchise Agreement: §§ 6.3, 7.1, 7.3 – 7.8, 7.10 – 7.13, 7.15, 9.1, 10.1, 10.4, 11.1 MUDA: §6	Items 8, 11 and 14
h. Trademarks and proprietary information	Franchise Agreement: Article 12, § 13.1	Items 13 and 14

Obligation	Section in franchise or other agreement	Disclosure document item
i. Restrictions on products/services offered	Franchise Agreement: § 7.3, 7.5	Items 8, 11 and 16
j. Warranty and customer service requirements	Franchise Agreement: §§ 7.3, 7.5, 7.9, 7.10	Item 8
k. Territorial development and sales quotas	Franchise Agreement: § 2.2	Item 12
l. Ongoing product/service purchases	Franchise Agreement: Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Franchise Agreement: §§ 3.2, 7.13, 15.2	Items 6, 7 and 8
n. Insurance	Franchise Agreement: § 7.15	Items 6, 7 and 8
o. Advertising	Franchise Agreement: Article 9	Items 6, 7, 8 and 11
p. Indemnification	Franchise Agreement: Article 16	Items 6 and 8
q. Owner's participation/management/staffing	Franchise Agreement: §§ 2.4, 7.5	Item 15
r. Records and reports	Franchise Agreement: Article 10	Item 11
s. Inspections and audits	Franchise Agreement: §§ 10.5, 11.2	Items 6 and 11
t. Transfer	Franchise Agreement: Article 15 MUDA: §7	Items 6 and 17
u. Renewal	Franchise Agreement: §§ 3.2, 18.11 MUDA: §7	Item 17
v. Post-termination obligations	Franchise Agreement: Article 13, §§ 14.3, 14.4	Item 17
w. Non-competition covenants	Franchise Agreement: § 13.2	Item 17
x. Dispute resolution	Franchise Agreement: Article 17 MUDA: §7	Items 6 and 17

Item 10
FINANCING

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

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

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We will review and advise you regarding potential locations that you submit to us. (Section 5.2). If you sign a Multi-Unit Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

(i) We generally do not own your premises and lease it to you.

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. You must find a potential site and submit your site to us for approval, together with all information and documents about the site that we request. When we accept a site, we will issue a Location Acceptance Letter (in the form of Attachment 2 to the Franchise Agreement).

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings (if any), and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement.

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

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

C. *Container Bar*. If your site requires a shipping container to be used as the bar space, you must purchase the container bar and separate bathroom structure from either us or an approved third-party manufacturer . The container bar will be substantially built out and complete, with certain equipment installed. Either we or the approved third-party manufacturer will deliver the container bar to you (via a third-party shipping company). You will be responsible for having your site ready (such as plumbing, footings, and power), and you will be responsible for installing the container bar on your premises. (Section 6.4)

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

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

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

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

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

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

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

Length of Time to Open

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

Our Post-Opening Obligations

After you open your business:

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

B. *Hiring and training employees*. All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.3)

D. *Establishing prices*. Upon your request, we will provide recommended prices for products and services. In general, you may determine the prices you charge for your products and services, however, we have the right to set prices for all types and levels of memberships in the your business subject to applicable laws. (Section 5.3).

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

F. *Marketing Fund*. We will administer the Marketing Fund (Section 5.3). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon written request. (Section 9.3)

G. *Website*. We will maintain a website for the Wagbar brand (Section 5.3). Currently, you are responsible for maintaining the subwebsite (which will be connected to our main website) for your location.

Advertising

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

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. We may permit you to operate social media accounts and other digital marketing for your business, but we have the right to establish and control all

such digital marketing. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws.

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

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We do not have the right to require you to participate in a local or regional advertising cooperative.

Marketing Fund. You and all other franchisees must contribute to our Marketing Fund. Your contribution is 1% of adjusted gross sales per month. We reserve the right to increase the Marketing Fund Contribution to 2% of adjusted gross sales (after at least 30 days' prior written notice to you). We reserve the right to have other franchisees contribute a different amount or at a different rate. Outlets that we or our affiliates own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

Because we are a new franchisor, we did not spend any money from the Marketing Fund in our most recently concluded fiscal year ending December 31, 2023.

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

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

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business.

Required spending. After you open, you must spend at least 2% of your adjusted gross sales each month on marketing your business. This amount is only a minimum requirement, and we do not represent that it is the optimal amount of money for you to spend on marketing. We reserve the right to increase your local marketing requirement to up to 4% of your adjusted gross sales.

Point of Sale and Computer Systems

We require you to use Square as your point-of-sale system. Other software that we require includes MIS membership software and Intuit QuickBooks Online. These systems are designed as business management tools that we utilize for a wide array of business operations at Wagbar. The systems streamline our Point-of-Sale (POS) transactions, payroll processing, scheduling, tax calculations, payment processing, gift card management, inventory tracking, and business reporting.

We require you to have the following items for your computer system: 2 Square registers (no cash drawers needed since we are a card only business), 1 Square receipt printer, 2 tablets for

the membership system, a Wi-Fi extender, a gate latch system, one iPhone with a back-up Square reader, and a color office printer.

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

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

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

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $1,800 to $2,400.

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

Operations Manual

See Exhibit G for the table of contents of our Operations Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Manual has 158 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction (Overview, Company Values, Vision, Purpose, & History)	2	0	Weaverville, NC
Systems	2	1	Weaverville, NC
Bark Ranger & Gate Attendant	1	11	Weaverville, NC
Bar Training	2	10	Weaverville, NC
Daily Operation	2	.5	Weaverville, NC
Marketing, Social Media, & Events	2	0	Weaverville, NC
Managing the Business	4	0	Weaverville, NC
Customer Service & Retention	1	0	Weaverville, NC
Ongoing Responsibilities & Expectations	1	0	Weaverville, NC

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
TOTALS:	17	22.5	

Training classes will be scheduled in accordance with the number of new franchisees. Training will be held at our business location in Asheville, North Carolina. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

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

Training classes will be led or supervised by Kendal Kulp, our CEO. His experience is described in Item 2. He has four years of experience in our industry, and four years of experience with us or our affiliates.

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

You must attend our initial training program. You may send up to two additional people to training, including a general manager at your option. You must complete training to our satisfaction at least four weeks before opening your business.

Your business must at all times be under your on-site supervision or under the on-site supervision of a manager that you have properly trained.

We do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12
TERRITORY

Your Location

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

Grant of Territory

Your franchise agreement will specify a territory, which will be determined by us. Your territory will have a population of approximately 100,000 - 250,000 people. Your territory will usually be specified as a radius around your location; however, we may use other boundaries (such as county lines or other political boundaries, streets, geographical features, or trade area). If your business location is not known when you sign your franchise agreement, then we will state your location and territory in a "Location Acceptance Letter" when we approve your location. If we do

not state your territory in writing before you open your business to the public, your territory will be deemed to be a five-mile radius.

Relocation; Establishment of Additional Outlets

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

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right to establish a mutually-agreed number of additional outlets on a mutually-agreed schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Wagbar business, (3) you must be in compliance with all brand requirements at your open Wagbar business(es), and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. For each future site, you must sign our then-current form of Franchise Agreement, which may be materially different than the original Franchise Agreement that you signed. You are not obligated to develop additional outlets under the MUDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

Options to Acquire Additional Franchises

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

Territory Protection

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

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

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

Soliciting by You Outside Your Territory

All marketing and advertising is subject to our approval.

You may make sales only to retail customers, and only at your business location. You are not permitted to make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations (other than sales of memberships via our website).

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

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13
TRADEMARKS

Principal Trademarks

The following are the principal trademarks that we license to you. Trademark 6316729 is owned by our affiliate, Wagbar, LLC and trademarks 6728408 and 6882633 are owned by our owner, Kendal Kulp. They are registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date	Registration Number
	May 24, 2022	6728408
	April 6, 2021	6316729
If I had a tail it'd be waggin	October 25, 2022	6882633

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

Determinations

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

Litigation

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

Agreements

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

Under License Agreements between us and Wagbar, LLC and between us and Kendal Kulp, we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement has no expiration. It may be modified only by mutual consent of the parties. It may be terminated by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks

for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Protection of Rights

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

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

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

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

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks. There may be other uses of marks similar to our trademarks that may affect your use of our trademarks. We cannot represent with certainty that we have exclusive or superior rights to our marks in all geographical areas.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

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

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operations Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials

during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

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

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

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

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

Proprietary Information

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

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

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

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

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

Your Participation

You must devote substantial time and attention to your business.

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

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B). We do not require spouses of owners (or any person who is not a party to the franchise agreement) to sign a personal guaranty.

"On-Premises" Supervision

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

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

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

Restrictions on Your Manager

We do not require you to place other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods (including food and drink offerings) and services that we have approved. Although we retain the right to determine or approve all offerings under our brand, we encourage you to stock local craft beers and will normally defer to your decision about your beer selection. We will not unreasonably withhold our approval for any drinks or snack offerings.

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

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

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1 Multi-Unit Development Agreement (MUDA): §1(a)	The term of the franchise agreement is 10 years from date of signing. The MUDA will expire on the date that your last franchise is scheduled to open.
b. Renewal or extension of the term	FA: § 3.2 MUDA: none	You may obtain a successor franchise agreement for up to two additional 10-year terms.
c. Requirements for franchisee to renew or extend	FA: §§ 3.2, 18.11 MUDA: none	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 10-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; have not defaulted more than twice under the franchise agreement; complied with all requirements of ethics and values; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law).

Provision	Section in franchise or other agreement	Summary
		If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 10-year term.
d. Termination by franchisee	FA: § 14.1 MUDA: § 4	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. If you sign a MUDA, you may terminate it at any time.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	FA: § 14.2 MUDA: § 4	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity. If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA.
g. "Cause" defined--curable defaults	FA: § 14.2 MUDA: none	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non-curable defaults	FA: § 14.2 MUDA: § 4	FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; fail to open by specified deadline; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of ethics and values; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; cease operations; operate in a manner dangerous to health or safety of any person or dog; recklessly or knowingly allow dogs on the premises which are a danger to other dogs or people; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or

Provision	Section in franchise or other agreement	Summary
		commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.3 – 14.6 MUDA: none	Pay all amounts due; return Manual and proprietary items; cancel assumed names; cancel or transfer phone, post office boxes, directory listings, and digital marketing accounts; cease doing business; not use or sell any membership data and customer data; remove identification; purchase option by us.
j. Assignment of contract by franchisor	FA: § 15.1 MUDA: § 7	Unlimited
k. "Transfer" by franchisee - defined	FA: Article 1 MUDA: Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	FA: § 15.2 MUDA: § 7	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	FA: § 15.2 MUDA: none	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release (subject to state law); business complies with then-current system specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5 MUDA: none	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.

Provision	Section in franchise or other agreement	Summary
o. Franchisor's option to purchase franchisee's business	FA: § 14.6 MUDA: none	When your franchise agreement expires or is terminated, we will have the right to purchase any or all of the assets of your business.
p. Death or disability of franchisee	FA: §§ 2.4, 15.4 MUDA: none	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	FA: § 13.2 MUDA: none	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2 MUDA: none	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former territory (or of your site selection area if no territory had been set) or of the territory of any other Wagbar business operating on the date of termination or expiration.
s. Modification of the agreement	FA: § 18.4 MUDA: § 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	FA: § 18.3 MUDA: § 7	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, no claim made in any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	FA: § 17.1 MUDA: § 7	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	FA: §§ 17.1; 17.5 MUDA: § 7	Arbitration will take place where our headquarters is located (currently, Asheville, North Carolina) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8 MUDA: § 7	North Carolina (subject to applicable state law).

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

	2021		2022		2023	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Sales	$430,667.50	100%	$405,983.47	100%	$392,702.72	100%
Cost of Goods Sold	$109,961.89	26%	$80,738.95	20%	$89,721.47	23%
Labor Cost	$96,594.63	22%	$75,567.92	19%	$74,324.44	19%
Rent	$22,849.00	5%	$23,196.00	6%	$23,796.00	6%
Other Costs	$120,196.59	28%	$115,739.49	29%	$119,708.40	30%
Net Profit	**$81,065.39**	**19%**	**$110,741.11**	**27%**	**$85,152.41**	**22%**
Royalty Fee	$25,840.05	6%	$24,359.01	6%	$23,562.16	6%
Marketing Fund	$6,460.01	1.5%	$6,089.75	1.5%	$5,890.54	1.5%

Notes

1. The table above shows a summary profit statement (with the adjustments described in Notes 2-5 below) for the Wagbar operated by our affiliate Wagbar, LLC in calendar years 2021, 2022, and 2023. It is the only location that operated during any of these years. This information is a historic financial performance representation.

2. This Wagbar business is located in Weaverville, NC, a small town north of Asheville, NC. Characteristics of this outlet related to its geographic location, such as population density and climate, may differ materially from those of the outlet that may be offered to you.

3. "Sales" means the total revenue derived from the sale of goods or services less discounts and refunds. It does not include sales taxes. It does not include gratuities collected on behalf of employees. For 2023, Employee Retention Credit income was excluded from sales.

4. "Labor Cost" is our affiliate's cost of hourly labor, including bonuses, payroll taxes, workers comp insurance, and payroll processing. It also includes payment for live music performances. It does not include salary or compensation for our owners.

5. Rent in 2023 excludes rent paid for off-site office space.

6. "Other Costs" includes various other operating expenses, such as restaurant supplies, dog park and building maintenance and supplies, decorations, rental equipment, uniforms, advertising and marketing, bank charges and fees, dues and subscriptions, insurance, accounting services, legal services, meals and entertainment, staff meals, software, internet and phone service, repairs and maintenance, governmental permits, transportation, and utilities. For 2023, accounting fees incurred that were related to the Employee Retention Credit are excluded from expenses.

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

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

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

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

Other than the preceding financial performance representation, Wagbar Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kendal Kulp, 34 Magnolia Avenue, Asheville, NC 28801, and 828-554-1021, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	1	1	0
	2022	1	1	0
	2023	1	1	0

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
N/A	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
North Carolina	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

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

Table 5
Projected Openings As Of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
North Carolina	1	0	0
South Carolina	0	1	0
Texas	1	0	0
Totals	2	1	0

Current Franchisees

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

Former Franchisees

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

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

Confidentiality Clauses

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

Franchisee Organizations

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

Item 21
FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit F contains our audited financial statements for the year ended December 31, 2023, and our unaudited interim financial statements for the period from January 1, 2024 through August 31, 2024. Our fiscal year end is December 31.

Item 22
CONTRACTS

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

B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Multi-Unit Development Agreement
D. Rider to Lease Agreement
E. Form of General Release
J. EFT Authorization Form

Item 23
RECEIPTS

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

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

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

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

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

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	_____
2.	**Initial Franchise Fee**	_____
3.	**Site Selection Area**	_____
4.	**Business Location**	_____
5.	**Territory**	_____
6.	**Opening Deadline**	_____
7.	**Principal Executive**	_____
8.	**Franchisee's Address**	_____

FRANCHISE AGREEMENT

This Agreement is made between Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising"), and Franchisee effective as of the date signed by Wagbar Franchising (the "Effective Date").

Background Statement:

A. Wagbar Franchising and its affiliate Wagbar, LLC have created and own a system (the "System") for developing and operating a business which integrates an off-leash dog park with a bar concept, under the trade name "Wagbar".

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

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

ARTICLE 1. DEFINITIONS

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

"**Adjusted Gross Sales**" means the total dollar amount of all sales and other income generated through the Business for a given period, including, but not limited to, payment for any services, products, or memberships sold by Franchisee, whether for cash or credit. Adjusted Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, or (iii) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Adjusted Gross Sales). Service gratuities directed by customers to employees are not counted towards Adjusted Gross Sales.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Wagbar Franchising.

"**Business**" means the Wagbar business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which includes an off-leash dog park.

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

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

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

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

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

"**Manual**" means Wagbar Franchising's confidential Operations Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marketing Fund**" means the fund established (or which may be established) by Wagbar Franchising into which Marketing Fund Contributions are deposited.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Wagbar Franchising from time to time for use in a Wagbar business.

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

"**Privacy Information**" means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver's license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or

other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which Wagbar Franchising requires franchisees to use.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Wagbar Franchising, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), environmental protection and sustainability, equipment, inventory, maintenance, marketing and public relations, minimum numbers and types of personnel, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), refund and replacement policies, reporting, safety, Technology , payment acceptance systems (including credit and debit card systems, check verification services, and other payment systems, as well as any compliance programs relating to those systems), and internet access, as well as upgrades, supplements, and modifications thereto), temporary operational changes due to special circumstances (such as a pandemic), uniforms, and vehicles.

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

"**Territory**" means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

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

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Wagbar Franchising grants to Franchisee the right to operate a Wagbar business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate a Wagbar business at the Location for the entire term of this Agreement.

2.2 Protected Territory. Wagbar Franchising shall not establish, nor license the establishment of, another business within the Territory selling the same or similar goods or services under the same or similar trademarks or service marks as a Wagbar business. This prohibition does not apply to any Wagbar business operating or under construction when the Territory is determined. Wagbar Franchising retains the right to:

(i) establish and license others to establish and operate Wagbar businesses outside the Territory, notwithstanding their proximity to the Territory or their potential impact on the Business;

(ii) operate and license others to operate businesses anywhere that do not sell the same or similar goods or services under the same or similar trademarks or service marks as a Wagbar business; and

(iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Wagbar outlets.

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

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

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

2.6 No Conflict. Franchisee represents to Wagbar Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition

covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

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

(i) Franchisee notifies Wagbar Franchising of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Wagbar Franchising (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee did not (A) receive written notice of default under this Agreement from Wagbar Franchising more than twice during the term, or (B) failed to cure a written notice of default under this Agreement within the cure period (if any) provided in this Agreement;

(iv) Franchisee and its Owners complied with Section 7.25 of this Agreement at all times during the term;

(v) Franchisee has made or agrees to make (within a period of time acceptable to Wagbar Franchising) renovations and changes to the Business as Wagbar Franchising requires to conform to the then-current System Standards;

(vi) Franchisee and its Owners execute Wagbar Franchising's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that the form of the franchise agreement will be amended to provide that Franchisee will not pay another initial franchise fee and to provide that Franchisee will not receive more renewal or successor terms than originally granted to Franchisee; and

(vii) Franchisee and each Owner executes a general release (on Wagbar Franchising's then-standard form) of any and all claims against Wagbar Franchising, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

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

4.2 Royalty Fee. Franchisee shall pay Wagbar Franchising a royalty fee (the "Royalty Fee") equal to 6% of Adjusted Gross Sales. The Royalty Fee for any given month is due on the 5th day of the following month. Wagbar Franchising reserves the right to change Franchisee's payment period, i.e., to weekly or bi-weekly, after providing 30 days' notice of such change to Franchisee.

4.3 Marketing Fund Contributions. Franchisee shall pay Wagbar Franchising a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 1% of Franchisee's Adjusted Gross Sales, at the same time as the Royalty Fee. Wagbar Franchising retains the right to raise the Marketing Fund Contribution to up to 2% of Franchisee's Adjusted Gross Sales, after at least 30 days prior notice.

4.4 Technology Fee. Wagbar Franchising reserves the right to charge Franchisee a commercially-reasonable fee (the "Technology Fee") in exchange for software and other technology-related services and products provided by or through Wagbar Franchising. The Technology Fee does not have to be a pass-through of Wagbar Franchising's exact costs. Wagbar Franchising has no liability or obligation to Franchisee with respect any third-party software or other technology-related services and products that Wagbar Franchising provides to Franchisee. The Technology Fee for a given period is due and payable at the same time as the Royalty Fee, unless Wagbar Franchising determines otherwise. Wagbar Franchising may add, remove, or alter the software or technology products or services that it provides. Wagbar Franchising may change Technology Fee after at least 30 days' notice.

4.5 Design and Project Management Fee. If Franchisee purchases their container bar and bathroom from an approved manufacturer, Franchisee will pay Wagbar Franchising 15% of the purchase price of the container(s) because of Wagbar Franchising's significant time and effort in developing the plans and working with the manufacturer (the "Design and Project Management Fee"). 50% of the Design and Project Management Fee will be payable upon Franchisee ordering their container(s) from the manufacturer, and 50% will be payable when Franchisee makes their final payment to the manufacturer.

4.6 Replacement / Additional Training Fee. If Franchisee sends an employee to Wagbar Franchising's training program after opening, Wagbar Franchising may charge its then-current training fee. As of the date of this Agreement, the training fee is $600 per person per day.

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

4.8 Reimbursement. Wagbar Franchising may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Wagbar Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to

Wagbar Franchising within 15 days after invoice by Wagbar Franchising accompanied by reasonable documentation.

4.9 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, Technology Fee, and any other amounts owed to Wagbar Franchising by pre-authorized bank draft or in such other manner as Wagbar Franchising may require. Franchisee shall comply with Wagbar Franchising's payment instructions, including executing all documents reasonably required by Wagbar Franchising. If Wagbar Franchising permits Franchisee to pay by credit card or other method which causes Wagbar Franchising to incur a processing fee, Franchisee shall be responsible for the amount of the processing fee.

(b) Calculation of Fees. Franchisee shall report monthly Adjusted Gross Sales to Wagbar Franchising by the 5th day of the following month. If Franchisee fails to report monthly Adjusted Gross Sales, then Wagbar Franchising may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Adjusted Gross Sales reported to Wagbar Franchising, and the parties will true-up the actual fees after Franchisee reports Adjusted Gross Sales. Franchisee acknowledges that Wagbar Franchising has the right to remotely access Franchisee's point-of-sale system to calculate Adjusted Gross Sales.

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

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

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

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

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

(h) Taxes. Franchisee will be responsible for (and shall immediately remit to Wagbar Franchising upon demand) all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Wagbar Franchising or its affiliates and on services or goods furnished to

Franchisee by Wagbar Franchising or its affiliates, unless the tax is an income tax assessed on Wagbar Franchising or its affiliate for doing business in the state where the Business is located.

(i) Alcohol. If applicable law (state or local) prohibits or restricts Franchisee's ability to pay (or Wagbar Franchising's ability to collect) Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages by the Business, or if such law would require Wagbar Franchising be licensed to sell alcoholic beverages, then the parties will exclude alcoholic beverage sales from Adjusted Gross Sales and mutually agree on a substitute so as to provide the same basic economic effect of a Royalty Fee.

ARTICLE 5. ASSISTANCE

5.1 Manual. Wagbar Franchising shall make its Manual available to Franchisee, in such format as Wagbar Franchising deems appropriate.

5.2 Pre-Opening Assistance.

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

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

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

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

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

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

(g) On-Site Opening Assistance. Wagbar Franchising shall have a representative support Franchisee's business opening with at least 3 days of onsite opening training and assistance, at Wagbar Franchising's expense.

5.3 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Wagbar Franchising shall provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Wagbar Franchising deems reasonable. If Wagbar Franchising provides in-person support in response to Franchisee's request, Wagbar Franchising may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Wagbar Franchising shall provide recommended prices for products and services offered by franchisees of the System.

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

(d) Marketing. Wagbar Franchising shall manage the Marketing Fund.

(e) Internet. Wagbar Franchising shall maintain a website for the Wagbar brand. Wagbar Franchising reserves the right to require Franchisee to bear the cost and responsibility for maintaining a subwebsite for Franchisee's Business.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page, then Franchisee shall identify a potential Location within the Site Selection Area described on the Summary Page. Franchisee acknowledges that Franchisee does not have any territorial or other rights to the Site Selection Area and that it is only provided for the purpose of delineating the area within which Franchisee must locate an acceptable Location for the Business. Franchisee shall submit its proposed Location to Wagbar Franchising for acceptance, with all related information and documents Wagbar Franchising may request. If Wagbar Franchising does not accept the proposed Location in writing within 30 days, then it is deemed rejected. When Wagbar Franchising accepts the Location, it will issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Territory. Wagbar Franchising shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document. If Wagbar Franchising fails to state the Territory in writing before Franchisee opens the Business to the public, the Territory will be deemed to be a 5-mile radius around the front entrance of the Location. **Wagbar Franchising's advice regarding or acceptance of a proposed Location is not a representation or warranty that the Business will be successful or that the Business is permitted to be operated at the Location under applicable laws or zoning ordinances, and Wagbar Franchising has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Wagbar Franchising, Franchisee must submit the proposed lease to Wagbar Franchising for written approval, (ii) the term of the lease (including renewal terms) must be for a

period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Wagbar Franchising. This requirement does not apply if the landlord is an affiliate of Franchisee.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Wagbar Franchising's System Standards. If required by Wagbar Franchising, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Wagbar Franchising's approval of Franchisee's plans and without first obtaining any required permits or licenses necessary to commence such construction or remodeling work. Franchisee must engage a qualified licensed general contractor to perform such construction or remodeling work. Wagbar Franchising may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Wagbar Franchising or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Wagbar Franchising assumes no liability with respect thereto. Wagbar Franchising's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 Container Bar and Container Bathroom/Storage Structures. If the Location requires a shipping container to be used as the bar space, Franchisee must purchase the container bar and separate container bathroom/storage structure from Wagbar Franchising (or an affiliate) or from a third-party manufacturer that is approved by Wagbar Franchising. Wagbar Franchising or the third-party manufacturer will deliver the containers to Franchisee substantially complete and with certain equipment installed. Franchisee will be responsible for having the Location ready for the containers installed (such as plumbing, footings, and power). Franchisee will be responsible for the cost of installing the containers.

6.5 New Franchisee Training. Franchisee's Principal Executive must complete Wagbar Franchising's training program for new franchisees to Wagbar Franchising's satisfaction at least four weeks before opening the Business.

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

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

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

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards, as they are now or hereafter established. Franchisee acknowledges and agrees that the products and services offered under the Marks have a reputation for excellence and that Franchisee's compliance with all System Standards is of the utmost importance to Wagbar Franchising.

7.2 Compliance with Law.

(a) Generally. Franchisee and the Business shall comply with all laws, rules, ordinances, and regulations applicable to Franchisee or to the Business. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business. Franchisee is solely responsible for all such compliance, notwithstanding any information provided by Wagbar Franchising.

(b) Health Inspections. If the Business is subject to health code inspections, then Franchisee must achieve a health code inspection score of 90, "A" or higher pursuant to the grading or rating system of the applicable governmental authority. If the applicable government authority does not score inspections on a numerical or alphabetical scale, then a rating by the governing body similar in nature to a "90" or "A" will be the governing standard. Franchisee will provide Wagbar Franchising a copy of any inspection report and score within two business days after receipt.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Wagbar Franchising in the Manual or otherwise in writing. Wagbar Franchising will not unreasonably withhold its approval of any beverage or snacks that Franchisee desires to offer. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Wagbar Franchising, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall maintain sufficient levels of inventory at all times. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards.

7.4 Pricing. Except with respect to the memberships under Section 7.5, Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Memberships.

(a) Generally. Franchisee shall offer and sell memberships services to the public on the terms and conditions that Wagbar Franchising specifies from time to time, which may include, without limitation codes of conduct, waivers of liability, and termination procedures. Wagbar Franchising may require Franchisee to offer various levels and types of memberships specified by Wagbar Franchising. Franchisee will collect such data from members as Wagbar Franchising may require from time to time. Wagbar Franchising has the right to communicate directly with members.

(b) Membership Agreements. Franchisee will have all members executed a written Membership Agreement. Franchisee shall use the Membership Agreement form provided by Wagbar Franchising, except that Franchisee is solely responsible for ensuring that the Membership Agreement used for Franchisee's location complies with all applicable state and local laws. Franchisee may make changes for such legal compliance, provided that Franchisee shall first notify Wagbar Franchising of such changes.

(c) Reciprocity. Wagbar Franchising has the right to establish a reciprocity program that permits members from Franchisee's Business to use other Wagbar locations and vice versa, under such terms and conditions as Wagbar Franchising may establish from time to time.

(d) Membership Transfers. If a member of Franchisee's Business primarily uses another Wagbar location, or vice versa, Wagbar Franchising has the right to require a transfer of the member. Wagbar Franchising has the right to set terms and conditions for membership transfers.

(e) Membership Prices. Wagbar Franchising retains the right to set prices for all types and levels of memberships, subject to applicable laws.

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

(i) not permit any dogs to enter the premises of the Business without proof of proper vaccinations;

(ii) comply with all System Standards related to safety, sanitation, and animal welfare,

(iii) post and enforce the rules for customer safety and conduct issued by Wagbar Franchising (which Wagbar Franchising may revise at any time);

(iv) protect the safety of all dogs and customers at the Business;

(v) use the security camera system required by or approved by Wagbar Franchising, and permit Wagbar Franchising unlimited remote access to the live feeds and recordings;

(vi) report any health or safety issue (including any injuries) involving a pet or a person at the Business to Wagbar Franchising, using Wagbar Franchising's required incident report form. and

(vii) use the gate-locking mechanism required by or approved by Wagbar Franchising.

7.7 Personnel.

(a) Supervision. The Business must at all times be under the on-site supervision of the Principal Executive or a manager or other employee that has been properly trained and qualified by the Principal Executive.

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

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

(d) Qualifications. Wagbar Franchising may set minimum qualifications for categories of employees employed by Franchisee.

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

(f) Sole Responsibility. Franchisee is solely responsible for all hiring decisions and all terms and conditions of employment of all of its personnel, including recruiting, hiring, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Wagbar Franchising are not joint employers, and no employee of Franchisee will be an agent or employee of Wagbar Franchising.

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

7.8 Technology. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all Technology required by Wagbar Franchising. Wagbar Franchising has the right to prohibit Franchisee from using any Technology which is not approved or required by Wagbar Franchising. Franchisee shall enter into any subscription and support agreements related to the Technology that Wagbar Franchising may require. Franchisee shall upgrade, update, or replace any Technology from time to time as Wagbar Franchising may require. Franchisee shall protect the confidentiality and security of all Technology, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Wagbar Franchising unlimited access to Franchisee's Technology used in the Business, by any means designated by Wagbar Franchising.

Despite Franchisee's obligation to acquire and use Technology according to System Standards, Franchisee has sole and complete responsibility for: (a) acquiring, operating, maintaining, and upgrading Franchisee's Technology; (b) the manner in which Franchisee's Technology interfaces with Wagbar Franchising's and any third party's computer system; (c) any and all consequences if Franchisee's Technology is not properly operated, maintained, and upgraded; (d) complying at all times with the most current version of the Payment Card Industry Data Security Standards, and (e) complying at all times with all laws governing the use, disclosure, and protection of Privacy Information.

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

7.10 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Wagbar Franchising for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Wagbar Franchising shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Wagbar Franchising for such programs. Wagbar Franchising may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.11 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Wagbar Franchising (which may include, for example, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Wagbar Franchising. Franchisee shall not use any unapproved method of accepting payment.

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

7.13 Maintenance, Repair, and Alterations. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all of the equipment and other property of the Business in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Wagbar Franchising may prescribe from time to time, including but not limited to replacement of obsolete or worn-out signage, furnishings,

equipment, and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, replacement, and repair. Franchisee shall not alter or replace the equipment, fixtures, furniture, signs, décor, or other aspects of the interior or exterior of the Business except in compliance with all applicable System Standards or except with prior approval from Wagbar Franchising.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Wagbar Franchising requires, including any national or regional brand conventions or conferences. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

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

(i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible);

(ii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(iii) separate coverage for liquor liability (commonly referred to as Dram Shop Liability) with limits of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit

(iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(v) Workers Compensation coverage as required by state law.

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

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

7.16 Music Licensing. Franchisee shall obtain and pay for all necessary licenses for public performance of music.

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

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

7.19 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Wagbar Franchising's prior written approval, which will not be unreasonably withheld. Any donation or support of a dog-focused charity or cause is deemed to be automatically approved.

7.20 No Other Activity Associated with the Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Wagbar Business. Franchisee shall not use assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Wagbar businesses.

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

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

7.23 Privacy Practices.

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

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

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

(d) In the event of a Data Security Event, Franchisee must notify Wagbar Franchising immediately after becoming aware of the Data Security Event and shall cooperate with Wagbar Franchising and follow all of Wagbar Franchising's reasonable requests to address the Data Security Event and to protect any Privacy Information and/or Confidential Information. Wagbar

Franchising, or its designee, has the right, but not the obligation, to take any action or pursue any proceeding with respect to the Data Security Event. Franchisee shall indemnity Wagbar Franchising from any Losses related to a Data Security Event.

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

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

ARTICLE 8. SUPPLIERS AND VENDORS

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

8.2 Alternate Vendor Approval. If Wagbar Franchising requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Wagbar Franchising. Wagbar Franchising may approve or disapprove the alternative vendor in its sole discretion. Wagbar Franchising may condition its approval on such criteria as Wagbar Franchising deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Wagbar Franchising shall provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Wagbar Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Wagbar Franchising. Wagbar Franchising may approve or disapprove the alternative Input in its sole discretion. Wagbar Franchising shall provide Franchisee with written notification of the

approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

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

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

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

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by Wagbar Franchising. Wagbar Franchising may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, including any social media policy that Wagbar Franchising may prescribe. Franchisee shall implement any marketing plans or campaigns determined by Wagbar Franchising.

9.2 Use by Wagbar Franchising. Wagbar Franchising may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Wagbar Franchising for such purpose.

9.3 Marketing Fund. Wagbar Franchising has established or may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If Wagbar Franchising has established a Marketing Fund:

(a) Account. Wagbar Franchising shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Wagbar Franchising's other accounts.

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

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

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

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

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

9.4 Required Spending. After the Business opens to the public, Franchisee shall spend at least 2% of Adjusted Gross Sales each month on marketing the Business. Within 10 days after request by Wagbar Franchising, Franchisee shall furnish proof of its compliance with this Section. Wagbar Franchising has the discretion to determine in good faith what activities constitute "marketing" under this Section. Wagbar Franchising reserves the right to increase Franchisee's marketing requirement to up to 4% of Adjusted Gross Sales.

9.5 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Wagbar Franchising's approval of the market introduction plan at least 30 days before the projected opening date of the Business.

ARTICLE 10. RECORDS AND REPORTS

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

10.2 Reports.

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

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of each calendar year; and

(iii) any information Wagbar Franchising requests in order to prepare a financial performance representation for Wagbar Franchising's franchise disclosure document, within 30 days after request.

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

(c) Health and Safety Issues. Franchisee shall promptly notify Wagbar Franchising of any health or safety issue (including any injuries) involving a pet or a person at the Business. Franchisee shall comply with any System Standards applicable to reporting health and safety compliance, procedures, and issues.

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

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

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

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but

not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Wagbar Franchising may specify in the Manual or otherwise in writing.

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

ARTICLE 11. FRANCHISOR RIGHTS

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

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

11.3 Wagbar Franchising's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Wagbar Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee, including entering the premises of the Business and curing the default without notice to Franchisee. Franchisee shall

reimburse Wagbar Franchising for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

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

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

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

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

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

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

11.10 Delegation. Wagbar Franchising may delegate any duty or obligation of Wagbar Franchising under this Agreement to an affiliate or to a third party.

11.11 System Variations. Wagbar Franchising may vary or waive any System Standard for any one or more Wagbar franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices,

applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

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

11.13 Temporary Public Safety Closure. If Wagbar Franchising discovers or becomes aware of any aspect of the Business which, in Wagbar Franchising's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Wagbar Franchising's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Wagbar Franchising shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

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

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

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Wagbar Franchising shall defend Franchisee (at Wagbar Franchising's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark,

and (ii) Wagbar Franchising shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

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

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

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

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Wagbar Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized in writing by Wagbar Franchising, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Wagbar Franchising (except for Confidential Information which Wagbar Franchising licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

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

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor within five miles of Franchisee's Territory or within five miles of the territory of any other Wagbar business operating on the date of expiration, termination, or transfer, as applicable. If this Agreement is terminated before the Territory is determined, then the area of non-competition will be the Site Selection Area and within five miles territory of any other Wagbar business operating on the date of termination. If a given Wagbar business does not have a defined territory, then for purposes of this Section its territory will be deemed to be a 3-mile radius.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties

intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Wagbar Franchising. Franchisee agrees that the existence of any claim it may have against Wagbar Franchising shall not constitute a defense to the enforcement by Wagbar Franchising of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

ARTICLE 14. DEFAULT AND TERMINATION

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

14.2 Termination by Wagbar Franchising.

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

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

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

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Wagbar Franchising;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 7.25 (business practices and values), Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vii) Franchisee ceases operation of the Business for more than five consecutive days, or Wagbar Franchising reasonably concludes that Franchisee has ceased operation of the Business;

(viii) Franchisee or any Owner slanders or libels Wagbar Franchising or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Wagbar Franchising or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;

(x) the Business is operated in a manner which, in Wagbar Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any pet or person;

(xi) Franchisee recklessly or knowingly allows dogs on the premises of the Business which are a danger to other dogs or people (due to temperament, training or lack thereof, illness, lack of required vaccinations, other otherwise);

(xii) Franchisee has received two or more notices of default (or a single notice of more than one default) and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xiii) Wagbar Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Wagbar Franchising the right to terminate this Agreement);

(xiv) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Wagbar Franchising's opinion is reasonably likely to materially and unfavorably affect the Wagbar brand.

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

(i) pay all amounts owed to Wagbar Franchising based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Wagbar Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Wagbar Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee); and delete all Confidential Information and proprietary materials from electronic devices;

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

(iv) cease use of all membership data and customer data (which Franchisee acknowledges is the sole property of Wagbar Franchising) for any reason, and not sell or transfer such data to any other person or entity; and

(v) cease doing business under any of the Marks.

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

14.5 Liquidated Damages. If Wagbar Franchising terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Wagbar Franchising a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average weekly Royalty Fees and Marketing Fund Contributions that Franchisee owed to Wagbar

Franchising under this Agreement for the last 52 full weeks that Franchisee operated the Business (disregarding any fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (1) 104 or (2) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 52 full weeks, then (x) will equal the average weekly Royalty Fees and Marketing Fund Contributions that Franchisee owed to Wagbar Franchising during the full weeks that Franchisee operated the Business. The "average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Wagbar Franchising" shall be based on the obligations stated in Article 4, and shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions agreed to by Wagbar Franchising unless this Section 14.5 is specifically amended. Franchisee acknowledges that a precise calculation of the full extent of Wagbar Franchising's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Wagbar Franchising under this Section will be in lieu of any direct monetary damages that Wagbar Franchising may incur as a result of Wagbar Franchising's loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Wagbar Franchising after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Wagbar Franchising's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Wagbar Franchising is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Wagbar Franchising may have under this Agreement or otherwise. If liquidated damages are prohibited by applicable law or are otherwise deemed unenforceable for any reason, then Franchisee shall be liable for Wagbar Franchising's actual damages (including, without limitation, lost future profits) instead of liquidated damages.

14.6 Purchase Option. When this Agreement expires or is terminated, Wagbar Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Wagbar Franchising. To exercise this option, Wagbar Franchising must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Wagbar Franchising elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Wagbar Franchising's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Wagbar Franchising may withdraw it exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Wagbar Franchising. If Wagbar Franchising exercises the purchase option, Wagbar Franchising may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Wagbar Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Wagbar Franchising may pay a portion of the purchase price directly to the lienholder to pay off such lien. Wagbar Franchising may withhold 25% of the purchase price for 90 days to ensure that

all of Franchisee's taxes and other liabilities are paid. Wagbar Franchising may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

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

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

(i) Wagbar Franchising receives a transfer fee equal to $10,000 plus any broker fees and other out-of-pocket costs incurred by Wagbar Franchising;

(ii) the proposed Transferee and its owners have completed Wagbar Franchising's franchise application processes, meet Wagbar Franchising's then-applicable standards for new franchisees, and have been approved by Wagbar Franchising as franchisees;

(iii) the proposed Transferee is not a Competitor;

(iv) the proposed Transferee executes Wagbar Franchising's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the form will be amended to provide that proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed Transferee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to Wagbar Franchising and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Wagbar Franchising or its affiliates;

(vii) the proposed Transferee and its owners and employees undergo such training as Wagbar Franchising may require;

(viii) Franchisee, its Owners, and the Transferee and its owners execute a general release of Wagbar Franchising in a form satisfactory to Wagbar Franchising; and

(ix) the Business fully complies with all of Wagbar Franchising's most recent System Standards.

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

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

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

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

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

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Wagbar Franchising) Wagbar Franchising, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Wagbar Franchising and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the development or operation of the Business (including any injury suffered by any dog or person), or any acts or omissions of Franchisee or any of Franchisee's Owners, officers, directors, employees, or agents.

Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions which Franchisee proves arose solely as a result of any Indemnitee's intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

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

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

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

(b) Location. The place of arbitration shall be the city and state where Wagbar Franchising's headquarters are located.

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

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

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

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

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

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

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

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

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

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

ARTICLE 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Wagbar Franchising, addressed to 34 Magnolia Avenue, Asheville, NC 28801. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notices will be effective upon the earlier of: (i) receipt by the recipient, (ii) first rejection by the recipient, (iii) three business days after mailing if sent via registered or certified mail; or (iv) the next business day after mailing if sent via overnight courier. Notwithstanding the foregoing, Wagbar Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication, in which case notice would be effective on Franchisee upon the delivery of the electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any course of dealing by the parties), Wagbar Franchising may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Wagbar Franchising

specifies, or (ii) bind Franchisee to a renewal term of 10 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi).

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Wagbar Franchising does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Wagbar Franchising.

Agreed to by:

FRANCHISOR:

WAGBAR FRANCHISING, LLC

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

FRANCHISEE:

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

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

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

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

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

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

Name	Shares or Percentage of Ownership

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

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: _____

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

1. The Location of the Business is:

_____

2. The Territory of the Business is:

_____

WAGBAR FRANCHISING, LLC

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

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with Wagbar Franchising for the franchise of a Wagbar business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Wagbar Franchising to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Wagbar Franchising and its affiliates that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Wagbar Franchising and its affiliates, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Wagbar Franchising or its affiliates upon demand from Wagbar Franchising. Guarantor waives (a) acceptance and notice of acceptance by Wagbar Franchising of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Wagbar Franchising make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information, Guarantor shall (a) adhere to all security procedures prescribed by Wagbar Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Wagbar Franchising, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by

Wagbar Franchising or its affiliates (except for Confidential Information which Wagbar Franchising licenses from another person or entity). Guarantor acknowledges that all customer data collected or generated by the Business and all data collected or generated by the point-of-sale system (other than data regarding employees) is Confidential Information belonging to Wagbar Franchising. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

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

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within five miles of Franchisee's Territory or within five miles of the territory of any other Wagbar business operating on the date of expiration, termination, or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will be the Site Selection Area and within five miles the territory of any other Wagbar business operating on the date of termination. If a given Wagbar business does not have a defined territory, then for purposes of this Section its territory will be deemed to be a 3-mile radius.

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

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

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of North Carolina (without giving effect to its principles of conflicts of law). The parties agree that any North Carolina law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully

set forth herein. Guarantor shall pay to Wagbar Franchising and its affiliates all costs incurred by Wagbar Franchising or its affiliates (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

Attachment 4 to Franchise Agreement

CONDITIONAL ASSIGNMENT OF BRAND ACCOUNTS

This Assignment of Brand Accounts (this "Assignment") is executed by the undersigned ("Franchisee") in favor of Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising").

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

Franchisee agrees as follows:

1. Conditional Assignment. Franchisee hereby assigns to Wagbar Franchising (or its designee) all of Franchisee's rights, title, and interest in and to all telephone numbers, directory listings, email accounts, websites, social media accounts, and all other accounts and profiles for advertising and marketing on the internet or any electronic communications network ("Brand Accounts") associated with Wagbar and registered by Franchisee from time to time in connection with the operation of Franchisee's Business, such assignment to be effective upon (a) termination or expiration of the Franchise Agreement, or (b) notice from Wagbar Franchising to Franchisee, at which time Wagbar Franchising will have the right to assume ownership of any one or all Brand Accounts.

2. Transfer or Deletion. Franchisee hereby authorizes the service provider of each Brand Account (the "Provider") to transfer the Brand Account to Wagbar Franchising (or its designee) or to delete the Brand Account upon the written instruction of Wagbar Franchising. Franchisee hereby grants Wagbar Franchising an irrevocable limited power of attorney on behalf of Franchisee to direct any Provider to transfer or delete a Brand Account. In such an event, Franchisee will have no further right, title or interest in the Brand Account but will remain liable to the Provider for all past due fees owing to the Provider on or before the date on which the assignment is effective. Wagbar Franchising will have no liability or obligation of any kind to a Provider arising prior to the effective date of transfer or deletion. Franchisee agrees to take all reasonable steps necessary to effectuate the transfer or deletion (as determined by Wagbar Franchising) of each Brand Account.

[*Signatures on next page*]

Executed by:

FRANCHISEE:

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

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

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising") and _____, a _____ _____ ("Franchisee") on the Effective Date.

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

1. Multi-Unit Commitment.

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

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

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

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

3. Site Selection Area. Franchisee shall locate each Wagbar business it develops under this MUDA within the following area: _____ _____ (the "Site Selection Area"). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Wagbar businesses in the Site Selection Area.

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

(i) Franchisee fails to satisfy the development schedule; or

(ii) Wagbar Franchising has the right to terminate any franchise agreement between Wagbar Franchising and Franchisee (or any affiliate thereof) due to Franchisee's default thereunder (whether or not Wagbar Franchising actually terminates such franchise agreement).

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

6. Conditions. Franchisee's right to develop each Wagbar franchise after the Store #1 is subject to the following:

(i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Wagbar business, in the reasonable judgment of Wagbar Franchising, and

(ii) Franchisee must be in full compliance with all brand requirements at its open Wagbar businesses, and not in default under any Franchise Agreement or any other agreement with Wagbar Franchising.

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

[*Signatures on Next Page*]

Agreed to by:

FRANCHISOR:

WAGBAR FRANCHISING, LLC

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

FRANCHISEE:

[*if an individual:*]

_____
Name: _____

[*if an entity:*]

_____

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

EXHIBIT D

RIDER TO LEASE AGREEMENT

Landlord: _____
Notice Address: _____
_____
_____
Telephone: _____

Franchisor: Wagbar Franchising, LLC
Notice Address: 34 Magnolia Avenue, Asheville, NC 28801
Telephone: 828-337-4964

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Wagbar business (or any name authorized by Franchisor).

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

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

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

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

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

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

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

Executed by:

LANDLORD:

_____

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

TENANT:

_____

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

FRANCHISOR:

WAGBAR FRANCHISING, LLC

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

EXHIBIT E

FORM OF GENERAL RELEASE

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

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Wagbar Franchising, its affiliates, and their respective directors, officers, shareholders, employees, franchise sellers, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Wagbar Franchising reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

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

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

Agreed to by:

_____

Name: _____

Date: _____

EXHIBIT F

FINANCIAL STATEMENTS

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

Wagbar Franchising, LLC

Balance Sheet

As of August 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1100 UCBI Checking	100,295.15
1150 Business Money Market (0454) - 1	23.06
Total Bank Accounts	**$100,318.21**
Other Current Assets	
1250 Prepaid Expenses	0.00
Total Other Current Assets	**$0.00**
Total Current Assets	**$100,318.21**
Fixed Assets	
1400 Software	4,560.00
1450 Vehicles	58,556.96
1499 Accumulated Depreciation	-823.00
Total Fixed Assets	**$62,293.96**
Other Assets	
1350 Start-Up Cost	0.00
1351 Franchising Intangibles	0.00
1353 Trademarks	0.00
1399 Accumulated Amortization	0.00
Total Other Assets	**$0.00**
TOTAL ASSETS	**$162,612.17**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	18,000.00
Total Accounts Payable	**$18,000.00**
Credit Cards	
Debit	591.34
Total Credit Cards	**$591.34**
Total Current Liabilities	**$18,591.34**
Long-Term Liabilities	
21500 TD Auto Loan	50,532.30
Total Long-Term Liabilities	**$50,532.30**
Total Liabilities	**$69,123.64**
Equity	
3100 Retained Earnings	-103,745.73
3150 Partner Contributions	130,000.00
3200 Partner Distributions	-133,910.00

Wagbar Franchising, LLC

Balance Sheet

As of August 31, 2024

	TOTAL
Net Income	201,144.26
Total Equity	**$93,488.53**
TOTAL LIABILITIES AND EQUITY	**$162,612.17**

Wagbar Franchising, LLC

Profit and Loss

January - August, 2024

	TOTAL
Income	
4110 Franchise Fees	317,500.00
Total Income	**$317,500.00**
GROSS PROFIT	**$317,500.00**
Expenses	
6040 Advertising and Marketing	45,410.88
6041 Print	478.19
Total 6040 Advertising and Marketing	**45,889.07**
6050 Business Gifts	1,103.68
6060 Auto	
6065 Fuel	1,381.32
6068 Repair & Maintenance	151.82
Total 6060 Auto	**1,533.14**
6080 Franchise Support Expense	47.03
6090 Mileage Reimbursement	378.26
6100 Professional Fees	
6125 Accounting	3,435.00
6150 Legal Fees	12,124.00
6175 Consultants	12,297.50
Total 6100 Professional Fees	**27,856.50**
6250 Computer Supplies and Software	1,678.60
6275 Office Supplies	1,116.06
6300 Utilities	150.00
6340 Meals	5,313.61
6345 Travel	8,731.83
6360 Postage and Shipping	105.73
6365 Rent	
6366 Office Rent	4,800.00
Total 6365 Rent	**4,800.00**
6370 Telephone	659.31
6410 Repair & Maintenance	3.55
6440 Dues & Subscriptions	547.51
6460 Insurance	1,117.69
6810 Bank Charges	227.00
6870 Website	264.00
Total Expenses	**$101,522.57**
NET OPERATING INCOME	**$215,977.43**
Other Income	
8100 Interest Earned	32.02
Total Other Income	**$32.02**

Wagbar Franchising, LLC

Profit and Loss

January - August, 2024

	TOTAL
Other Expenses	
9999 Suspense	14,865.19
Total Other Expenses	**$14,865.19**
NET OTHER INCOME	**$ -14,833.17**
NET INCOME	**$201,144.26**

Wagbar Franchising, LLC
Independent Auditor's Report
And
Financial Statements
Period From March 10, 2023 to December 31, 2023

1

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Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
1312 Norwood Dr STE 100, Bedford, Texas 76022
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Members of
Wagbar Franchising, LLC

Opinion

We have audited the accompanying financial statements of Wagbar Franchising, LLC (The "Company"), which comprise the balance sheets as of December 31, 2023, and the related statements of operations, members' equity, and cash flows for the period from March 10, 2023 to December 31, 2023 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 Wagbar Franchising, LLC as of December 31, 2023, and the results of its operations and its cash flows for the period from March 10, 2023 to December 31, 2023 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 Wagbar Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wagbar Franchising, LLC'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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wagbar Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wagbar Franchising, LLC'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
Bedford, Texas
May 28, 2024

Wagbar Franchising, LLC
Balance Sheet
December 31, 2023

	2023
ASSETS	
Current Assets	
Cash and cash equivalents	$ 30,517
Total Current Assets	**30,517**
Non-Current Assets	
Property and equipment, net	3,737
Total Non-Current Assets	**3,737**
Total Assets	**$ 34,254**
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities	
Accounts payable	$ 18,000
Total Current Liabilities	**18,000**
Total Liabilities	**18,000**
Members' Equity	
Members' equity	16,254
Total Members' Equity	**16,254**
Total Liabilities and Members' Equity	**$ 34,254**

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

Wagbar Franchising, LLC
Statement of Operations
Period From March 10, 2023 to December 31, 2023

	2023
Revenues	
Total Revenues	$ -
Operating Expenses	
Legal and professional	65,307
General and administrative	27,137
Advertising and marketing	10,606
Depreciation	823
Total Operating Expenses	**103,873**
Operating Income / (Loss)	**(103,873)**
Other Income (Expense)	
Interest income	127
Net Income / (Loss)	**$ (103,746)**

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

Wagbar Franchising, LLC
Statement of Members' Equity
Period From March 10, 2023 to December 31, 2023

Members' Equity At March 10, 2023	**$ -**
Members' distributions	(10,000)
Members' contributions	130,000
Net income / (loss)	(103,746)
Members' Equity At December 31, 2023	**$ 16,254**

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

Wagbar Franchising, LLC
Statement of Cash Flows
Period From March 10, 2023 to December 31, 2023

	2023
Cash Flows From Operating Activities	
Net income / (loss)	$ (103,746)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	823
Change in assets and liabilities	
Accounts payable	18,000
Net Cash Provided By (Used In) Operating Activities	**(84,923)**
Cash Flows From Investing Activities	
Purchase of property and equipment	(4,560)
Net Cash Flows Provided By (Used In) Investing Activities	**(4,560)**
Cash Flows From Financing Activities	
Members' contributions	130,000
Members' distributions	(10,000)
Net Cash Flows Provided By (Used In) Financing Activities	**120,000**
Net Change In Cash And Cash Equivalent During The Period	**30,517**
Cash and cash equivalents - beginning of the period	-
Cash And Cash Equivalent - End of The Period	**$ 30,517**

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

Wagbar Franchising, LLC
December 31, 2023
Notes To Financial Statements

1. COMPANY AND NATURE OF OPERATIONS

Wagbar Franchising, LLC (the "Company") was established in the state of North Carolina on March 10, 2023, for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their private business as a franchise. The Company provides qualified individuals with the right to operate a business that combines the elements of an off-leash dog park and a bar, creating a unique social experience for dogs and their owners under the "Wagbar" mark. The business offers a clean, safe space for dogs to play, while their owners can relax, enjoy food and drinks, and socialize in a friendly, enjoyable atmosphere. The Company offers individual unit franchises and area development franchises for the development of multiple units within a designated territory.

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 deposits with maturities of three months or less to be cash equivalents.

C. Federal Income Taxes

As a limited liability Company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

D. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which are between 3-7 years.

E. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

F. 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. It is at least reasonably possible that a change in the estimates will occur in the near term.

G. Advertising and Marketing

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

H. 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-steps 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 weekly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: 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 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 10 years while successive agreement terms are typically 10 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.

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. 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.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2023, the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2023, the Company had approximately $30,517 in cash in its bank accounts.

4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023, consist of the following:

	2023
Software	$ 4,560
Total Cost	**4,560**
Less: accumulated depreciation	(823)
Net Book Value	**$ 3,737**

Depreciation expenses for the period from March 10, 2023 to December 31, 2023, were $823.

5. ADVERTISING EXPENSES

Advertising costs for the period from March 10, 2023 to December 31, 2023, were $10,606. These costs were expensed as incurred.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 28, 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.

EXHIBIT G

OPERATIONS MANUAL TABLE OF CONTENTS

Manual Section	Number of Pages
Preface & Introduction & Getting Started	27
Staffing and Training	21
Safety	22
Operations	52
Customer Service	5
Marketing	22
Financial Management	9
Technology	2
Conclusion	1
Total Number of Pages	**158**

EXHIBIT H

CURRENT AND FORMER FRANCHISEES

Current Franchisees

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

None

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

Note: We did not have any multi-unit developers at the close of our last fiscal year.

Former Franchisees

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

None

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

The following is added to Item 5:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. The franchisor has obtained a Surety Bond with Harco National Insurance Company in the amount of $108,000 to satisfy the impound condition. A copy of the Surety Bond is on file with the Maryland Securities Division.

The following is added to Item 17:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.
>
> No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT J

STATE ADDENDA TO AGREEMENTS

MARYLAND RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise Agreement[and Multi-Unit Development Agreement] dated _____ (the "Agreement"), between Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising") and _____, a _____ ("Franchisee").

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

2. Surety Bond. Based upon our financial condition, the Maryland Securities Commissioner has required financial assurance. The franchisor has obtained a Surety Bond with Harco National Insurance Company in the amount of $108,000 to satisfy the impound condition. A copy of the Surety Bond is on file with the Maryland Securities Division.

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

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

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

6. Jurisdiction. The 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.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
WAGBAR FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____

Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the "Agreement"), between Wagbar Franchising, LLC, a North Carolina limited liability company ("Wagbar Franchising") and _____, a _____ ("Franchisee").

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

2. Surety Bond. Based upon our financial condition, the Maryland Securities Commissioner has required financial assurance. The franchisor has obtained a Surety Bond with Harco National Insurance Company in the amount of $108,000 to satisfy the impound condition. A copy of the Surety Bond is on file with the Maryland Securities Division..

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

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

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

6. Jurisdiction. The 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.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
WAGBAR FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Date: _____ Date: _____

EXHIBIT K

EFT AUTHORIZATION FORM

Bank Name: _____
ABA#: _____
Acct. #: _____
Acct. Name: _____

Effective as of the date of the signature below, _____ ("Franchisee") hereby authorizes Wagbar Franchising, LLC ("Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Franchisor under the franchise agreement (the "Franchise Agreement") between Franchisor and Franchisee: (1) all Royalty Fees; (2) all Marketing Fund Contributions; (3) all other fees authorized under the Franchise Agreement; and (4) any amounts charged by Franchisor or its affiliates in connection with equipment, inventory, supplies, and/or services that Franchisee purchases from Franchisor or its affiliates, as and when such amounts become due and owing to Franchisor and/or its affiliates. Franchisee acknowledges that Royalty Fees, Marketing Fund Contributions, and all other fees may be collected by Franchisor in the manner provided for in the Franchise Agreement. The parties further agree that all capitalized terms not specifically defined herein will be given the same definition as set forth in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in force and effect until terminated in writing by Franchisor. Franchisee shall provide Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

Agreed to by:

FRANCHISEE:

_____

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

PLEASE ATTACH A VOIDED BLANK CHECK FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Maryland	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Wagbar Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Wagbar Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Kendal Kulp	34 Magnolia Avenue, Asheville, NC 28801	828-337-4964
Kajur Kulp	34 Magnolia Avenue, Asheville, NC 28801	828-230-8188

Issuance Date: May 29, 2024

I received a disclosure document dated May 29, 2024, that included the following Exhibits:

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

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records

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J. State Addenda to Agreements
K. EFT Authorization Form

Signature: _____
Print Name: _____
Date Received: _____

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Changes:	
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~~Delete~~	63
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Move To	0
Table Insert	1
~~Table Delete~~	0
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~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	187