FRANCHISE DISCLOSURE DOCUMENT

PLAYFUL PACK FRANCHISING, LLC
a Virginia limited liability company
888 North Quincy Street, Suite 1604
Arlington, VA 22203
Phone: (571) 722-0075
franchising@playfulpack.com
www.playfulpack.com

We offer and award qualified parties that right to independently own and operate a hospitality business (each a "Business") that is designed to serve as a business that provides a full complement of services to dog owners and their canine companions, namely (a) doggy daycare, as well as overnight and extended boarding services, (b) dog grooming services, (c) canine training and related educational services (collectively, the "Approved Services"), and (d) an array of designated retail inventory items and/or branded products we designate and/or approve (the "Approved Products"). Each franchised Business (or "Franchised Business") operates utilizing (i) the then-current proprietary marks and other trade dress we designate, including our current primary mark PLAYFUL PACK (collectively, the "Proprietary Marks"), and (ii) the system of operations for a Business that we and our principals have developed (collectively, the "System").

The total investment necessary to begin operation of a single Franchised Business is between $286,250 to $489,000. This includes $60,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to operate two (2) Franchised Businesses under our form of area development agreement is between $326,250 to $529,000. Thiis includes $100,000 that must be paid to the franchisor or its affiliates.

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, contact Scott Parker at 888 North Quincy Street, Suite 1604, Arlington, Virginia 22203, or at (571) 722-0075.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as ''*A Consumer's Guide to Buying a Franchise*,'' which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTCHELP 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.

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

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How to Use This Franchise Disclosure Document

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

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

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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 that franchise or has verified the information in this document. To find out if your state has a registration requirements, 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.

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Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation (at Franchisor's option) or litigation only in the Commonwealth of Virginia. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and/or litigate with the franchisor in Virginia 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.

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

4. **Mandatory Minimum Payments**. You must make a minimum royalty payment after your third (3rd) month of operations, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

5. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.

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

To simplify the language of this Disclosure Document, the Franchisor is referred to in this Disclosure Document as "we," "us" or "our." We refer to the person interested in buying the franchise as "franchisee," "you" or "your." If you are a corporation, partnership, limited liability company or other entity, the terms "franchisee," "you" and "your" also refer to your owners.

The Franchisor

We were organized under the laws of Virginia as a limited liability company in February 2019. Our principal business address is 888 N Quincy Street, Suite 1604, Arlington, Virginia 22203, and our telephone number is (571) 722-0075. We only do business under our corporate name and our then-current Proprietary Marks, including our current principal mark PLAYFUL PACK.

We have not directly operated any businesses that are similar to the Franchised Business. We do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

Our agents for service of process are listed in Exhibit A to this Disclosure Document.

Parents, Predecessors and Affiliates

Our parent company, STAPS Holdings, LLC ("STAPS"), is a Delaware limited liability company formed on July 6, 2017, with a business address at 2020 Pennsylvania Avenue, Suite 1210, Washington, D.C. 20006. STAPS is a holding company and does not operate in any line of business.

We do not have any predecessors.

We have an affiliate, BASH Boxing Franchising, LLC ("BBF"), that: (i) is a Virginia limited liability company formed on January 12, 2021, and shares a principal business address with us, and (ii) was formed for purposes of offering and awarding the right to operate a franchised kickboxing fitness studio under the mark BASH BOXING.

Except as provided above, we do not have any affiliates that require disclosure in this Item.

Please note that we do have affiliate companies that own and operate Businesses utilizing the Proprietary Marks and System (each, an "Affiliate-Owned Business"). As of the Issue Date, these affiliates operate Affiliate-Owned Businesses in the Commonwealth of Virginia, the State of Maryland, and the District of Columbia, as detailed more fully in Item 20 to this Disclosure Document.

Except as provided above, the affiliate(s) disclosed in this Item above have not been involved in any other material business activities that require disclosure in this Item.

The Franchised Business

Approved Premises and Individual Suite Details

Your Franchised Business will offer and provide doggy "daycare," overnight and extended boarding services, pet grooming services and any other Approved Services we designate or approve in writing to canine clientele and their respective owners (each, a "Client") from a premises that you must propose to us,

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and we must approve (the "Premises"). Your Premises must be located within the DMA you are awarded under your franchise agreement or, if applicable, development agreement you enter into with us.

We expect that a typical Premises will be approximately 3,000 to 4,000 square feet which our System standards and specifications currently require so that canine clientele do not have increased levels of stress, excitement or anxiety that dogs and other animals often times experience when they are boarded in an environment where they can see other dogs and guests of that facility. Certain System franchisees may choose to operate from a Premises that – whether part of the Premises, contiguous to the Premises or otherwise – can be used for taking canine clientele for a walk and to go to the bathroom.

Franchised Business Generally

Your Franchised Business will be operated using our Proprietary Marks and in accordance with our proprietary System of operations, which includes our valuable know how, information, trade secrets, methods, confidential Operations Manual and other proprietary manuals we may loan to you (collectively, the "Manuals"), standards and specifications, marketing and sales programs, fixture and furniture selection, staffing guidelines and other research and development connected with the establishment and operation of a Franchised Business, which we may modify from time to time as we deem appropriate in our sole discretion.

We do not currently have any specific criteria or guidelines that you must follow with respect to the canine(s) you may board in a given Suite located within your Franchised Business, but we reserve the right to provide these kinds of guidelines in the future in our Manuals or otherwise in writing.

In order to own and operate a Franchised Business, you must enter into our current form of franchise agreement that is attached as Exhibit B to this Disclosure Document (the "Franchise Agreement"). If the franchisee is a business entity (for example, a corporation, partnership or limited liability company), then all of the individuals that have any type of ownership interest in the franchisee entity and, at our option, their respective spouses, must sign our form of personal guaranty (attached as an Exhibit to the Franchise Agreement) where each owner agrees to be personally bound by, and personally guarantee the entity's obligations under, all terms of the Franchise Agreement (the "Personal Guaranty").

Designated Marketing Area

You will be awarded a Designated Marketing Area ("DMA") that will be defined in your Franchise Agreement prior to execution. If the DMA at issue is an area that can support more than one (1) Franchised Business, then we will typically only award that DMA as part of our multi-unit offering and Development Agreement disclosed below.

Multi-Unit Offering

We also offer qualified individuals and entities the right to develop multiple Franchised Businesses within a defined Designated Marketing Area wherein you will enjoy certain territorial rights pursuant to our current form of Development Agreement attached to this Disclosure Document as Exhibit C. Your Development Agreement will contain a mandatory development schedule detailing the deadline by which you must open and commence operating each Franchised Business you agree to develop and open within your DMA (the "Development Schedule").

Typically, you will be required to enter into our current form of Franchise Agreement for your initial Franchised Business at the same time that you execute your Development Agreement. You will also be

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required to enter into our then-current form of franchise agreement for each Franchised Business you wish to open under your Development Agreement, which may contain materially different terms than your original Franchise Agreement. As described more fully in Item 5 of this Disclosure Document, you will be required to pay us a one-time Development Fee that will be calculated based on the number of Franchised Businesses we grant you the right to develop under the Development Agreement.

Market and Competition

The pet boarding and pet care industry in general is well-developed, mature and competitive. As a general matter, the ability to offer and provide the Approved Services and Approved Products from the Premises is not seasonal in nature. You may face competition from other businesses, including national and regional chains, franchise networks and/or local kennels or comparable facilities that feature and provide pet boarding and other Approved Services.

Industry-Specific Regulations

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your business, including those that: (i) regulate matters affecting the health, safety and welfare of your clientele (both canine and human), such as restrictions on smoking; (ii) set standards pertaining to employee health and safety; (iii) regulate matters affecting requirements for accommodating disabled persons, including the Americans with Disabilities Act; (iv) set standards and requirements for fire safety and general emergency preparedness; and (v) those that may require you to obtain certain permits, certificates, licenses or approvals to provide the Approved Services and Approved Products from the Premises.

You must consult with your own attorney to ensure that the laws of the state where your Franchised Business is located permit you to provide the Approved Products and Services from your Franchised Business.

You are also responsible for the knowledge and application of all federal, state and provincial data privacy laws, as well as any other applicable federal, state and provincial laws (collectively "Privacy Laws").

You will also be solely responsible for ensuring that the form of services agreement your Franchised Business enters into with clientele for the provision of dog boarding and/or other Approved Services from your Premises (a "Services Agreement") complies with all applicable state laws, and you will need to work with your own attorneys and legal advisors to take whatever steps necessary to ensure the same.

ITEM 2
BUSINESS EXPERIENCE

Co-Founder: Scott Parker

Scott Parker has served as our co-founder since our inception. Scott also serves as the co-founder and principal of our Affiliate-Owned Businesses, located in MD and VA, since their respective inceptions from January 2018 through the present.

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Co-Founder: Tyler Parker

Tyler Parker has served as our co-founder since our inception. Tyler also serves as the co-founder and principal of our Affiliate-Owned Businesses, located in MD and VA, since their respective inceptions from January 2018 through the present.

Co-Founder: Alyssa Parker

Alyssa Parker has served as our co-founder since our inception. Alyssa has also served as the co-founder of our Affiliate-Owned Locations, located in MD and VA, since their respective inceptions. Alyssa also served as a Professor at Columbia College, located in McLean, Virginia, from August 2018 through March 2020.

Vice President of Operations and Franchising: Brock Dudley

Mr. Dudley has served as our VP of Operations and Franchising since February 2023. Prior to the time, Brock served in Franchise Development for Frangate, LLC, located in Surprise, Arizona, from February 2014 through February 2023.

ITEM 3
LITIGATION

No litigation must be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information must be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement - Initial Franchise Fee

You must pay us an initial franchise fee amounting to $60,000 (the "Initial Franchise Fee") upon execution of your Franchise Agreement. Your Initial Franchise Fee is deemed fully earned upon payment and is not refundable under any circumstances. We expect to impose and charge the Initial Franchisee Fee uniformly to all new System franchisees that enter into our current Franchise Agreement.

Development Agreement - Development Fee

If we award you the right to develop multiple Franchised Businesses under a Development Agreement (a minimum of two), you must pay us a one-time Development Fee upon executing your Development Agreement. Your Development Fee will depend on (a) the number of Franchised Businesses we grant you the right to develop, and (b) the corresponding DMA awarded under that agreement.

Your Development Fee will be calculated as the sum of the following: (i) $60,000 for the first franchise you awarded the right to develop within your DMA, (ii) $40,000 for the second franchise you are awarded

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the right to develop, (iii) $35,000 for the third franchise you are awarded the right to develop, (v) $30,000 for the fourth franchise you are awarded the right to develop, plus (v) $20,000 for the fifth and each additional franchise you are awarded the right to develop within your DMA.

You will be required to enter into our then-current form of franchise agreement for each Franchised Business you wish to open under your Development Agreement, but you will not be required to pay an Initial Franchise Fee at the time you execute each of these franchise agreements. Typically, you will be required to execute our current form of Franchise Agreement that will govern the first Franchised Business at that same time you execute your Development Agreement.

Your Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly to all our franchisees.

ITEM 6
OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of: (i) 6% of the Gross Sales generated by the Franchised Business (your "Royalty Fee"); and (ii) a minimum Royalty Fee amounting to $300/week.	On or before Tuesday or other day that we designate based on the Gross Sales generated over the preceding business week of operations	Your Royalty Fee obligations will commence upon the opening of your Franchised Business, subject to our waiver of your minimum Royalty Fee over your first three (3) months of operation. We may require you to pay your Royalty Fee and other reoccurring amounts via electronic funds transfer ("EFT"). We may collect your Royalty Fee and other recurring fees on a different interval (monthly or daily). See Notes 1, 2 and 3.
Fund Contribution	One percent (1%) of the Gross Sales generated by your Franchised Business (your "Fund Contribution") over the prior reporting/payment period	Same time and manner as your Royalty Fee	We expect and intend to establish a brand development Fund to market, advertise, promote and/or otherwise develop the System, Proprietary Marks, Franchised Business locations, Approved Services/Products and/or our brand generally. We will administer the Fund as detailed in Item 11 of this Disclosure Document.

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Name of Fee	Amount	Due Date	Remarks
Local Advertising Requirement (or "LAR")	You must expend a minimum of $2,000 each month on the advertising, marketing and/or promotion of your Franchised Business within your DMA (your "LAR")	As incurred or invoiced by the Approved Supplier or other third-party provide you contract with	All advertising materials must be approved by us prior to use/publication, and we may require you to provide us with monthly reports detailing your local advertising expenditures to ensure you are satisfying your LAR. Your Local Advertising Requirement will commence in the first (1st) full calendar month following opening or required opening of your Franchised Business. These amounts are in addition to the one-time Initial Marketing Spend disclosed more fully in Items 7 and 11 of this Disclosure Document.
Technology Fee	$500 per month.	As invoiced	We reserve the right, upon written notice to you, to charge our System's then-current Technology Fee to us or other Approved Supplier. The notice will provide the then-current Technology Fee and will be provided at least 30 days prior to this fee being collected. We expect and intend to start charging this Technology Fee at he earlier of (a) when you are required to commence operations under your Franchise Agreement, or (b) the date you actually open and commence operations of your Franchised Business.
Required Software Fees (payable to third-party Approved Supplier as of Issue Date)	Up to $149/month for the software that handles point-of-sale and scheduling services for pet boarding and clients generally; and Approximately $50/month for online accounting and bookkeeping software.	As invoiced by provider(s) at issue	We reserve the right to: (i) designate the software that System franchisees must utilize in connection with the operation of a Franchised Business (the "Required Software"); and (ii) require that you license or otherwise acquire any Required Software from us, our affiliate or other Approved Supplier. The Required Software and Approved Suppliers for the same will be set forth in the Manuals or otherwise in writing, along with any updates to those lists.
Transfer Fee (both Franchise Agreement and Development Agreement)	FA: $15,000 DA: $5,000 per undeveloped franchise being assigned	Payable prior to obtaining our consent to your proposed transfer.	There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment.

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Name of Fee	Amount	Due Date	Remarks
Renewal Fee (Franchise Agreement only)	$0	90 days prior to expiration of your then-current term	There are other conditions that you must meet in order for us to approve your renewal request.
Training Fee	$2,500 in connection with a replacement/new owner or replacement/new Designated Manager to attend the Owner/Operator Module of our initial training program $500/day per trainer in connection with all other training for which we reserve the right to charge a fee	As incurred (and prior to receiving certain training)	We will not charge a Training Fee in connection with minor, day-to-day assistance that we provide over the phone or via email, subject to our availability. We reserve the right to charge our then-current Training Fee in connection with any: (i) training or on-site assistance that we determine to provide at your request; (ii) any training or assistance that takes place at your Franchised Business; and (iii) any training that we require you to complete as part of the actions you must undertake to cure your default and/or breach of your Franchise Agreement ("Remedial Training"). You will also be responsible for any costs and expenses that you and/or your owners and other trainees associated with attending or otherwise participating in any training we require in connection with the Franchised Business, regardless of whether or not we collect any kind of Training Fee. Please see Item 11 of this Disclosure Document for additional information.

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Name of Fee	Amount	Due Date	Remarks
Regional Cooperative Fee	Up to one percent (1%) of the Gross Sales generated by your Franchised Business	Upon Demand	Payable to us if we (or System owners) determine to establish a regional advertising cooperative (the "Cooperative") and your Franchised Business is assigned to the same. Any payment made towards a Cooperative will be credited against your monthly LAR. If there is an affiliate-owned Franchised Business in your Cooperative, then our affiliate will be able to vote on all matters that you and the other Cooperative members have the right to vote on. If the number of affiliate-owned Franchised Businesses in your Cooperative area are such that the affiliate will have controlling voting power within the Cooperative, then the minimum amount you might be required to pay to the Cooperative will remain your LAR.
Relocation Fee	Reimbursement of the costs/expenses that we incur in connection with evaluating your relocation proposal in an amount up to $1,000	When you submit a letter requesting consideration of a new location.	Payable to us to defray our costs associated with evaluating and approving/rejecting your relocation proposal.
Collection Charges	Actual Costs	Upon demand.	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement.
Fees on Default and Indemnity	Actual Costs	Upon demand.	Payable in addition to other payments to us.
Late Reporting Fees	$10 per day for each day the report is late. After 10 days, this fee increases to $50 per day the report is late.	Upon demand.	Payable in addition to other payments to us.
Costs and Attorneys' Fees	Actual Costs	Upon demand.	You must reimburse us for our attorneys' fees and any court costs that we are forced to incur in connection with enforcing or protecting our rights under your Franchise and/or Development Agreement.
Indemnification	Actual Costs	Upon demand.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.

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Name of Fee	Amount	Due Date	Remarks
Insurance	Actual Costs	Upon demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you a service fee to do so. Otherwise, these payments are made directly to your third-party insurance provider.
Interest	1.5% per month, subject to applicable laws	Upon demand.	Payable on all delinquent payments due to us for more than 30 days. See Note 5.
Dishonored Check Charge	$100	Upon demand.	Payable if a check you provide to us is returned or dishonored by the bank, or if your EFT Account does not have sufficient funds to cover amounts you owe under the Franchise Agreement as they become due and owing to us.

Explanatory Notes

Generally. Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. Unless otherwise stated, the fees outlined in the Chart above apply to the Franchise Agreement only (and not the Development Agreement).

1. **Royalty Fee and Other Fees.** Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is be attached as an Exhibit to your Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account.

2. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than a monthly basis. Regardless, you are required to provide us with a Gross Sales report detailing your Gross Sales from the preceding reporting period (which is currently each calendar month), along with your calculated Royalty Fee, Fund Contribution (if appropriate) and other information that we reasonably require (the "Gross Sales Report") each calendar week.

3. **Definition of Gross Sales.** "Gross Sales" means the total revenue generated by your Franchised Business, including all revenue generated from the provision of Approved Products and Approved Services provided at or through the Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales does not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment used in the operation of the Franchised Business, any sales tax collected from customers by you and paid directly to the appropriate taxing authority.

4. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information

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associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Gross Sales by two percent (2%) or more, than we may require you to pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys).

5. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$60,000	$60,000	Lump sum	Upon execution of the Franchise Agreement	Us
Security Deposit and Lease-Related Payments – 3 Months[2]	$30,000	$40,000	As agreed	When you sign your lease	Third-Party Landlord
Utilities - Deposit[3]	$500	$1,000	As incurred	When you start an account with a utility company	Utility Providers
Leasehold Improvements[4]	$75,000	$255,000	As agreed	As Agreed – Prior to Opening	Third-Party Contractor; Approved Supplier(s) and/or Other Third-Party Suppliers
Initial Training Expenses[5]	$1,500	$3,000	As incurred	As Agreed – Prior to Opening	Third Parties
Business License and Permits[6]	$250	$1,500	As incurred	As Incurred	Government agencies
Insurance Premiums - 3 Months[7]	$2,000	$2,500	As agreed	Prior to Opening	Third-Party Insurance Agent or Carrier
Initial Inventory[8]	$3,000	$4,000	As agreed	As Invoiced – Prior to Opening	Third-party supplier
Computer System, Cameras, Internet/Phone and Security[9]	$11,000	$12,000	As incurred	Prior to Opening	Approved Supplier(s)
Furniture, Fixtures, Equipment, and Signage[10]	$25,000	$30,000	As incurred	As Agreed – Prior to Opening	Approved Supplier(s) and Other Third-Party Suppliers

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Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Marketing Spend[11]	$10,000	$10,000	As incurred	60 days from signing or 30 days prior to opening, whichever comes first	Third-party provider(s)
Professional Fees[12]	$3,000	$5,000	As agreed	As Agreed	Third-party provider
Additional Funds – 3 Months[13]	$65,000	$65,000	As agreed	As incurred	Landlord (for rent after Security Deposit noted above); Employees, utilities, suppliers and other third parties, etc.
Total Estimated Initial Investment[13]	**$286,250**	**$489,000**			

Explanatory Notes to Chart 7(A) Above:

1. **Initial Franchise Fee.** The franchise fee is $60,000, as described in Item 5, and is deemed non-refundable and fully earned upon payment for the rights you are being afforded initially under your Franchise Agreement.

2. **Lease.** You must purchase or lease a space at which to operate your Franchised Business. The estimate is for lease payments covering four months' rent (rent for the first three months of operation and one month's security deposit). The estimate assumes a Franchised Business that is 3,000 square feet to 4,000 square feet in size, and no obligation to pay rent during the build-out period (before you actually open and commence operating the Franchised Business. Examples of potential Premises locations for a typical Franchised Business include urban store fronts, suburban shopping centers and other locations along commuting routes. Rent varies considerably from market to market, and from location to location within each market. Rents may vary beyond the range that we have provided based on factors such as competition and market conditions in your area, the type and nature of improvements needed to the premises, the size of the Franchised Business, the terms of the lease, and the desirability of the location. If you choose to buy (instead of leasing) the real estate for your Franchised Business, you will incur additional costs that we cannot estimate.

3. **Utilities - Deposit.** You may be required to pay deposits before the installation or beginning of service of telephone, gas, electric and other utilities. This estimate excludes utility tap fees which are typically covered by the landlord.

4. **Leasehold Improvements.** The cost of construction depends upon the size and condition of the premises, the nature and extent of leasehold improvements required, including awning, general construction, permits, architectural fees and legal fees. The location, age and size of the Franchised Business and the extent of landlord participation in the build-out significantly affect that cost. The

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range of figures in the table above includes the cost of renovation or leasehold improvements, net of any tenant improvement allowances or credits (which we suggest you speak with your counsel about negotiating for as part of your lease negotiations at a rate that is in-line with your local/regional industry standards for a commercial space). The extent of the required leasehold improvements may vary widely depending upon the existing facility and modifications required to accommodate a dog daycare and boarding operation. The estimate is based space in the range of 3,000 to 4,000 square feet.

5. **Initial Training Expenses.** You are responsible for making arrangements and paying the expenses for any persons attending the training program, including transportation, lodging, meals and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodation you choose. The estimate provided contemplates the training of two (2) individuals (the operating owner and its Designated Manager) for approximately 5 days, and 1 person (the Business's Trainer) for approximately 3 days, in accordance with the training schedule described more fully in Item 11 of this Disclosure Document.

6. **Business Licenses and Permits.** This estimate includes costs relating to business license requirements, health and safety regulations (including occupancy), employment regulations, animal welfare regulations, music and entertainment (including license fees to copyright and other intellectual property owners). You should not consider this list as comprehensive. The laws in your state, county or municipality may be more or less stringent. You are advised to examine these laws before purchasing a franchise from us. You may need to hire accountants and/or legal counsel to assist you in obtaining required licenses and permits and other legal compliance, which is shown as a separate entry in the above chart.

7. **Insurance Premiums.** The estimate is to cover the anticipated premiums you will pay in connection with the required minimum insurance you must acquire and maintain in connection with your Franchise Agreement and Franchised Business. The cost of insurance will vary based on the type of policies procured, nature and value of physical assets, gross revenues, number of employees, square footage, geographical location, size, and contents of the business, and other factors bearing on risk exposure.

8. **Initial Inventory.** These amounts represent your initial inventory of dog care supplies, paper goods, cleaning products, and uniforms for the initial phase of operating the Franchised Business.

9. **Computer System, Cameras, Internet/Phone and Security.** The estimated initial investment includes costs related to the mandatory purchase of computer hardware and software, as well as certain webcams, security cameras and sound system throughout the Franchised Business. We reserve the right to implement as a part of our standards and specifications contained in the Manuals the requirement that you obtain approved accounting, reporting and operational software. We do not currently anticipate that any required software will be customized and proprietary, thus the terms and conditions of any software license or other agreement which may be required to be executed by you in connection with software are not known to us at this time.

10. **Furniture, Fixtures, Equipment, and Signage.** You must furnish your Franchised Business in accordance with our standards. This will include certain required equipment, furniture and fixtures. These costs will vary depending on the size and condition of the Franchised Business. Your required equipment, furniture, and fixtures will include the necessary equipment, canine condo fixtures, air filtration apparatus, work areas and all other equipment required to properly operate the Franchised Business. Signage must be obtained from our approved or your pre-approved

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supplier and conform to our standards, including standards related to the use of our trademarks as set forth in the Brand Manual.

11. **Initial Marketing Spend.** You will be required to spend the amount specified in your Franchise Agreement for grand opening marketing and promotional programs in conjunction with the initial launch of your Franchised Business. These programs include marketing spanning from 60 days before opening to no later than 90 days post-opening, and may include dog care giveaways, and related direct labor.

12. **Professional Fees.** The estimate is for legal, accounting, administrative, traffic studies, demographic studies, and miscellaneous other professional fees that you may incur before you open for business, including (among other things) to assist you in reviewing the Franchise Agreement. Your actual costs may vary, for example, depending on the degree to which you rely upon your advisors, type of financing, lease negotiations, and the permitting process in your city. The hourly rates for advisors, accountants, and legal professionals will also vary.

13. **Additional Funds.** We relied on (a) the experience of our existing Affiliate-Owned Locations, (b) information we have compiled from the industry for development of the kind of Premises that we require and approve, (c) quotes and information received from our third-party Approved Suppliers, and (d) other due diligence conducted in connection with this franchise offering. You will need capital to support on-going expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. Our estimate is based on our own business experience and information and that of our affiliates. Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

    The figures in the chart and the explanatory notes are estimates and your costs may vary, depending, for example, on factors such as: local economic conditions; the local market for the Franchised Business; timing of your opening; the prevailing wage rate in your market; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

14. **Total Estimated Initial Investment.** This estimated range does not account for any kind of costs/expenses associated with (a) debt services or other financing-related charges, or (b) compensation for any officer, director or non-operational principal. We do not provide any kind of financing in connection with any of these investment costs and, unless specifically negotiated with a third-party, all amounts paid will likely be non-refundable upon payment.

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B. Development Agreement (Right to Develop 2 Total Franchises as an Example)

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee[2]	$100,000	Lump Sum	Upon execution of Development Agreement	Franchisor
Estimated Initial Investment to Open Initial Franchised Business[3]	$226,250 to $429,000	See Chart A of this Item 7.		
TOTALS	**$326,250 to $529,000**	This is the total estimated initial investment to enter into a Development Agreement for the right to develop a total of two (2) Franchised Businesses within your DMA, as well as the estimated investment to open and commence operating your initial Franchised Business for the first three (3) months (as described more fully in Chart A of this Item 7). See Note 3.		

Explanatory Notes

1. *General Note.* All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to develop multiple Franchised Businesses within your DMA, as well as the initial investment to open your first Franchised Business under your Development Schedule.

2. *Development Fee.* The Development Fee is described in greater detail in Item 5 of this Disclosure Document, with the fees in the Chart above detailing the Development Fee payable to us for the right to develop three (3) Franchised Businesses. Your Development Fee will be calculated as the sum of the following: (i) $60,000 for the first franchise you awarded the right to develop within your DMA (ii) $40,000 for the second franchise you are awarded the right to develop, (iii) $35,000 for the third franchise you are awarded the right to develop, (v) $30,000 for the fourth franchise you are awarded the right to develop, plus (v) $20,000 for the fifth and each additional franchise, you awarded the right to development within that DMA. As previously disclosed, all Franchised Businesses must be located at approved Premises that are located within the DMA you are awarded.

3. *Estimated Initial Investment to Open Initial Franchised Business.* This figure represents the total estimated initial investment required to open the initial Franchised Business you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for initial Franchised Business you are granted the right to open within your DMA at the same time that you execute your Development Agreement The range includes all the items outlined in Chart 7(A) of this Item, except for the $60,000 Initial Franchise Fee (because you are not required to pay an Initial Franchise Fee for those Franchised Businesses you open to fulfill your development obligations under the Development Agreement).

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Importantly, please note the estimated initial investment disclosed in Chart 7(B) above in this Item does not include any of the costs you will incur in opening the second or any additional Franchised Business(es) you are granted the right to develop under your Development Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Products and Services

At your Franchised Business, you must ensure that (a) you only provide the Approved Products and Approved Services we authorize, and (b) these services must all be provided in a manner that meets our then-current System standards and specifications, as well as all applicable laws and regulations related to the provision of these services.

We will provide you with a list of our then-current (a) Approved Products and Approved Services, (b) Required Items and, if appropriate, their corresponding standards and specifications, and (c) Approved Supplier(s) for any such Required Item, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time via the Manuals or otherwise.

If you or any other System franchisee wishes to offer any product or service in your Franchised Business other than our Approved Products and Approved Services, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any products or services necessary to operate your Franchised Business from an Approved Supplier (which we will either designate in the Manuals or other writing – or approve in accordance with the process below), which may include us or our affiliate(s). As noted above, we will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing and we may update or modify this list in writing as we determine appropriate.

Currently, we require that you purchase the following from an Approved Supplier we have designated: (i) certain millwork and furniture, fixtures and equipment needed to build out and equip the Franchised Business; (ii) the Computer System and Required Software; (iii) architectural and design services (for the layout of your Premises); (iv) retail inventory items you are authorized to sale from the Premises of the Franchised Business, including certain branded apparel and other merchandise; (v) operating supplies, including dog food and related treats; (vi) certain initial and ongoing marketing, advertising and/or other promotional services and/or collateral; (vii) uniforms; (viii) signage (exterior and interior); and (ix) insurance coverage (subject to any state licensing requirements).

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We reserve the right to recommend and/or designate a third-party supplier for construction management services and/or site selection services, but as of the Issue Date we do have not designated an Approved Supplier that our System franchisees are required to engage and utilize in connection with the buildout of the Franchised Business.

We may develop proprietary products for use in your Franchised Business, including private-label products that bear our Proprietary Marks, and require you to purchase these items from us or our affiliate(s) or other designee.

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for certain of our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

As of the date of this Disclosure Document, we are only the provider of the following: (i) any training we provide in connection with your payment of a Training Fee or that we otherwise determine to provide; and (ii) any technology services or products we determine to associate and provide as part of the System as part of a Technology Fee we require you to pay to us.

Except as provided in the preceding sentence, as of the Issue Date please be advised that: (i) neither we nor any of our affiliates are an Approved Supplier for any items you are required to purchase in connection with your Franchised Business; and (ii) none of our officers own an interest in any of our Approved Suppliers. We reserve the right to designate us or any of our affiliates as an Approved Supplier with respect to any item you must purchase in connection with your Franchised Business in the future.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 65% to 90% of your total costs incurred in establishing your Franchised Business, and approximately 35% to 55% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include your lease payments you make in connection with your Premises.

We and our affiliate(s) each reserve the right to derive revenue from any of the purchases of Required Items that System franchisees must purchase and acquire in connection with the establishment or operation of a Franchised Business. In our fiscal year ended December 31, 2025, neither we nor any of our affiliates derived any revenue from the required purchases made by our System franchisees.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not already within the scope of the Approved Services or specifically identified as part of the Approved Products; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

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If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee when submitting your request. We do not currently charge any evaluation fee, but reserve the right to do so in the future (in an amount not to exceed $500 per request). We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Franchised Businesses in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliates may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We do not currently have any purchasing or distribution cooperatives; however, we reserve the right to create such cooperatives in the future. Except as provided in this Item, we did not receive any rebates from our Approved Suppliers in connection with our franchisee's Required Purchases.

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Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any material benefit as a result of your compliance with these requirements, including your purchase of particular products or services or use of particular suppliers.

Advertising, Marketing and Promotional Materials

All your advertising and promotion must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

Approved Premises and Right to Review Lease

You must obtain our approval of the Premises for your Franchised Business before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Premises before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of Collateral Assignment of Lease and lease addendum (the current form of which is attached to the Franchise Agreement attached as Exhibit B to this Disclosure Document. You must also ensure that you comply with all of our System standards and specifications related to the build-out, remodeling and/or construction of your Franchised Business at the Premises.

If we grant you the right to open and operate multiple Franchised Businesses under a Development Agreement, you may not enter into your Franchise Agreement for each Franchised Business opened under your Development Schedule until you have found a Premises for that Franchised Business that we approve.

Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our Manuals or otherwise in writing, including the following coverages: (i) a general liability policy with $2,000,000 general aggregate total coverage and $1,000,000 combined limit per occurrence; (ii) pet groomers professional liability insurance with a minimum limit of $1,000,000 per occurrence; (iii) comprehensive automobile liability insurance, including owned, non-owned and hired car coverage providing third party liability insurance, covering all licensed vehicles owned or operated by or on behalf of you, with limits of liability not less than $1,000,000 combined single limit for both bodily injury and property damage; (iv) statutory workers' compensation insurance and employer's liability insurance for a minimum limit equal to at least the greater of $1,000,000; (v) data theft and cybersecurity coverage with limits of liability not less than $500,000 combined single limit; (vi) employment practices liability insurance with limits of liability not less than $1,000,000 combined single limit; (vii) commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages (commercial general liability, comprehensive automobile liability, and employers liability) to not less than $4,000,000 total limit of liability (to provide at least those coverages and endorsements required in the underlying policies; and (viii) property insurance providing coverage for direct physical loss or damage to real and personal property in minimum coverage of (the full replacement cost of the contents/property you own, as well as the "total costs" labor & materials) of any build-out or renovations made to your space) amounting to $500,000 (with no more than a $5,000 deductible) for all risk perils, plus appropriate coverage for boiler and machinery exposures and business interruption/extra expense exposures, written on an actual loss sustained basis, including wind or named storm deductible at 2% with $25,000 minimum per occurrence deductible.

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The above minimum insurance requirements, all of which modify from time to time as we deem appropriate in our reasonable discretion. In addition to general liability insurance, you must also purchase and maintain: (i) employer's liability and workers' compensation as prescribed by law; (ii) comprehensive fire legal liability; (iii) comprehensive and liability coverage for any owned and non-owned motor vehicles used in connection with the Franchised Business; (iv) any professional liability associated with the facility management and other Approved Products and Services that Franchisee directly provides at the Franchised Business; and (v) any other coverage we periodically require to satisfy insurance-related obligations.

We do not have an Approved Supplier for insurance, but you must furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor, and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

You may also be required to obtain professional liability insurance in the amounts required by the applicable laws where your Franchised Business is located due to the facility management and other Approved Products and Services that you directly provide at your Franchised Business.

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications, including the customized property management software we designated for use in connection with the System. We may require you to purchase any of these items from one (1) of our Approved Suppliers, as described more fully above in this Item. Your Premises must have Internet Wi-Fi that your Franchised Business personnel and clients can access from their respective suites within your Franchised Business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2, 5 and 6	Section 8	Item 11
b.	Pre-opening purchases/leases	Sections 5 and 6	Section 8	Items 7, 8, 11
c.	Site development and other pre-opening requirements	Sections 2, 5 and 6	Section 3	Items 6, 7, 11
d.	Initial and ongoing training	Sections 5 and 6	Not Applicable	Item 11
e.	Opening	Sections 5 and 6	Section 3, Exhibit B	Item 11
f.	Fees	Sections 3, 4, 9 and 13(E)	Section 9	Items 5, 6, 7, 11

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	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 5 and 6	Section 3	Items 6, 11
h.	Trademarks and proprietary information	Section 7	Section 13	Items 13, 14
i.	Restrictions on products/services offered	Sections 5 and 6	Not Applicable	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 6	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Not Applicable	Section 1, 3, and Exhibit B	Item 12
l.	Ongoing product/service purchases	Sections 5 and 6	Not Applicable	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Section 6	Not Applicable	Items 8, 11
n.	Insurance	Sections 6 and 11	Not Applicable	Items 6, 11
o.	Advertising	Sections 4, 5, 6 and 9	Not Applicable	Items 6, 11
p.	Indemnification	Section 11	Not Applicable	Item 9
q.	Owner's participation/ management/staffing	Section 6	Section 7	Item 15
r.	Records and reports	Sections 4, 6 and 10	Not Applicable	Items 6, 9, 21
s.	Inspections and audits	Section 5 and 10	Not Applicable	Items 6, 11, 21
t.	Transfer	Section 13	Section 16	Item 17
u.	Renewal	Section 3	Not Applicable	Item 17
v.	Post-termination obligations	Sections 14(B) and 16	Sections 14, 15	Item 17
w.	Non-competition covenants	Section 14	Section 11	Item 17
x.	Dispute resolution	Sections 19 and 21	Sections 21, 22	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing, nor do we guarantee your obligations.

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

Except as listed below, Franchisor is not required to provide you with any assistance:

A. Pre-Opening Obligations

1. If you have entered into a Development Agreement for the right to operate two (2) or more Franchised Businesses, we will designate your DMA where you will have the right to secure a Premises (each of which we must approve) for each of your Franchised Businesses. (Development Agreement,

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Section 3); If you are only entering into a single Franchise Agreement, then we will designate the DMA we mutually agreed upon in the Data Sheet attached to that Franchise Agreement prior to its execution.

2. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for each of your Franchised Business(es). We will also review, and subsequently approve/reject, any proposed location that you determine to evaluate and propose to us as the Premises for any Franchised Business. We do not typically own Premises and lease them to franchisees. (Franchise Agreement, Sections 2(B) and 5(E));

3. We will loan you one (1) copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Operations Manual as of the Issue Date of this Disclosure Document is attached to this Disclosure Document as Exhibit G and is a total of approximately 200 pages (Franchise Agreement, Section 5(D));

4. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. We do not deliver or install any Required Items. (Franchise Agreement, Section 5(D));

5. We will provide you with our proprietary and confidential templates, standards and specifications associated with the design, layout, build-out and equipping of your Premises so that it can open and operate consistent with the System. We will also review and approve all modifications to the template design and layout documents you and your architect (our Approved Supplier) submit in order to fit and otherwise utilize the specific Premises of your Franchised Business. Similarly, we will approve any proposed signage you submit and provide you with a list of all designated furniture, fixtures, equipment and other Required Items that you will need to purchase and maintain at your Franchised Business based on the final layout and design plans for your Premises that we approve. (Franchise Agreement, Section 6(D)); and

6. We will provide you and up to two (2) additional individuals you designate with our proprietary initial training program (the "Initial Training Program") regarding our System methods and techniques related to the establishment and operation of a Franchised Business as set forth more fully under the next heading immediately below.

B. Initial Training Program and Modules; Other Training-Related Disclosures

1. Our Initial Training Program is comprised of two (2) modules, namely: (i) the module designed for System franchisee owner-operators and/or their Designated Managers that such individuals must complete before opening the Franchised Business and/or undertaking any management responsibilities in connection with your Franchised Business or Premises (the "Owner/Operator Module"); and (ii) the portion of training and assistance that our trainer personnel provides on-site at the Premises of your Franchised Business at or around the time you conduct your "soft opening" (the "On-Site Module").

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2. You must ensure that you or, if you are entity, the principals/owners that will be involved in the operation and management of the Franchised Business (each, an "Operating Principal") – as well as any Designated Manager you determine to appoint after you commence operating – attends and completes the Owner/Operator Module, which we expect will typically have a duration of up to 10 days and will be conducted at one of our Affiliate-Owned locations in either Virginia or Maryland.

3. You must also ensure that the initial associates, groomers and other personnel of the Franchised Business that you contemplate will be part of your initial staff when your Franchised Business opens to the public (the "Initial Personnel") participate and complete the On-Site Module of our Initial Training Program, which we expect will typically last up to five (5) days and is conducted by our trainer(s) at the Premises.

4. We will provide both Modules of the Initial Training Program to you and your other initial Franchised Business personnel identified above, as applicable and required under your Franchise Agreement, without charging our then-current Training Fee. With that said, you will be responsible for covering all costs and expenses associated with (a) you, your Operating Principal and/or Designated Manager attending the Owner/Operator Module at our corporate headquarters or other designated Corporate Training Location (travel/lodging/meals/wages and local transportation), and (b) the initial personnel of your Franchised Business participating in the On-Site Module that takes place at your Premises (such as wages/compensation/meals).

5. If you are a partnership, corporation or limited liability company, at least one (1) of the trainees must be your general partner, principal shareholder, or managing member (as appropriate) that will serve as your Operating Principal.

6. If and when you have determined to appoint a Designated Manager to run the day-to-day operations of the Franchised Business, then this Designated Manager must also attend the Owner/Operator Module as a condition to us approving that individual (as disclosed more fully in Item 15). The Designated Manager will also be required to participate in a version of the On-Site Module that may typically be provided by you, your Operating Principal or other senior personnel that has completed the On-Site Module and you determine appropriate for this kind of training/mentoring role. If you fail to engage a Designated Manager, then you or your Operating Principal will be deemed the Designated Manager for the Franchised Business.

7. Before we provide any portion of Owner/Operator Module or On-Site Module to you and your required trainees, you must (i) demonstrate that you have obtained all required insurance coverages set forth in the Franchise Agreement and Manuals, (ii) undertake all steps to establish the EFT Account, including providing us with all authorizations and approvals necessary to access such EFT Account, (iii) submit and obtain our approval of, the initial marketing plan and proposed budget for the Initial Marketing Spend, (iv) demonstrate that you have pre-paid all amounts in connection with the Initial Marketing Spend, and (v) provide us with completed copies of all agreements and contracts that are attached as Exhibits to the Franchise Agreement. (Franchise Agreement, Section 6(N)).

8. Below please find a Training Chart providing the details of our Initial Training Program that is provided via the modules we determine appropriate:

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TRAINING CHART

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Dog Basics	8 hours	16 hours	Corporate Training Location in VA or MD, Franchised Business Premises and/or via Remote Instruction via Webinar or other Online Learning Management System software ("LMS")
Business Management	8 hours	32 hours	Corporate Training Location in VA or MD, Franchised Business Premises and/or via Remote Instruction
Totals	**16 hours**	**48 hours**	

9. We do not currently have a set training schedule, but our initial training described above will be made available on an as-needed basis subject to the availability of our personnel. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained.

10. We may provide certain portions of your Initial Training Program via webinar(s) or other online LMS, including information introducing you to our brand, concept and System.

11. Our training supervisor, Brock Dudley, who joined us in January 2023, has 11+ years of experience in connection with most of the subject matters comprising the initial training via operational roles with other brands. Our training managers may utilize other employees to assist them with all aspects of training. We reserve the right to appoint and substitute other individuals to assist in providing training.

12. Failure to complete the Initial Training Program to our satisfaction prior to opening the Franchised Business may result in termination of the Franchise Agreement. (Franchise Agreement, Section 5(A)).

13. We will loan you, or otherwise provide you with access to, a copy of our proprietary instructional materials prior to or upon you attending certain the components of our Initial Training Program that are provided at our designated training facility, which may include our Manuals and certain other instructional materials that we develop. You, or another person that successfully completes our Initial Training Program, will be required to train all other personnel that works at your Franchised Business. (Franchise Agreement, Section 6(N) and 6(O)).

14. If you or, if applicable, you Designated Manager or other trainee you designate fails to complete the Initial Training Program to our satisfaction, that person may re-attend or you may send a replacement to our next available Owner/Operator Module session, provided there is availability. We may

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charge our then-current Training Fee for these individuals to re-attend the Initial Training Program (which is currently, $2,500 per trainee).

C. Site Selection

You must assume all costs, liabilities, expenses and responsibility for: (i) locating, obtaining and developing a Premises for your Franchised Business; and (ii) constructing, equipping, remodeling and/or building out the Premises for use as a Franchised Business, all in accordance with our System standards and specifications. We will provide you with our then-current site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. Franchisor will not typically own the Premises which is then leased to you.

Regardless of whether you enter into a (a) single Franchise Agreement, or (b) Development Agreement for the right to develop multiple franchises, you will be required to locate the Premises for each Franchised Business you are awarded the right to open and operate within the DMA set forth in the applicable agreement. Please see Item 12 of this Disclosure Document for additional information regarding your territorial rights under the DMA you are awarded.

In deciding whether to approve a site, we may consider, among other factors: (i) demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site; (ii) competition from other businesses selling similar products and services within the area and the proximity of the site to these businesses, as well as the nature of all other businesses in proximity to the site; (iii) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (iv) the size, appearance, and other physical characteristics of the proposed site. We will approve or disapprove sites for future and/or additional units under an Area Development Agreement using our then-current site selection criteria.

We must also have the opportunity to review any lease or purchase agreement for the proposed Premises before you enter into such an agreement. We may condition our approval of your proposed Premises on a number of conditions, including: (i) an agreement by you and the landlord of the Premises to enter into our prescribed form of Collateral Assignment of Lease and our then-current form of lease addendum (in a form similar to the agreements attached to our current form of Franchise Agreement); and (ii) receiving a written representation from the landlord of the Premises that you will have the right to operate the Franchised Business and provide the Approved Services and Approved Products from the Premises, throughout the term of your Franchise Agreement. (Franchise Agreement, Sections 5(E) and 6(A)). Under the Collateral Assignment of Lease, we will have the option, but not the obligation, to assume or renew the lease for the Premises (the "Lease") for all or part of the remaining term of the Lease only if: (i) your Franchise Agreement or Lease is terminated, or subject to termination, for cause; or (ii) either your Franchise Agreement or Lease expires (and you do not renew in accordance with the respective terms of those agreements).

We will make reasonable efforts to approve or reject any proposed location (and corresponding lease/purchase agreement) within 30 days of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation (including any costs/expenses that we incur in connection with sending our representative(s) to conduct an on-site evaluation of any proposed Premises). If we do not provide our specific approval of a proposed location within this 30-day

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period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for a Franchised Business. (Franchise Agreement, Section 5(E)).

We currently have an Approved Supplier for site selection assistance and guidance, but we do not currently require you to use our Approved Supplier. Your failure to secure a Premises that we approve within six (6) months of executing your Franchise Agreement for a given Franchised Business will (a) constitute a material violation of that agreement, and (b) give us grounds to terminate the franchise relationship if not cured within 30 days of the date we provide you with notice of this default. (Franchise Agreement, Section 6(A)).

D. Time to Open

Single Franchised Business under Franchise Agreement

Except as provided in this Item, you must open and commence operations of your Franchised Business within twelve (12) months of the date you execute your Franchise Agreement for that Franchised Business. We estimate that it will take between eight (8) months and twelve (12) months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory (Approved Products) or supplies needed prior to opening. If you do not open or operate your Franchised Business within this twelve-month period (or extended period of time that we grant you upon your written request), then we may terminate your Franchise Agreement (Franchise Agreement, Section 6(D)).

Multiple Franchised Businesses under a Development Agreement

If you have entered into a Development Agreement for the right to develop two (2) or more Franchised Businesses, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule will depend on the number of Franchised Businesses you are granted the right to open and operate. (Development Agreement, Section 4(B) and 4(C)). We may agree to extend your deadline(s) to open certain of your Franchised Businesses under the Development Agreement, provided you timely request such an extension in writing and we approve your request in an addendum to the Development Agreement that contains, among other things, a general release in favor of us and our related parties.

Otherwise, if you fail to open any Franchised Business within the appropriate time period outlined in the Development Agreement, we will have the right to terminate your Development Agreement upon written notice. You will not have any further development rights or territorial within your DMA upon termination of your Development Agreement, except to continue operating the Franchised Business(es) that were already open and operating as of the termination date.

E. Post-Opening Obligations

1. We may offer, and require you and, if appropriate, your Designated Manager to attend additional training programs and/or refresher courses, as we deem necessary in our sole discretion ("Additional Training"). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5)

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days of Additional Training each year at our headquarters or other location we designate. We may also require that you and your Designated Manager attend up to five (5) days of training that is designed to cure a given default or violation of your Franchise Agreement or failure to comply with the operational and other System standards and specifications stated in our Manuals as part of the actions you must undertake to cure that default/violation or failure (the "Remedial Training"). You will be required to pay our then-current training tuition fee for any Additional Training you and your employees attend. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Sections 5(C) and 6(N));

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, or intranet communication, as we deem advisable and subject to the availability of our personnel. We may also provide you with on-site assistance, subject to the availability of our field representatives, provided you pay our then-current on-site assistance or consultation fee. (Franchise Agreement, Section 5(F));

3. We will approve or deny any advertising/marketing and/or other promotional materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(G));

4. We will approve or disapprove of your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(K));

5. We may schedule and hold an annual conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), but we will not charge you an attendance/registration fee. (Franchise Agreement, Section 5(P));

6. We will display the contact information of your Franchised Business on the a website that we or our designee establish and maintain to advertise and promote the brand, our Proprietary Marks and other Franchised Business locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading "Advertising and Marketing" for further information. (Franchise Agreement, Section 5(H));

7. We will administer and maintain a brand development fund (or "Fund") for the benefit of the System, as we deem necessary in our sole discretion. (Franchise Agreement, Section 5(L));

8. We may conduct, as we deem advisable in our sole discretion, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of your Franchised Business, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5(K));

9. We may supplement, revise or otherwise modify the Manuals, as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-

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wide intranet. (Franchise Agreement, Section 2(G)); and

10. We may: (i) research new FFE, retail inventory items (including branded apparel, pet products and similar merchandise and/or proprietary products), operating supplies, methodologies in connection with the provision of certain existing or potentially-new Approved Services, (ii) provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and/or (iii) research and designate any updates to the Operations Manual or other Manuals that we determine appropriate based on the research conducted above, which may include or involve a modification to certain of our then-current Proprietary Marks (Franchise Agreement, Section 6(D)).

F. Advertising

All advertising and promotion that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 9(A)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 20 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved, and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)).

Initial Marketing Spend. You are required to expend an Initial Marketing Spend amounting to $10,000 within your DMA to promote and advertise the grand opening of your Franchised Business, which must be expended over the time period and in the manner we designate or approve as part of your initial launch marketing plan. We may designate or require that you expend all or some portion of the Initial Marketing Spend on (a) pre-opening sales activities designed to generate boarding appointments and other client bookings for Approved Services, along with otherwise promoting the Approved Services and Franchised Business within that area prior to opening, or (b) other materials and/or services that are provided by one (1) or more of our Approved Supplier(s). (Franchise Agreement, Section 9(C)). As of the Issue Date, we expect and assume that you will commence expending the Initial Marketing Spend around 1-2 month prior to the contemplated opening of your Franchised Business through the 1-3 month period following your opening.

Local Advertising Requirement (or LAR). Recognizing the importance of promoting your Franchised Business within your DMA and surrounding area, you must currently expend a minimum amount on the local advertising, marketing and/or other promotion of your Franchised Business within your DMA. Currently, your LAR amounts to the greater of: (i) one percent (1%) of the Gross Sales generated by your Franchised Business in the preceding calendar month; or (ii) $2,000/month.

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You may and must use only those materials that we have previously approved or designated, and we may require that you provide us with reports and other evidence of your local advertising expenditure each month. (Franchise Agreement, Section 9(D)). Your Local Advertising Requirement will commence once the period where we designate you must spend your Initial Marketing Spend expires. We may require that you expend any portion of your LAR on marketing/advertising services or items that are purchased from one (1) or more of our Approved Supplier(s).

Brand Development Fund. We have established and intend to administer a brand development Fund for the benefit and further development of the brand generally, Proprietary Marks, System, Franchised Businesses and/or any of the Approved Services and Approved Products. We may use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials (via both digital and traditional channels and creative), franchisee training or support tools, and any other activities which we believe will enhance the image of the System. As of the Issue Date of this Disclosure Document, your Fund Contribution will amount to one percent (1%) of the Gross Sales generated by your Franchised Business. (Franchise Agreement, Section 9(E)).

We are not required to spend any of your Fund Contributions in the DMA you are granted under your Franchise Agreement, and we will provide you with an accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. We do not presently intend to use it to solicit new franchise sales but we reserve the right to do so. If we do not spend all Fund Contributions in a given year, any excess funds will rollover into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 9(D)). Our affiliate-owned Franchised Businesses may – but are not obligated to – contribute to the Fund in the same manner that each Franchised Business is required to contribute. During our fiscal year ended December 31, 2025, we did not expend any Fund Contributions.

Advertising Council. We may establish a marketing council (the "Advertising Council"), which serves in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund. At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve a Marketing Council at any time. (Franchise Agreement, Section 9(F)). The Advertising Council – if established – will only serve in an advisory capacity and its recommendations will not be binding on us or other Fund administrator.

Regional Cooperatives. We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two (2) or more Franchised Businesses (whether a Franchised Business or affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Franchised Business owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Franchised Businesses within the geographical boundaries of the Cooperative. We have not established any Cooperatives as of the Issue Date of this Disclosure Document and have not contemplated how much a Franchised Business might be required to contribute to such a Cooperative (though it will not exceed your Local Advertising Requirement based on your Gross Sales over the applicable period). We will have the right to establish, modify, merge and dissolve Cooperative as we deem appropriate. Any amounts you expend on Cooperatives will be credited towards your Local Advertising Requirement.

Online Directories. As another means of advertising, you must ensure that the Franchised Business is listed in appropriate Internet-based telephone directories that we designate in the Manuals or otherwise in writing.

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You must ensure that your Franchised Business has a dedicated telephone line that is not used for any other purpose.

G. Computer System

We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, including without limitation (i) a laptop or other computer that meets our System specifications and is capable of running all Required Software; (ii) printers and other peripheral hardware/devices; and (iii) equipment necessary to maintain a physical, electronic or other security system for the Franchised Business that we designate (collectively, the "Computer System").

We may also require you to (a) use the Required Software we designated for use in connection with the Computer System and Franchised Business generally, and (b) pay our Approved Supplier or other provider of such software any associated initial and ongoing license fees.

As of the Issue Date, this Required Software includes: (i) back office systems, data, audio, video (including managed video security surveillance, which we have the right to monitor to the extent permitted by law), telephone, voice messaging, retrieval, and transmission systems for use at Franchised Businesses, between or among Franchised Businesses, and between and among the Franchised Business, you, and us; (ii) client scheduling, appointment management, client record intake and other Required Software; (iii) physical, electronic, and other security systems and measures; (iv) printers and other peripheral devices; (v) archival back-up systems; (vi) Internet access mode and spend; (vii) technology used to enhance and evaluate the customer experience; (viii) digital and virtual menu boards and related technology, hardware, software, and firmware; (ix) front-of-house Wi-Fi and other connectivity service for customers; (x) cloud-based back-end management systems and storage site; (xi) in-center music and aroma systems (currently Pandora or Spotify and Aroma 360); (xii) consumer marketing-oriented technology (including affinity and rewards hardware and software, facial and other customer-recognition technology, and approved social media/networking sites); and (xiii) any other computer software programs or accounting system software we may develop or have developed for us, which you must install and maintain according to our standards, The fees for such Required Software as of the Issue Date are disclosed more fully in Item 6 of this Disclosure Document. Currently, the computer/laptop you use in connection with your Computer System at your Franchised Business must have: (i) the ability to access high-speed Internet (wirelessly); (ii) a newer Windows operating system software installed, along with a Microsoft Office software suite containing at least Word and Excel; and (iii) the ability to run QuickBooks or similar accounting/bookkeeping software.

The principal functions of the Computer System will be for running the property management and related POS software from our Approved Supplier, bookkeeping, creating invoices, preparing materials, as well as for other general use in connection with the Franchised Business. The computer/laptop you use in connection with the Franchised Business may not be used for any other business purpose. We may modify our System standards and specifications for our Computer System and may otherwise require you to use any Required Software we designate. (Franchise Agreement, Sections 4(C), 5(J) and 6(D)).

If you already have computer hardware and/or software that meets our then-current standards for a Computer System and/or Required Software, then you may use these items in connection with your Franchised Business provided you obtain our approval. Otherwise, we estimate the costs to purchase our current Computer System hardware components to be between $11,000 and $12,000.

You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we

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direct from time to time in writing. We estimate that you will spend between $500 and $1,000 annually on maintenance and support contracts for your Computer System, including any hardware or Required Software upgrades we designate. This annual range does not include: (i) the ongoing license and/or other fees associated with the Required Software that you must use in connection with your Franchised Business to the Approved Suppliers of such software (please see Item 6 for current Required Software fees); or (ii) any Technology Fee we determine to charge you in the future.

You must have the components necessary to ensure that the entire Premises of the Franchised Business has access to the Internet via Wi-Fi connection. We may require that: (i) you comply with our standards and specifications for Internet access and speed; and (ii) the Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We will also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the information and data on any component of your Computer System.

System Site(s)

You are also required to participate in any System-wide a cloud-based network or other online intranet or website portal that we establish or otherwise require (each, a "System Site"), which may be used to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 5(J)).

H. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook®, SnapChat®, Pinterest®, X®, LinkedIn®, Instagram®, YouTube® or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one (1) or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement, Section 9(G)).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business. We will establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) the Franchise Agreement governing that Franchised Business is not subject to termination. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage.

We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) is the sole registrant of the Internet domain name www.playfulpack.com, as well as any other

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Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

ITEM 12
TERRITORY

Premises and Relocation

You may only operate your Franchised Business on the Premises we approve. Once we agree on the Premises, we will designate it on the Data Sheet attached to the Franchise Agreement governing that Franchised Business.

Each approved Premises must be located within the DMA awarded under your Franchise Agreement or, if applicable, the Development Agreement governing the development of the Franchised Business at issue.

You may not relocate your Franchised Business without our written consent, which we will not unreasonably withhold provided: (i) the new location is located within your DMA and meets our then-current criteria for a Premises; and (ii) you pay our then-current relocation fee (if any). When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate. We will not unreasonably withhold or approval of your relocation request, provided the location meets our site selection criteria.

Designated Marketing Area ("DMA")

We will agree upon and you will be awarded a particular DMA that we set forth in: (i) your Franchise Agreement if you are being awarded the right to open and operate a single Franchised Business; or (ii) your Development Agreement if you are being awarded the right to develop multiple franchises, in which case each Franchised Business you commit to develop will have the same DMA. We will approve or disapprove sites for future and/or additional units under an Area Development Agreement using our then-current site selection criteria.

Provided the agreement containing your DMA is not subject to termination, we will not open or locate, or license any third party the right to open or locate, any other System Business that operates under the Proprietary Marks from a physical location within your DMA. Your territorial exclusivity will not depend upon obtaining certain sales volumes, market penetration, or other contingency.

We currently designate the boundaries of a given DMA that are consistent with the boundaries currently set for such "Designated Marketing Areas" regions by Nielsen®, a third-party information provider (the "Source Information") for such boundaries and other information regarding each of the 210 DMAs that comprise the United States currently.

In the event the Source Information demonstrates that a given DMA is capable of supporting multiple Franchised Business operations, then we expect and intend to only award such DMAs pursuant to a Development Agreement to develop such locations within that DMA.

If you are granted the right to open multiple Franchised Businesses under our form of Development Agreement, then your DMA will be set forth in that agreement. You must ensure compliance your development obligations under the Development Agreement you enter into with us (if any), including your

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Development Schedule, in order to maintain the territorial rights awarded under the DMA you are awarded under any such Development Agreement. In the event of such default and failure to cure, we may terminate your territorial rights within the DMA and/or your Development Agreement in its entirety.

Rights Within and Outside DMA

You will not be required to pay us any additional consideration for accepting clientele that reside outside of your DMA; however, you may not actively solicit customers outside of your DMA without our prior written consent (and, if applicable, the consent of any third-party System franchisee or developer that owns the DMA where the expanded advertising would be disseminated). We are not required to pay you any compensation for soliciting or accepting orders from customers located inside your DMA.

Reserved Rights

Under the Franchise Agreement and/or Development Agreement (as appropriate), we and our affiliates reserve the exclusive right to: (i) establish and operate, and license any third party the right to establish and operate, other Franchised Businesses and Franchised Businesses using the Proprietary Marks and System at any location outside of your DMA; (ii) market, offer and sell products and services that are similar to the Approved Products and Approved Services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the DMA; (iii) use the Proprietary Marks and System, other such marks we designate, to distribute the Approved Products (including private label products that we may develop in the future) in any alternative channel of distribution, within or outside the DMA (including the Internet, direct mail, wholesale stores, etc.); (iv) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered by you through your Franchised Business (but under different marks), within or outside your DMA; and (v) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in your DMA.

Neither the Franchise Agreement nor Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing.

Additional Relevant Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights within your DMA). Regardless, each Franchised Business you are awarded the right to open and operate must be governed by its own specific form of Franchise Agreement.

As of the Issue Date, we have not established other franchises or company-owned outlets or another distribution channel for offering or selling products/services that are similar to the Approved Products and Services under a different trademark. Neither we nor our affiliate have established, or presently intend to establish, other franchised or company-owned businesses that sell our Approved Products and Approved Services under a different trade name or trademark. We do, however, reserve the right to commence such activities in the future without your consent.

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ITEM 13
TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Proprietary Marks we designate to identify the Franchised Business, provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Manuals. You do not obtain any additional rights to use any of our Proprietary Marks under any Development Agreement you determine to execute – such trademark license rights are only afforded under our then-current form of franchise agreement.

Our affiliate, Playful Pack, LLC (the "TM Licensor"), is the owner of the following Proprietary Mark that is registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Registration No.	Registration Date
 Playful Pack (Words and Design)	6,756,574	June 14, 2022

We expect and intend to work with TM Licensor to ensure file all affidavits and other documents with the USPTO to the registration for the Proprietary Mark above, as and when they become due.

We have a license to use, and license others the right to use, the Proprietary Marks via a trademark license agreement with TM Licensor dated February 1, 2023. This license agreement has a perpetual term, unless terminated by either party due to cause, and is a royalty-free license. In the event this agreement is terminated, the parties have agreed to work together to avoid any impact on our System franchisees' respective rights to use the Proprietary Marks in accordance with their franchise agreements with us. Other than this agreement, we are not aware of any other agreement that might limit or otherwise materially affect our System franchisee rights with respect to the Proprietary Marks.

You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of your Franchise Agreement.

As of the Issue Date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any superior rights in, or infringing uses of, our Proprietary Marks that could materially affect your right to use these marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings, or any material litigation, involving the Proprietary Marks. Lastly, there are no agreements in effect that significantly limit our right to use, or license the use of, the Proprietary Marks that are material to the franchise relationship.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name or "d/b/a". You may not modify the Proprietary Marks

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with words, designs or symbols, except those that we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your managers will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise System, or contest our sole right to register, use, or license others to use, our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term(s) "PLAYFUL" or "PACK" and/or any similar phrase.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Proprietary Marks in the manner we prescribe, provided you immediately notify us of the claim and any proceeding (within three (3) business days of when you are notified), and you have otherwise complied with our directions with regard to the proceeding. In such a context, we: (i) will have the right to control the defense and settlement of any proceeding; and (ii) will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to you engaging counsel. We will not reimburse you for disputes where we challenge your use of our Proprietary Marks on the grounds that you were not licensed to use such marks or that such use was improper, unauthorized or outside the scope of license specifically afforded under your Franchise Agreement and the Manual(s).

You must modify or discontinue using any of the Proprietary Marks, and add new names, designs, logos or commercial symbols to the Proprietary Marks as we instruct. We may, at our sole discretion, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require. You will receive written notice of any change and will be given a reasonable time to conform to our directions (including changing signage, marketing displays, trade dress and other advertising), at your sole expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or pending patent applications that are material to the franchise. We do, however, claim common law copyright and trade secret protection for several aspects of the franchise System including our Manuals, training materials, advertising, and business materials. No agreement limits our right to the use of such copyrighted and trade secret protected materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We may revise our System and any of our copyrighted materials in our discretion, and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement and, if applicable, your Development Agreement, you will receive information which we consider trade secrets and confidential information. You may not, during the term of such agreements or any time after that, communicate, divulge, or use for the benefit of any other

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person, partnership, association, corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (the "Confidential Information"). You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations.

You must require your Designated Manager, any of your officers/managers that have not signed the Personal Guaranty or Franchise Agreement directly, as well as any other management personnel that has attended any portion of our Initial Training Program or that will have access to our Confidential Information, to sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement as Exhibit "E". In this agreement, the signing individuals must agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you. This confidentiality agreement, which will be in a form that you review with your own counsel and adjust as your counsel determines appropriate to help ensure enforceability of the agreement provisions under the laws of the state where the Franchised Business at issue is located, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights.

The Franchise Agreement also specifically provides that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of any Franchised Business, you will promptly notify us and provide us with all necessary related information, without the need for consideration. Any new concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to such new concepts. You and your principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that these provisions in the Franchise Agreement and/or Development Agreement are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

We may revise any of copyrighted materials (whether registered or via common law) at our discretion, and may require that you cease using any outdated item or portion of the Manuals.

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

Prior to and during your initial period of actual operations, we strongly recommend (and may require) that you – or a Designated Manager that completes all our Initial Training Program requirements and is otherwise appointed by you – personally participate and manage the day-to-day development, opening and subsequent operations of your Franchised Business.

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In the event you are developing a second or subsequent Franchised Business as part of a Development Agreement or otherwise, then you may need to engage a Designated Manager to manage the day-to-day operation of your Franchised Business. Any Designated Manager you wish to appoint must be approved by us, which we will not unreasonably withhold provided the individual you wish to appoint attends and successfully completes all portions of the Initial Training Program we determine appropriate and, if applicable, other responsibilities you contemplate this individual performing as your Designated Manager. Please note that, if you do not engage a Designated Manager, then you will be deemed the Designated Manager for your Franchised Business.

Both you and any Designated Manager will be required to complete the Initial Training Program to our satisfaction prior to undertaking any management responsibilities.

If the franchisee is a business entity, we do not require the Designated Manager to own a beneficial or equity interest in the entity, but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement that is discussed and disclosed more fully in Item 14 of this Disclosure Document immediately above.

If you are an entity that executes a Development Agreement with us, you must designate and retain an individual to act on behalf of "Developer" in all transaction (the "Representative"). The Representative must meet our standards and criteria for a Representative as set forth in the Manuals or otherwise in writing by us.

Under the terms of our Franchise Agreement, your principals, partners, or members, as applicable, are required to sign a Personal Guaranty (Exhibit B to the Franchise Agreement) agreeing to be bound by the non-competition agreement, confidentiality requirements and all of the other terms and obligations contained in the Franchise Agreement. Additionally, your spouse is required to sign the Personal Guaranty, which binds your spouse to the obligations contained in the Franchise Agreement.

Each Franchised Business you own must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program.

In the event that you operate more than one (1) Franchised Business, you must have a properly trained Designated Manager at each Franchised Business you own and operate.

You must keep us informed at all times of the identity of any personnel acting as Designated Manager and obtain our approval before substituting a new Designated Manager at any of your Franchised Business locations.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You and your Franchised Business personnel, as appropriate, may only offer and provide the Approved Services and Approved Products that we expressly authorize through your Franchised Business, and may only provide these products and services at the Premises and in the manner prescribed in your Franchise Agreement and our Manuals (unless we agree otherwise in a separate signed writing with you).

We may supplement, revise and/or modify our Approved Services, Approved Products and/or the methodologies by which we offer and provide the same, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Manuals or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

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If we discontinue any Approved Product or Approved Service offered by the Franchised Business, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us).

You may not use the Premises of your Franchised Business for any other business purpose other than the operation of your Franchised Business.

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.

A. Franchise Agreement

	Provision	Section in Franchise or Other Agreement	Summary
a.	Term of the Franchise	Section 3	The initial term is for 10 years commencing on the date we execute your Franchise Agreement.
b.	Renewal or extension of the term	Section 3	You have the right to be considered for one (1) additional (and successive) 10-year term.
c.	Requirements for franchisee to renew or extend	Section 3	In order to renew (which means renewing your franchise relationship with us), you must: not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us or the landlord of the Premises; not have received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date; be in good financial standing; have continued right of possession to the Premises; complete required renovation and modernization of your Franchised Business; pay us our then-current Renewal Fee; execute our then-current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); complete our then-current refresher training course (typically 3 days) and pay the appropriate fee, if any; and execute a general release in our favor (as well as related parties).
d.	Termination by franchisee	Not Applicable	Not Applicable (subject to state law).
e.	Termination by franchisor without cause	Not Applicable	Not Applicable

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f.	Termination by franchisor with "cause"	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 15(C)	You must cure all monetary defaults under your Franchise Agreement within 10 days of being provided with notice by us, as well as the following defaults: failure to purchase any Required Item; failure to purchase from our Approved Suppliers; any purchase of a non-approved item or offering of a product/service at the Franchised Business that we have not authorized; and failure of you to obtain any necessary permit/certificate/approval to operate the Franchised Business. Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h.	"Cause" defined - defaults which cannot be cured	Section 15(A)	Your Franchise Agreement may be terminated automatically and without notice from us if: you become insolvent or make a general assignment for the benefit of creditors; a bankruptcy petition if filed by or against you and not dismissed within 30 days; a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; a receiver or custodian of your assets of property is appointed; a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement.
		Section 15(B)	Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: you commit and fraud or misrepresentation in connection with your Franchised Business; you or other required attendees fail to timely complete our Initial Training Program; you receive three (3) or more notices to cure the same or similar defaults under Section 15(C) of your Franchise Agreement in any 12-month period (whether or not subsequently cured); you violate any in-term restrictive covenants; you misuse the Proprietary Marks, Proprietary Information or other confidential information provided to you; misuse an proprietary software that might be developed; you fail to cure any default under any other agreement you have with our affiliates or any Approved Supplier within the appropriate cure period; you default under your lease for the Premises and fail to timely cure; you fail to open and commence operations within the required time period; you abandon your Franchised Business; you are convicted of a felony or any other crime of moral turpitude or offense that will adversely affect the System; you take any property of the Franchised Business for personal use; there are insufficient funds in your EFT Account on three (3) or more occasions in any 12-month period; or if you commit repeated violations of any applicable law.

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i.	Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: immediately discontinuing the use of the Proprietary Marks and trade dress; cease doing business in a form or manner that may give the general public the impression that you are operating a Franchised Business; return of the Manuals of any other Proprietary Information to us; provide us with all customer information, lists and applicable contracts; cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee; comply with all post-term restrictive covenants; at our written option, assign the lease for the Premises to us; provide us with written confirmation of compliance with these obligations within 30 days.
j.	Assignment of contract by franchisor	Section 13	No restrictions on our right to assign.
k.	"Transfer" by franchisee – defined	Sections 13(A) and 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you (if you are an entity).
l.	Franchisor approval of transfer by franchisee	Section 13(A)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m	Conditions for franchisor approval of transfer	Section 13(E)	We have the right to impose the following conditions on any transfer by you: all of your obligations under the Franchise Agreement have been satisfied; the new franchisee must meet our then-current qualifications and criteria for a new franchisee; transferee must assume all of your obligations under the Franchise Agreement; transferee must complete our training program; transferee must execute our then-current form of franchise agreement; you must pay our Transfer Fee and successfully complete our Initial Training Program (and pay the applicable training fee); and you must execute a general release in our favor (as well as related parties. You will not be required to pay any transfer fee in the event: (i) you wish to transfer your rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by you and established solely for purposes of operating the Franchised Business under that Franchise Agreement; or (ii) you are required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest with respect to the Franchised Business) in order to receive SBA or other traditional bank financing, provided we otherwise approve of the transfer.

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n.	Franchisor's right of first refusal to acquire franchisee's business	Section 13(D)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party *bona fide* offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	16(G)	We have the right, but not the obligations, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at book value.
p.	Death or disability of franchisee	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our Initial Training Program and pays the appropriate tuition fee. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves an amount to reimburse our actual costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q.	Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with a Competing Business (as defined in the Franchise Agreement); (ii) employ or seek to employ any of employees or us, our affiliates or any other System franchisee or induce such persons to leave their employment; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business (subject to state law).

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r.	Non- competition covenants after the franchise is terminated or expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising of Competing Businesses (subject to state law). For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with and Competing Business: (i) at the Premises or within your DMA; (ii) within a 50-mile radius of your DMA or any other System location that is open or under development as of the date of expiration/termination of this Agreement (subject to state law). During this two (2)-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) soliciting any employees of us, our affiliates or any other System franchisee to discontinue their employment (subject to state law).
s.	Modification of the agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manuals as we deem appropriate in our discretion from time to time.
t.	Integration/merger clause	Sections 18 and 22	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 21(B) Section 21(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place in Arlington, Virginia (subject to state law). You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v.	Choice of forum	Section 21(D) and 21(E)	Except for our right to seek injunctive relief in any court of competent jurisdiction, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to Arlington, VA or, if appropriate, the United States District Court for the Eastern District of Virginia. (subject to state law).

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w.	Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles. (subject to state law).

B. Development Agreement

	Provision	Section in Development Agreement	Summary
a.	Term of the Franchise	Section 1(B), Exhibit B	The Development Schedule will dictate the amount of time you have to develop a specific number of Franchised Businesses, which will differ for each Developer and will be specified in Exhibit B of the Development Agreement.
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	Not Applicable (subject to state law).
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with "cause"	Section 14	We may terminate your Development Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 14(B)	We may terminate your Development Agreement after providing notice and a 30-day cure period (unless a different cure period is specified below) if: you fail to meet the Development Schedule; you fail to develop, open, and operate each Franchised Business and execute each Franchise Agreement in compliance with the Development Agreement; you fail to designate a qualified replacement Representative; you misappropriate or misuse the Proprietary Marks or impair the goodwill of the Proprietary Marks or System; fail to make monetary payment under the Development Agreement or any Franchise Agreement to us or our affiliate, and fail to cure within 14 days of receiving written notice from us; fail to correct a deficiency of a health, sanitation, or safety issue identified by a local, state or federal agency or regulatory authority; or you fail to comply with any other material term or material condition of the Development Agreement or any Franchise Agreement.

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h.	"Cause" defined - defaults which cannot be cured	Section 14(A)	We may terminate your Development Agreement automatically upon written notice if: you become insolvent or make a general assignment for the benefit of creditors; file a bankruptcy petition or are adjudicated bankrupt; a bill in equity or appointment of receivership is filed in connection with you; a receiver or custodian of your assets of property is appointed; a proceeding for a composition of creditors is initiated against you; a final judgment is entered against you and not satisfied within 30 days; if you are dissolved, execution is levied against you; a suit to foreclose any lien or mortgage against any of your Franchised Businesses is levied; the real or personal property of a Franchised Business is sold after being levied upon; you fail to comply with the non-competition covenants of the Development Agreement; you or your principal discloses the contents of the Manuals or other confidential information; an immediate threat or danger to public health or safety results from the operation of a Franchised Business operated by you; you or your Principal has made a material misrepresentation in the franchise application; you fail on 3 or more occasions within a 1-year period to comply with a provision of the Development Agreement; or you fail to comply with the transfer conditions of the Development Agreement.
i.	Franchisee's obligations on termination/non-renewal	Section 14(D), Section 15	Upon termination, you have no right to establish or operate any Franchised Business for which an individual Franchise Agreement has not been executed by us and delivered to you at the time of termination. All of your obligations under the Development Agreement which expressly or by their nature survive the expiration or termination of the Agreement (including the non-competition covenants of Section 11), continue in full force and effect until they are satisfied or by their nature expire.
j.	Assignment of contract by franchisor	Section 16(A)	We have the absolute right to transfer or assign the Development Agreement and all or any part of its rights, duties or obligations to any person or legal entity without your consent.
k.	"Transfer" by franchisee – defined	Section 16(B)	A transfer includes voluntarily, involuntarily, directly or indirectly, assigning, selling, conveying, pledging, sub-franchising or otherwise transferring any of the rights created by the Development Agreement or any ownership interest in you.
l.	Franchisor approval of transfer by franchisee	Section 16(C)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.

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m.	Conditions for franchisor approval of transfer	Section 16(C)	Our conditions for approving a transfer include: all of you and your affiliates' money obligations must be satisfied; you and your affiliates must not be in material default of the Development Agreement or any Franchise Agreement; you must execute a general release in our favor; the transferee must meet our then-current criteria for Developers; the transferee must sign a written assumption agreement assuming your liabilities under the Development Agreement; you must pay a transfer fee of $15,000; and you must pay any referral fees or commissions that may be due to any franchise broker, sales agent, or any other third party.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16(E)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party offer to purchase any ownership interest in the Development Agreement. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Section 16(F)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our training program and executes either a personal guaranty or a new Development Agreement. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q.	Non-competition covenants during the term of the franchise	Section 11(B)(1)	Neither you, your principals, guarantors, owners or key employees, nor any immediate family member of you, your principals, guarantors, owners or key employees, may: (i) own, operate, or otherwise be involved with, Competing Business (as defined in the Development Agreement); (ii) employ or seek to employ any employees of us, our affiliates or any other System franchisee/developer or induce such persons to leave their employment; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business (subject to state law).

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r.	Non- competition covenants after the franchise is terminated or expires	Section 11(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Development Agreement, neither you, your principals, guarantors, owners, nor any immediate family member of you, your principals, guarantors, owners, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising of Competing Businesses (subject to state law). For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, nor any immediate family member of you, your principals, guarantors, owners, may own, operate or otherwise be involved with and Competing Business: (i) within the DMA; (ii) within a 50-mile radius of (a) your DMA, or (b) any other System location that is open or under development as of the date of expiration/termination of the Development Agreement (subject to state law). During this two (2)-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Businesses; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) soliciting any employees of us, our affiliates or any other System franchisee or developer to discontinue their employment (subject to state law).
s.	Modification of the agreement	Section 23(F)	Your Development Agreement may not be modified, except by a writing signed by both parties.
t.	Integration/merger clause	Section 23(G)	Only the terms of the Development Agreement (and ancillary agreements) and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and this Agreement may not be enforceable. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 21(B), Section 21(C)	You must first submit all dispute and controversies arising under the Development Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Development Agreement must be submitted to non-binding mediation, which will take place in Arlington, VA (subject to state law). You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.

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v.	Choice of forum	Section 22(A)	Except for our right to seek injunctive relief in any court of competent jurisdiction, all claims and causes of action arising out of the Development Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to Arlington, VA or, if appropriate, the USDC for the Eastern District of Virginia. (subject to state law).
w.	Choice of law	Section 21(A)	The Development Agreement is governed by the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles. (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise, but we reserve the right to use one in the future.

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.

BACKGROUND

In this Item 19, we disclose certain historical performance information reported to us by eight (8) of our affiliate-owned locations (each an "Affiliate-Owned Business") that were open and operating for the entirety of the 2025 calendar year (the "2025 Measurement Period"). We excluded two (2) affiliate-owned locations that opened in the middle of the 2025 Measurement Period, and, as such, (i) have not been in operation for at least twelve (12) months, and (b) were not open during the entirety of the 2025 Measurement Period.

As of April 2026, we have four (4) System franchisees. In this Item 19, we disclose certain historic financial performance information of our one (1) franchised outlet (the "Reporting Franchised Outlet") located in Charleston, South Carolina that was open for the entirety of the 2025 Measurement Period. We have excluded the financial performance of the other three (3) franchisees, because two (2) such franchisees opened in 2025, one (1) franchisee opened in 2026, and therefore these franchiscees were not open and operational for the entirety of the 2025 Measurmeent Period.

The Affiliate-Owned Businesses and the Reporting Franchised Outlet each operate under the Proprietary Mark PLAYFUL PACK and otherwise in a manner that is substantially similar to how you will be required and expected to operate the Franchised Business offered in this Disclosure Document. The figures below were reported to us by the owners of the Affiliate-Owned Businesses and the Reporting Franchised Outlet and are based on actual/historical performance during their respective measurement periods.

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Table 1 of this Item 19 discloses the Gross Sales generated by each of the Affiliate-Owned Businesses during the 2025 Measurement Period, as well as the opening dates of such businesses. Table 2 of this Item 19 discloses the average of certain operating costs and expenses incurred by the Affiliate-Owned Businesses during the 2025 Measurement Period, and associated data, expressed as a percentage of such businesses' total Gross Sales. Table 3 of this Item 19 discloses the Gross Sales of the Reporting Franchised Outlet during the 2025 Measurement Period.

Written substantiation of the data used in preparing this information will be made available upon reasonable request. We have not audited this information or independently verified this information.

Table 1 – Total Gross Sales for Affiliate-Owned Businesses during the 2025 Measurement Period (1/1/2025 – 12/31/2025)

	Annapolis	**Fairfax Station**	**McLean**	**Alexandria**	**Rosslyn**	**Leesburg**	**Rockville**	**NoMa**
Month/Year of Opening	*December 2017*	*November 2019*	*May 2021*	*March 2022*	*June 2022*	*August 2022*	*Feb 2023*	*Sep 2024*
2025 Gross Sales[1]	**$1,259,134**	**$765,460**	**$691,297**	**$534,070**	**$554,250**	**$674,708**	**$515,696**	**$436,275**

Table 2 – Average Disclosed Expenses of Affiliate-Owned Businesses, Expressed as a Percentage of Gross Sales, During the 2025 Measurement Period (1/1/2025 – 12/31/2025)

	Average	**Highest in Set**	**Lowest in Set**	**Median in Set**	**# (%) that Met or Exceeded the Average**
Cost of Goods (COGs) - Daycare and Boarding Supplies [2]	1.47%	3.2%	0.76%	2.06%	4 of 8 (50%)
Total Labor[3]	43.41%	49.16%	36.35%	44.15%	3 of 8 (37.5%)
Lease-Related Costs[4]	18.41%	23.52%	16.72%	20.33%	4 0f 8 (50%)
Advertising and Marketing[5]	1.67%	3.21%	0.98%	1.85%	4 0f 8 (50%)
Insurance[6]	1.21%	2.1%	0.54%	1.37%	3 of 8 (37.5%)
Merchant Processing and Banking Transactional Fees[7]	2.67%	3.27%	2.48%	2.58%	4 of 8 (50%)

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Computer, Software and Internet-Related Expenses[8]	0.46%	1.1%	0.06%	0.47%	3 0f 8 (37.5%)
Office Supplies[9]	0.38%	0.88%	0.17%	0.36%	4 of 8 (50 %)
Other Disclosed Operating Costs and Expenses[10]	1.11%	1.36%	0.68%	1.0%	3 of 8 (37.5%)
Royalt (Imputed)[11]	*6%*	*6%*	*6%*	*6%*	
Fund Contribution (Imputed)[12]	*1%*	*1%*	*1%*	*1%*	
Gross Sales Less Total Disclosed Operating Costs and Expenses Above (Expressed as a %)[13]	**24.14%**	**26.74%**	**15.7%**	**22.8%**	**4 of 8 (50%)**

Table 3 – Gross Sales of One (1) Reporting Franchised Outlet During the 2025 Measurement Period

(1/1/2025 – 12/31/2025)

	Charleston
Month/Year of Opening	*April 2024*
2025 Gross Sales[1]	**$853,759**

Explanatory Notes to Above Tables:

1. **Gross Sales.** The term "Gross Sales" means the total revenue generated by that business over the applicable measurement period, including all revenue generated from the provision of Approved Products and Approved Services provided at or through the business, Gross Sales does not include the sale of products or services for which refunds have been made, the sale of equipment used in the operation of the business, or the amount of any sales tax collected from customers of the business. All amounts shown are rounded to the nearest dollar.

2. **COGS - Daycare and Boarding Supplies.** The term "Cost of Goods – Daycare and Boarding Supplies" means the total amounts incurred (expressed as a percentage of Gross Sales) in connection with that Affiliate-Owned Business's operation over the 2025 Measurement Period, as reported to us by the owner of said Business, in connection with: (i) the equipment, toys, supplies and other items necessary to provide the approved daycare services; and (ii) the equipment, supplies, and other items necessary to provide the approved boarding services from the Business premises.

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3. **Labor.** The term "Total Labor" means the total amounts incurred (expressed as a percentage of Gross Sales) in connection with the following labor-related operating costs over the 2025 Measurement Period: (i) payroll salaries, including salaries for managers and directors of the Affiliate-Owned Business; and (ii) the costs for any temporary employees hired by the Affiliate-Owned Business.

4. **Lease-Related Costs.** The term "Lease-Related Costs" means the amount (expressed as a percentage of Gross Sales) that Affiliate-Owned Business expended over the 2025 Measurement Period on rent, CAM and other amounts due under on in connection with the lease for that Business's premises.

5. **Advertising and Marketing.** The term "Advertising and Marketing" means all amounts that the owner of that Affiliate-Owned Business expended (expressed as a percentage of Gross Sales) on advertising, marketing and promotional activities over the 2025 Measurement Period.

6. **Insurance.** The term "Insurance" means the insurance premiums and other amounts that the Affiliate-Owned Business expended (expressed as a percentage of Gross Sales) on insurance coverage(s) over the 2025 Measurement Period. The coverages maintained in connection with the operation of the Affiliate-Owned Businesses above may differ from the insurance policies that System franchisees are currently required to maintain.

7. **Merchant Processing Fees.** The term "Merchant Processing Fees" means the amounts that the owner of that Affiliate-Owned Business expended (expressed as a percentage of Gross Sales) over the 2025 Measurement Period on: (i) third-party merchant processing fees; (ii) any reported bank fees; and (iii) if applicable, any required business license(s) used in connection with the Business operations.

8. **Computer, Software, and Internet-Related Expenses.** The term "Computer, Software and Internet-Related Expenses" means all amounts reported by the owner of that Affiliate-Owned Business that were expended (expressed as a percentage of Gross Sales) over the 2025 Measurement Period on: (i) any computer hardware updates; (ii) third-party software licenses; and (iii) monthly charges for Internet connectivity and access at the Premises of that Business.

9. **Office Supplies.** The term "Office Supplies" means that amounts that Affiliate-Owned Business incurred (expressed as a percentage of Gross Sales) during the 2025 Measurement Period in connection with office-related supplies and maintenance.

10. **Other Disclosed Operating Costs and Expenses.** For each Affiliate-Owned Business, this term means the amount (expressed as a percentage of Gross Sales) that the owner of that Business, reported to us as incurred or otherwise expended on the following items and/or services over the 2025 Measurement Period: (i) cleaning and other janitorial costs; (ii) telephone service; (iii) uniforms; (iv) temporary staffing/labor; (v) utilities, and (vi) veterinary services.

    This category does not include any of the following, which are not accounted for in this Item 19: (i) legal, accounting or other professional fees; (ii) repairs and maintenance; (iii) debt services; (iv) depreciation and/or amortization; (v) any amounts paid by a given Business to a corporate officer or entity manager as compensation; (vi) charitable contributions; (vii) state, local, property and CAT taxes; and/or (viii) automobile allowances.

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11. **Royalty (Imputed).** "Royalty (Imputed)" means the Royalty Fee that the Affiliate-Owned Businesses would have had to pay us over the measurement period if the Affiliate-Owned Businesses were owned by a System franchisee and governed by our current form of Franchise Agreement. The current Royalty fee is six (6) percent of Gross Sales.

12. **Fund Contribution (Imputed).** "Fund Contribution (Imputed)" means the Fund Contribution that each Affiliate-Owned Business would have had to pay us over the measurement period if: (i) the Businesses were owned by a System franchisee; and (ii) the Business operations were governed by our current form of Franchise Agreement. Our current required Fund Contribution is one (1) percent of Gross Sales.

13. **Gross Sales Less Total Disclosed Operating Costs and Expenses Above (Expressed as a %.** The term "Gross Sales Less Total Disclosed Operating Costs and Expenses Above (Expressed as a %" is calculated by: (i) taking the Gross Sales generated by that Business; and (ii) subtracting the percentages reported for COGS, Labor, Occupancy, Advertising, Insurance and all other disclosed Operating Costs and Expenses – as well as the imputed fees described in Note Nos. 11 and 12 above – for that Business over the 2025 Measurement Period.

General Notes to this Item 19

1. **Some outlets have achieved these amounts. Your individual results may differ. There is no assurance that you will achieve as much.**

2. **Affiliate Business Management.** Certain of the Affiliate-Owned Businesses are managed on a day-to-day basis by a Designated Manager. You may determine to engage a Designated Manager or, with regards to at least your first location, determine to serve as the owner/operator (or operating principal) that primarily handles all day-to-day management of your Franchised Business.

3. **Affiliate Business Location and Existing Brand Awareness.** Please note that the Affiliate-Owned Businesses are located in Virginia and Maryland and, over the years since the first Affiliate-Owned Business opened and commenced operations, have garnered goodwill and reputation in the Proprietary Marks and Approved Services, which may not be as strong or yet exist in the region/area where you determine to locate your Franchised Business.

4. **Occupancy-Lease Costs.** Similar to each Affiliate-Owned Business, we expect and assume that you will lease the approved Premises for your Franchised Business operations.

5. **Mature Operations.** Certain of the Affiliate-Owned Businesses in this Item were already open and operating for some time as of the commencement of the 2025 Measurement Period. As such, these locations are more mature than a new Franchised Business and these locations did not have certain start-up costs and expenses that you will or might incur in connection with your Franchised Business during its initial period of operations.

6. **Operating Costs and Expenses Generally.** Expenses and costs, as well as the actual accounting and operational methods employed by a franchisee, may significantly impact profits realized by any particular business. The revenues and expenses of your business will be directly affected by many factors, such as: (a) your DMA's geographic location and population demographics; (b) advertising effectiveness based on market saturation; (c) whether you operate the business personally or hire a

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Designated Manager; (d) your product and service pricing; (e) vendor prices on materials, supplies and inventory; (f) employee salaries and benefits (life and health insurance, etc.); (g) insurance costs; (h) weather conditions; (i) ability to generate customers; (j) customer loyalty; and (k) employment conditions in the market.

Other than the preceding financial performance representation, Playful Pack 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 Scott Parker, c/o Playful Pack Franchising, LLC, 888 North Quincy Street, Suite 1604, Arlington VA 22203, or (571) 722-0075, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	1	+1
	2025	1	3	+2
Company-Owned**	2023	6	8	+2
	2024	8	8	0
	2025	8	10	+2
Total Outlets	2023	6	8	+2
	2024	8	9	+1
	2025	9	13	+4

**The Company-Owned outlets indicated above are owned and operated by our affiliates.

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Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchised Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
South Carolina	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Total	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	2	0	0	0	0	3

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Table No. 4
Status of Company-Owned Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
District of Columbia	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Maryland	2023	1	2	0	0	0	3
	2024	3	0	0	1	0	2
	2025	2	1	0	0	0	3
Virginia	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	1	0	0	0	6
Total	2023	6	2	0	0	0	8
	2024	8	1	0	1	0	8
	2025	8	2	0	0	0	10

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Texas	1	1	0
South Carolina	1	1	0
Michigan	1	1	0
New Jersey	1	1	0
Missouri	1	1	0
TOTALS:	5	5	0

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A list of the names of all of our current System franchisees, along with the contact information of their respective Franchised Business(es) that were open and operating as of December 31, 2025, are set forth in Exhibit F to this Disclosure Document.

The name, city, state and current contact information (to the extent known) of any System franchisee who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the original issuance date of this Disclosure Document, will also be listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three (3) fiscal years, certain of our franchisees have signed confidentiality provisions that may restrict their ability to speak openly about their experience with the System.

As of the Issue Date, there are no trademark-specific organizations formed by our franchisees that are associated with the System.

ITEM 21
FINANCIAL STATEMENTS

Our audited financial statements for our fiscal years ended December 31, 2025, December 31, 2024, and December 31, 2023, are attached to this Disclosure Document as Exhibit D. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following agreements are attached as Exhibits to this Franchise Disclosure Document:

Franchise Agreement (and Exhibits)	Exhibit B
Development Agreement (and Exhibits)	Exhibit C
State Specific Addenda	Exhibit E
Sample Termination and Release	Exhibit H

ITEM 23
RECEIPTS

Exhibit K to this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one (1) signed copy for your records and return the other signed copy to Scott Parker at 888 North Quincy Street, Suite 1604, Arlington, Virginia 22203 (phone: (571) 722-0075

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EXHIBIT A TO FDD

PLAYFUL PACK FRANCHISING, LLC

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

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LIST OF STATE ADMINISTRATORS

California DFPI
TOLL FREE 1-(866) 275-2677

LA Office
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office
2101 Arena Boulevard
Sacramento, CA 95834
(866) 275-2677

San Diego Office
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco Office
One Sansome St., #600
San Francisco, CA 94104
(415) 972-8559

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer
Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries

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350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Director, Department of Business Regulations
Rhode Island Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

South Dakota Division of Insurance
Securities Regulation
124 S. Euclid Suite 104
Pierre, SD 57501
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

State of Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
345 W Washington Ave., 4th Floor
Madison, WI 53703
(608) 266-8550

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AGENTS FOR SERVICE OF PROCESS

Attn: Mr. Scott Parker
Playful Pack Franchising, LLC
888 North Quincy Street, Suite 1604
Arlington, VA 22203

Commissioner, Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner, Department of Financial Protection and Innovation
One Sansome St., #600
San Francisco, California 94104

Commissioner, Department of Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054, 6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473-2492

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director, Department of Business Regulation
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

South Dakota Division of Insurance
Securities Regulation
124 S. Euclid Suite 104
Pierre, SD 57501
(605) 773-3563

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

Director, Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

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EXHIBIT B TO FDD

PLAYFUL PACK FRANCHISING, LLC

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

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PLAYFUL PACK FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this ___day of _____, 202__ ("Effective Date,") by and between: (i) Playful Pack Franchising, LLC, a Virginia limited liability company, with its principal business address at 888 N Quincy Street, Unit 1604, Arlington, Virginia 22203 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the establishment and ongoing operation of a business (each, a "Business") that offers and provides to prospective clients specialized pet care services including dog day care, dog boarding, dog washing, and/or other ancillary services related to pet care that Franchisor authorizes, all utilizing Franchisor's then-current proprietary marks and system of operations.

B. Franchisor's System is comprised of various distinguishing elements, including without limitation: a unique methodology and procedures for the establishment and operation of a System and/or franchised Business; standards and specifications for the supplies, inventory and methodology associated with storing, preparing, offering and providing each type of Approved Product and Approved Service; advertising; marketing; standards and specifications for equipment; customize designed chemicals, equipment, and other services; basic standards typically used as the premises for a Business; standards and specifications for the furniture, fixtures and equipment, including computer hardware and system, that must be used in connection with the premises from which the Franchised Business is operated; established relationships with approved or designated suppliers for certain products and services that must be utilized in connection with an Franchised Business, including certain proprietary and/or branded items; proprietary training programs, courses and training materials; Franchisor's confidential and proprietary operations manual and, at Franchisor's option, other instructional manuals that have been reduced to writing (collectively, the "Manuals"); and standards and specifications for advertising, bookkeeping, sales and other aspects of operating an Franchised Business. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information that makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Franchised Businesses are identified by the Franchisor's then-current proprietary marks, which may include Franchisor's current primary mark PLAYFUL PACK, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, advertising, and System.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Franchised Business utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

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E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee desires to acquire a non-exclusive franchise for the right to operate a single Franchised Business, and has submitted an application to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

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

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee acknowledges and represents that Franchisor, itself or through any officer, director, member, manager, employee, or agent, has not made, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document.

B. The business venture contemplated by this Agreement involves business risks.

C. Franchisee acknowledges that Franchisee's success in connection with the franchise granted hereunder will be largely dependent upon Franchisee's ability as an independent businessperson.

D. Franchisee has received, read, and does understand this Agreement and any attachments.

E. Franchisee understands and agrees that the industries in which the Approved Services are offered and provided are highly competitive with constantly changing market conditions including, but not limited to, the risks associated with local, state and federal regulatory agencies.

F. Franchisee acknowledges and agrees that Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction.

G. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business. Franchisee either has consulted with such advisors or has deliberately declined to do so.

H. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee.

I. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

J. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.

K. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

L. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor.

M. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

N. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those related to the provision of any Approved Services, that are necessary to operate the Franchised Business within the DMA (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located at all times during the term of this Agreement. Franchisee specifically agrees and acknowledges that it will ensure that only appropriate staff and personnel of the Franchised Business provide the Approved Services and receive all training required in connection with the System both before and after commencing their provision of Approved Services on behalf of the Franchised Business. Franchisee will obtain such license/certification prior to operating the Franchised Business in any manner. Franchisor shall have no liability in the event the development or operation of the Franchised Business violates any law, ordinance or regulation.

O. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of an Franchised Business; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

P. The parties agree and acknowledge that all provisions and information set forth in the "Background" portion of this Agreement above, including all definitions and representations set forth therein, are hereby incorporated by reference as if fully set forth herein,.

Q. Franchisee agrees and acknowledges as follows:

1. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

2. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractor, nor vice versa.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single franchised Business (the "Franchised Business").

B. **Approved Premises; Designated Marketing Area (or "DMA")**

1. *Approved Premises.* Franchisee may only operate the Franchised Business from a site that Franchisee proposes to Franchisor in writing and that Franchisor approves in writing (the "Premises"), which must be located within the designated marketing area ("Designated Marketing Area" or "DMA") described more fully in Section 2(B)(2) below. Once the Premises is approved and secured by Franchisee it will be placed in Section 2 of the Data Sheet attached to his Agreement as Exhibit A (the "Data Sheet").

2. *Designated Marketing Area.* The parties agree and acknowledge that: (i) Franchisee may only search for and must locate the Franchised Business from a Premises that is located within the DMA that is specifically identified in either:

i. Section 1 of the Data Sheet if this Agreement is not being executed to fulfill development obligations in connection with an multi-unit development agreement with Franchisor (a "Development Agreement"); or

ii. If applicable, the Development Agreement under which Franchisee committed to develop the Franchised Business governed by this Agreement.

3. *Rights within DMA.* Subject to the terms of this Section, Franchisor will not open or operate, or license and third party the right to open or operate, another System Business under the Proprietary Marks from a physical location within the DMA during the term of this Agreement.

4. *Conditions to Ongoing Territorial Protection Within the DMA.* In the event this Agreement or, if applicable, the Development Agreement granting rights to the DMA are granted is terminated, then the territorial rights described in this Section will also be terminate. If such agreement becomes subject to termination, Franchisor will have the right to terminate the territorial rights within the DMA in lieu of terminating that agreement in its entirety.

C. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to open any additional Franchised Businesses nor does this Agreement provide Franchisee with any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises and within the DMA. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Franchised Businesses, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

D. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) own and operate franchised businesses at any location(s) outside of the DMA under the Proprietary Marks, or to license others the right to own and operate System Businesses at any location(s) outside of the DMA under the Proprietary Marks and System; (ii) the right to own and operate businesses under different marks at any location(s) inside or outside of the DMA, or license to others the right to own and operate such businesses, under different marks at any location(s) inside or outside of the DMA; (iii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including the sale of any Approved Products via pop-up locations and/or in wholesale and retail stores, via the Internet, and through mail order catalog, without regard to location; (iv) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement.

E. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Manuals or otherwise).

3. TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to one (1) additional, consecutive term of ten (10) years, and must provide such request in writing to Franchisor no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. At Franchisor's option, Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will be responsible for all expenses incurred in connection with attending this refresher training.

4. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

5. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

6. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and/or other furniture/fixtures/equipment used in connection with the Franchised Business within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Franchised Business.

4. FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier:

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee amounting to $60,000 (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.

2. *Initial Marketing Spend.* Upon execution of this Agreement, Franchisee must expend a minimum of $10,000 (the "Initial Marketing Spend") that will be used on certain digital and other marketing efforts associated with the System. Currently, Franchisee must pay Franchisor this amount. Franchisor reserves the right to require that Franchisee expend any portion of the Initial Marketing Spend to engage an Approved Supplier to provide marketing materials or services. The Initial Marketing Spend will be in addition to any designated promotional materials that Franchisee may be required to expend prior to or around opening.

3. *Royalty Fee.* Once the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee will pay Franchisor a continuing monthly royalty fee in the amounting to the greater of: (i) six percent (6%) (the "Royalty Fee") of the Gross Sales (as defined in this Section 4(A) below) generated by the Franchised Business over the preceding business week of operations; or (ii) a minimum Royalty Fee amounting to $300/week once the Franchised Business has been open and operating for a period of three (3) months.

4. *Fund Contribution.* Franchisee shall make weekly contributions to the brand development fund established by Franchisor (the "Fund") in an amount equal to one percent (1%) of the Gross Sales generated by the Franchised Business over the preceding reporting period (the "Fund Contribution"). The Fund Contribution must be remitted to Franchisor at the same time and in the same manner as payment of the Royalty Fee.

5. *Technology Fee.* Franchisee must pay Franchisor or its Approved Supplier a technology fee in connection with technology products or services Franchisor determines to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs (the "Technology Fee").

6. *Initial and Ongoing Other Inventory Purchases*.

   a. Franchisee must pay the then-current start-up package fee for the initial package of business supplies such as uniforms, marketing brochures, letterhead and business cards to use in the operation of its Franchised Business.

   b. Franchisee will be required to purchase ongoing inventory, including certain proprietary and/or branded retail and/or operational inventory and other products necessary to provide the Approved Services (collectively, the

"Proprietary Products"), as in the amounts initially required by Franchisor and otherwise as needed to meet client demand for the Approved Services.

c. Franchisor may designate one (1) or more suppliers (each, an "Approved Supplier") from which Franchisee must purchase a given Proprietary Product or any other item or services designated for use in connection with the Franchised Business (collectively, the "Required Items").

7. *Definition of Gross Sales.* In addition to the fees above, Franchisee will be required to pay Franchisor certain ongoing fees that may be based on gross sales. As used in this Agreement, "Gross Sales" include all: (a) revenue from the sale of all products and performance of services from the Franchised Business, whether for cash, credit or barter, and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business; and (b) any rebates or other consideration that Franchisee receives from third-party vendors/suppliers. "Gross Sales" from customers will not include sales tax that Franchisee must collect and submit to the appropriate taxing authority. In computing the Gross Sales, the Franchisee shall be permitted to deduct the amount of cash refunds to, and coupons used by customers at or prior to the time the customer has paid the full balance owed to Franchisee, provided such amounts have been included in sales. In the event Franchisee participates in any discount program, including but not limited to Groupon® (which Franchisor must approve in writing), Gross Sales will include the full retail value of the goods or services rendered to the customer before any discounts or commission.

8. *Other Amounts.* Franchisee will also be responsible for the other costs associated with establishing and operating the Franchised Business in accordance with System standards and specifications that Franchisee may be required to pay to Franchisor's approved or designated supplier (which may include Franchisor or its affiliates): (a) local advertising and promotion of the Franchised Business; (b) training/tuition fees; (c) evaluation costs; (d) ongoing software licensing fees for software that Franchisor designates for use in connection with the Franchised Business, including the System-based required software (collectively, the "Required Software"); and (g) certain marketing dollars that Franchisor may collect and expend on behalf of the Franchised Business in connection with territorial campaigns as described more fully in this Agreement, a marketing and advertising materials Franchisor may require Franchisee to purchase any of items or services that are required in connection with Franchised Business from such an approved or designated supplier.

B. **Method of Payment; Bank Accounts.**

1. *Method of Payment.* With the exception of the Initial Franchise Fee (which should be paid by bank check or wire transfer), Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Upon Franchisor's written request, Franchisee must make all such payments described in this Section by bank or certified check.

2. *Use of EFT Account for Operational Funds.* Franchisee shall immediately deposit all revenues from operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

C. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access any proprietary software program and the computer system that Franchisee is required to use in connection with the Franchised Business or will be required to use in the future (the "Computer System"), via the Internet other electronic means, in order to obtain any financial and/or Client information that is related to the operation of the Franchised Business, including without limitation, Gross Sales and Client contact and property information. Franchisee must obtain and use the Computer System hardware, software, and other components that Franchisor prescribed for use in connection with the Franchised Business and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements, and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

D. **Operational Reports; Right to Modify Payment Interval**.

1. Franchisee shall provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales report each week for Gross Sales generated during the immediately preceding business week detailing the information from the preceding week, including (a) Gross Sales of the Franchised Business, (b) Franchisee's calculated Royalty Fee, (c) Fund contributions (if applicable), (d) at Franchisor's request, such evidence that Franchisee has made its local advertising expenditures required by Franchisor under this Agreement, the Manual, policy, or otherwise in writing; (ii) on or before the twentieth (20^{th}) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within sixty (60) days of each calendar quarter, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the end of that calendar quarter; (iv) within sixty (60) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate Franchisee and personal guarantors under this Agreement); (v) within sixty (60) days after the close of each fiscal year of Franchisee, financial statements which must include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the

end of such fiscal year; and (vi) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request.

2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a monthly rather than weekly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

3. Franchisee hereby grants Franchisor permission to report and distribute Franchisee's gross sales, gross sales mix, cost of material and labor and other certain expenses to other existing franchisees of Franchisor with such additional information as Franchisor may deem appropriate, including the identification of Franchisee, the location of Franchisee's franchised premises, and such other information as may make the gross sales/gross sales mix information a useful business aid to Franchisee and other franchisees of Franchisor. Franchisee will save and hold harmless Franchisor against and from any and all claims, liabilities, or suits resulting from or in connection with any acts or omission of Franchisor in the aforementioned reporting of sales.

E. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of one and a half percent (1.5%), or higher, as permitted by applicable law in the state where the Franchised Business is located, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have. Franchisee agrees to pay $25 in addition to the interest set forth above for each late payment. Franchisee agrees to pay One Hundred Dollars ($100.00) for each check given or electronic transfer made to Franchisor that is dishonored, fails to process, or is returned.

F. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor, including, but not limited to, all required lodging taxes. If Franchisee fails to timely pay taxes to the appropriate taxing authority, Franchisor may pay the taxes for Franchisee and Franchisee shall reimburse Franchisor and pay Franchisor's then-current tax reimbursement fee.

G. **Inability to Operate Franchised Business**. If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises and/or the Mobile Unit(s) and any equipment located thereon caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Business to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Business to a different location within the DMA), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss.

5. DUTIES OF FRANCHISOR

A. **Initial Training**.

1. *Initial Training Prior to Opening Subject to Payment of the Initial Training Fee.* Franchisor will provide (a) its initial training program (the "Initial Training Program") to Franchisee (or its operating principal if Franchisee is an entity) and, if applicable, the individual that Franchisee has designated and Franchisor has approved to handle the day-to-day management of the Franchised Business (a "Designated Manager"), and (b) the appropriate components of the Initial Training Program to each additional individual that Franchisee expects or intends to provide certain Approved Services at or in connection with the Franchised Business. The parties agree and acknowledge that: (i) certain portions of the Initial Training Program will be provided by Franchisor remotely via telephone calls, webinars or other online learning management system/technology; (ii) other portions of the Initial Training Program must be attended and completed at Franchisor's headquarters or other designated training facility for the time period Franchisor prescribes or otherwise approves; and (iii) Franchisee shall bear all its costs and expenses incurred by Franchisee and all other trainees in connection with the Initial Training Program, including without limitation, travel, lodging, meals, local transportation and wages for any personnel.

2. *Replacement Personnel.* Franchisor will also provide the Initial Training Program or appropriate portions thereof to any replacement personnel that will serve as Franchisee's Designated Manager of the Franchised Business, provided Franchisee pays Franchisor's then-current training fee for such initial training (as well as any costs and expenses incurred) and subject to the schedule and availability of Franchisor's training staff.

3. *Training Pre-Conditions; Acknowledgement of Completion.* The parties agree and acknowledge that: (i) Franchisee must satisfy the training pre-conditions set forth in Section 6(N) of this Agreement (the "Training Pre-Conditions") before Franchisee or any of its personnel can attend any portion of the Initial Training Program that is provided at Franchisor's headquarters and/or other designated training facility; and (ii) upon completion of the Initial Training Program and/or any appropriate components thereof, Franchisee or the individual that completed such training may be required to sign an acknowledgement that it received such training from Franchisor consistent with this Agreement.

B. **On-Site Assistance.** Subject to Franchisee and its appropriate personnel attending and completing all necessary training to commence operations of the Franchised Business and satisfaction of all Training Pre-Conditions, Franchisor will provide on-site assistance at the Franchised Business or otherwise within the DMA hereunder that typically lasts up to three (3) business days and is provided around the time that Franchisor approves Franchisee to commence operations of the Franchised Business.

C. **Additional and Refresher Training**.

1. *Required Additional Training.* Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its Designated Manager to attend up to five (5) days of additional training per year at our headquarters, or any other location or through any other medium Franchisor designates

("Additional Training"). Franchisor may require Franchisee to pay its then-current training fee in connection with any Additional Training that Franchisor requires under this Section. Franchisee will be responsible for the costs and expenses incurred in connection with Franchisee and its designated personnel attending such training, which may take place at a training facility that Franchisor designates.

2. *Requested Additional Training and/or On-Site Assistance.* Franchisor may also provide Additional Training or other on-site assistance at Franchisee's reasonable written request, subject to: (i) the schedule and availability of Franchisor's training personnel; and (ii) Franchisee paying Franchisor's then-current training fee for each trainer that is provided in connection with the requested Additional Training, as well as Franchisee covering the costs and expenses that such personnel incur in providing such training. Franchisor will provide Additional Training under this Section as it deems appropriate in its discretion.

3. *Remedial Training.* In addition to any Additional Training and only if applicable in connection with Franchisee's default hereunder, Franchisor may require Franchisee to attend up to five (5) days of remedial training that Franchisor reasonably determines Franchisee and appropriate personnel must undertake in response to (a) the failure of Franchisee or any other required personnel to sufficiently complete the Initial Training Program or any type of Additional Training that Franchisor requires under Section 5(C)(1) above, or (b) Franchisee's failure to operate the Franchised Business in accordance with the terms of the Franchise Agreement after Franchisor has provided Franchisee with written notice of such failure (each, an instance of "Remedial Training"). Franchisor reserves the right to charge its then-current training fee for any Remedial Training that is provided to Franchisee and/or its personnel at any location. Franchisee must cover the costs and expenses incurred by Franchisor and its personnel in providing such Remedial Training if such training is provided at a location other than Franchisor's headquarters.

D. **Manuals**. Franchisor will provide access to, or otherwise loan, Franchisee one (1) copy of the Manuals prior to the opening of the Franchised Business. Franchisor will also loan Franchisee a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Approved Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business, including membership programs and services. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee. Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other Franchised Business owners (each, a "System Site"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the System Site. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manuals must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.

E. **Initial Marketing Assistance**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Initial Marketing Spend (as defined and described more fully in Section 9 of this Agreement), which program will be conducted at Franchisee's expense.

F. **Continuing Assistance**.

1. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, whether initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

2. Franchisor may provide such assistance via telephone, e-mail, webinar, ZOOM®, SKYPE® or other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.

3. Franchisor may make available to Franchisee information regarding any new product, service or suppliers or any updated methods of doing business.

4. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training tuition fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance).

G. **Review of Proposed Marketing/Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

H. **Website**. For so long as Franchisor has an active website containing content designed to promote the Franchisor's brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement.

I. **Email Addresses**. Franchisor will provide Franchisee with at least one (1) email address, which: (i) Franchisee is required to use in connection with the Franchised Business; and (ii) must be the only email addresses used in connection with the Franchised Business.

J. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services that are provided at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

K. **Inspections of the Premises.** Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice of the Premises to ensure that Franchisee is operating its Franchised Business in

compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include: (i) inspections of the Premises and inspecting any and all books and records; (ii) conducting mystery shop services and/or inspections designed to evaluate the Approved Products and Approved Services provided by the Franchised Business and any pre-sale activities involved with the same. Inspections of the Premises will only occur during normal business hours and, with respect to the Premises, will only involve the physical area that is specifically devoted to the Franchised Business. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations. If Franchisor conducts a mystery shop, Franchisee must pay the then-current fee charged by the third-party provider of such service.

L. **Administration of Fund**. Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.

M. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its designee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

N. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

O. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

P. **Annual Conference**. Franchisor may establish and conduct an annual conference for all franchise owners and may require Franchisee (or its Designated Manager) to attend this conference, but for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages), and Franchisor reserves the right to require Franchisee to pay Franchisor its then-current convention contribution fee approximately 120 days prior to attending.

6. DUTIES OF FRANCHISEE

A. **Securing a Premises**. Franchisee must secure a Premises for the operation of the Franchised Business that Franchisor approves, in accordance with the site selection proposal procedure described herein, within six (6) months of the execution of this Agreement

B. **Site and Lease Review; Lease-Related Conditions to Site Approval .** If Franchisee must enter into a lease for the Premises (the "Lease"), then Franchisor has the right to (review the lease) and (b) condition its approval of the proposed location on: (i) Franchisee and Franchisee's landlord executing the form of Lease Addendum and Collateral Assignment of Lease (attached as Exhibit C to this Agreement) granting Franchisor the right, but not the obligation, to assume the Lease upon the Franchisee's default under the Lease or the termination, transfer, or expiration of this Agreement.

C. **Time to Launch and Commence Operations.** The parties agree and acknowledge that:

1. Franchisee shall use a qualified licensed, general contractor or construction supervisor to oversee construction or modification of the Franchised Business and completion of all improvements, unless Franchisor agrees otherwise in writing.

2. Franchisee will ensure that the buildout of the Franchised Business and Premises is consistent with all System standards and specifications, including the design and layout plans noticed to and approved by Franchisor prior to the buildout commencing.

3. Franchisee must ensure the Premises complies with all applicable laws necessary to serve as the premises of the Franchised Business before notifying Franchisor that it is ready to proceed with opening. Franchisor must provide its prior written approval before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the Premises prior to the opening date.

4. Franchisee must ensure the Premises is suitable for operations, complete all other pre-opening obligations under this Agreement and open the Franchised Business no later than twelve (12) months from the date this Agreement is executed, unless Franchisor agrees otherwise in a separate agreement.

5. Should Franchisee fail to open the Franchised Business for operation within the prescribed period or, if applicable, within an extension of time approved in writing by Franchisor, then Franchisor will have the right to terminate this Agreement upon written notice.

6. If Franchisee fails to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice to Franchisee from Franchisor.

D. **Licenses and Permits for Franchised Business**. Prior to actively soliciting prospective clientele and/or providing the Approved Services, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises and within the DMA, including all required licenses and permits related to the offer and sale of the Approved Services.

E. **Licensing Requirements for Personnel (if any)**. Franchisee must ensure that the applicable Approved Services provided at the Franchised Business are only conducted by

individuals that have the necessary licenses and/or other certifications or approval, if any, necessary to provide the Approved Services at issue.

F. **Approved Products and Approved Services.** Franchisee must only offer and sell only the Approved Products and Approved Services at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Services and Approved Products are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Services or Approved Products from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute. If Franchisee uses an unauthorized product or service, Franchisor may Franchisee its then-current fee for such use of the unauthorized product or service.

G. **Maintenance of Franchised Business, Signs, and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Franchised Business and all equipment, fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. At Franchisor's request, which shall not be more often than once every five (5) years, Franchisee shall refurbish and upgrade any equipment and other components of the Franchised Business at its expense, to conform to the building design, trade dress, color schemes, and presentation of Proprietary Marks consistent with Franchisor's then-current standards and conditions for the System, including without limitation, redecoration, remodeling, and modifications to existing improvements.

H. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto.

I. **Other Required Items**. Franchisee must: (i) purchase, lease, and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the Computer System, equipment, supplies, inventory; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items.

J. **Required Purchases of Inventory and Supplies**. Franchisee must purchase all inventory and supplies required to sell and provide the Approved Products and Approved Services, as well as thereafter maintain such inventory/supply levels, as Franchisee deems reasonably necessary and appropriate to meet current customer demand and any anticipated customer demand in the near future.

K. **Inspection of Items**. Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove from the Franchised Business samples of items without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent, certified laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

L. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor may charge an evaluation fee in connection with evaluating an alternative supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within 120 days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

M. **Training Completion and Conference Attendance**.

1. Franchisee must ensure that Franchisee and, if appropriate, its Designated Manager and/or any other personnel that it wishes to provide Approved Services to the initial customers of the Franchised Business, must attend and successfully complete the

Initial Training Program, or appropriate portions thereof as Franchisor approves, prior to opening the Franchised Business.

2. Franchisee agrees and acknowledges that Franchisor may require Franchisee and its personnel to complete the components of the Initial Training Program that are provided via remote participation within 30 days of the date this Agreement is executed.

3. Franchisee agrees and acknowledges that Franchisee must complete and/or satisfy the following Training Pre-Conditions before Franchisor will approve Franchisee or any of its designated trainees to attend the components of the Initial Training Program that are provided at Franchisor's headquarters or other designated training facility:

   i. undertake all steps to establish the EFT Account, as described in Section 4(B) of this Agreement, including providing Franchisor and/or its designee with all authorizations and approvals necessary to access such EFT Account;

   ii. demonstrate that Franchisee has obtained all required insurance coverages required by this Agreement and the Manuals; and

   iii. provide Franchisor with completed copies of all agreements and contracts that are attached as Exhibits to this Agreement that are signed by Franchisee and/or appropriate third party(ies), to the extent such documents have not been signed, completed or need to be updated as of that date.

4. Franchisee must also ensure that Franchisee and if appropriate, its Designated Manager, attends and completes and Additional Training or Remedial Training that may be required pursuant to this Agreement.

5. Franchisee agrees and acknowledges that it will be solely responsible for: (i) all costs associated with Franchisee and/or its designated personnel attending any initial or ongoing training provided by Franchisor or any third-party trainer pursuant to this Agreement; and (ii) paying Franchisor its then-current Training Fee for any (a) Additional Training requested by Franchisee, (b) Remedial Training that Franchisee is required to complete as part of its cure actions with respect to a default hereunder, or (c) any replacement or new personnel that needs to attend any portion of the Initial Training Program, as set forth in this Agreement.

6. Any failure by Franchisee, or its Designated Manager, to (a) attend and complete the Initial Training Program, or (b) any other training/conferences that such individual(s) are required to attend and/or complete hereunder will constitute a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement.

N. **Training of Personnel.** Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the entire Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is

relevant to each individual's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the entire Initial Training Program must manage the Franchised Business at all times. Franchisee must ensure that any individuals that provide any of the Approved Services.

O. **Hours of Operation**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and must ensure that the Franchised Business is sufficiently staffed.

P. **Image**. Franchisee shall maintain the image of the Franchised Business, as well as the Premises used in connection with the Franchised Business, at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Franchised Business and related components are routinely maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures used in connection with the Franchised Business remains in good, clean condition.

Q. **Customer Lists and Data/Agreements; Privacy Laws**.

1. Franchisee must (i) maintain a list of all of its current and former Clients, as well as their pets and any Approved Services contracts associated therewith (the "Client Information"), at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information to Franchisor upon expiration or termination of this Agreement for any reason. This Client Information is deemed "Confidential Information" (as later defined in this Agreement) and Franchisor's exclusive property hereunder, including all Approved Services contracts with such Clients. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

2. Franchisee agrees to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("Privacy Laws"). Franchisee further agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (i) comply with the requirements of applicable law; (ii) immediately give Franchisor written notice of said conflict; and (iii) promptly and fully cooperate with Franchisor in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

S. **Promotional Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor for a particular Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of the Approved Products and Approved Services.

T. **Operation of Franchised Business, Customer Service, and Warranty Programs**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing.

U. **Access for Inspections/Audit**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (ii) allow Franchisor to inspect photograph, or videotape the Franchised Business, equipment, or operations therein; (iii) interview or survey personnel and Clients of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken) and take such steps as may be necessary to immediately correct the deficiencies detected during any such inspection. If Franchisor exercises any of these rights, Franchisor will use commercially reasonable efforts to not unreasonably interfere with the operation of the Franchised Business.

V. **Personal Participation by Franchisee**. Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

W. **Credit Cards and Payment Methods**. Franchisee must accept credit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American Express, and Discover and any other major credit cards designated by Franchisor. Franchisee may also accept cash and/or checks in connection with the Franchised Business. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards ("PCI DSS"), as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Franchisee's requirements include, but are not limited to, implementing the enhancement, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

X. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.

Y. **Franchisee's Sole Responsibility for Employment and Other Personnel Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the ownership and/or right to use the Proprietary Marks is vested by Franchisor and/or its affiliates/principal, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, PLAYFUL PACK, under a license agreement with Playful Pack Franchising, LLC."

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manuals, and all other information and items delivered to

Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, signage, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

G. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages

H. **Modification of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

I. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

J. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

4. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

K. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

L. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

M. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

N. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION

A. **Manuals**. Franchisor will loan or provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

B. **Control of Franchised Business**. Franchisee acknowledges any Manual(s) provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of Franchisee's Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day-to-day operation thereof.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals and/or any training materials or Business-related directives that Franchisee is provided with access to in connection with the Business development and/or operations;

2. All Client information and data, including the names, contact information, and any other information concerning users of the Approved Services, except for credit card numbers, bank information or other financial data related to the transaction of funds between the (a) Franchisee, and (b) Clients and their respective pets (collectively, the "Customer Data");

3. Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with any proprietary software used in connection with the system;

4. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Franchised Business or the System that is not commonly known by, or available to, the public, including without limitation, any proprietary software; and

5. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information, which includes the Customer Data, and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Confidential**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such

information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Restrictive Covenant Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Restrictive Covenant Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Restrictive Covenant Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Restrictive Covenant Agreement within ten (10) days of Franchisor's request. If Franchisee is not able to provide a signed form for any Restricted Person within that 10 day period and Franchisee is not able to cure such a breach of its obligations by having that Restricted Person sign and return the Confidentiality and Restrictive Covenant Agreement, then Franchisor reserves the right to charge Franchisee a penalty fee amounting to $1,000 in additional to any other remedies that Franchisor may have under this Agreement or applicable law.

I. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

9. MARKETING AND ADVERTISING

A. **Marketing and Advertising Generally; Promotional Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the Franchised Businesses

operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Franchisor Approval for all Non-Designated Marketing/Advertising Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Initial Marketing Spend**. Franchisee must expend, and Franchisor will typically collect, $10,000 that will serve as the Initial Marketing Spend designed to promote the Franchised Business within the DMA utilizing Franchisor's Approved Suppliers and/or specified System standards, practices and methodologies for initial marketing campaigns and efforts. Franchisor has the right to collect the Initial Marketing Spend upon execution of this Agreement or any time thereafter upon written notice.

D. **Local Advertising Requirement.** Franchisee shall comply with the following requirements in regard to local advertising:

1. Franchisee must expend a minimum of $2,000 per calendar month on advertising and promoting the Franchised Business in the immediate locality surrounding the Franchised Business in accordance with the advertising/marketing plan that Franchisor approves (the "Local Advertising Requirement" or "LAR").

2. Franchisor reserves the right to require Franchisee to expend any portion of the Local Advertising Requirement on (a) products or services Franchisor directs or approves, or (b) services that Franchisee must acquire from an Approved Supplier that Franchisor designates.

3. Franchisor may require that Franchisee expend any portion of the Local Advertising Requirement on services, content and other products/items that must be purchased from one (1) or more Approved Suppliers, and (ii) collect the Local Advertising Requirement and pay such Approved Supplier directly as part of its support services and control rights described hereunder.

4. At Franchisor's option, Franchisee must ensure that: (i) the Franchised Business has a dedicated phone line for use in connection with the Franchised Business only; and (ii) the Franchised Business is listed in the appropriate Internet-based directories and Chamber(s) of Commerce that Franchisor designates. Franchisee shall obtain at least three (3) telephone numbers solely dedicated to the Franchised Business, which Franchisee shall assign to Franchisor, at Franchisor's option, upon termination, expiration, or transfer of this Agreement. Franchisee must list and advertise the telephone number(s) for the Franchised Business in the "White pages" telephone director and the classified or "yellow pages" telephone directory distributed in its trade area and under such categories as Franchisor may specify from time to time. Franchisee must place the classified directory advertisement and listings together with other System Businesses operating within the distribution area of the directory. If a joint listing is obtained, all System Businesses listed together shall pay a pro rata share of the cost of all advertisements and listings.

5. Furthermore, Franchisee shall obtain listings and/or advertise with Franchisor and other franchisees of the System on electronic yellow pages directory and other online directors as Franchisor may designate, including Google Local, Google Business, Angie's List or similar online directory. In the event Franchisee does not comply with Franchisor's requests regarding such online listings or advertisement, Franchisor reserves the right to place, modify, or remove such listings and advertisements on behalf of Franchisee. For any listings or advertisements that Franchisor posts on behalf of Franchisee due to Franchisee's non-compliance under this Section, Franchisee shall promptly pay, upon demand by Franchisor, its pro rata share of the costs of such listings or advertisements. Upon termination, transfer, or expiration of this Agreement, Franchisee agrees to take any and all steps necessary to assist Franchisor in removing or assigning control of all listing under this Section to Franchisor.

6. Franchisee may not advertise and promote the Franchised Business outside of the DMA, unless (a) the geographic area wherein Franchisee wishes to advertise is contiguous to the DMA and that area has not been granted in connection with any other Franchised Business, or (b) Franchisor otherwise provides its prior written consent in writing. Nothing in this Section shall prevent or otherwise affect Franchisee's right to continue servicing and corresponding with any Existing Account that Franchisee has assumed in accordance with the terms of this Agreement.

E. **Brand Development Fund**. Franchisor has the right to establish and administer a brand development Fund, as it determines appropriate in its discretion, designed to promote the System, Proprietary Marks and the brand generally. Franchisee is required to contribute to a Fund Contribution each payment period amounting to one percent (1%) of the Gross Sales generated by the Franchised Business over the preceding reporting period. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use the fund and all contributions to it and any earnings on it, for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of: maintaining, administering, directing, and preparing advertising, including any and all digital marketing/advertising content, as well as employing training, technology and/or other developmental tools designed to enhance the System or that is otherwise associated with training tools designed to assist Restaurant owners. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, providing other marketing materials and services to the Restaurants operating under the System, and any other activities that Franchisor determines appropriate to develop the brand and/or System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those Franchisor allocates to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor may spend all Fund contributions during Franchisor's fiscal year within which such contributions are made; however, Franchisor has no obligation or duty to do so. If excess amounts remain in any Fund at the end of such fiscal year, these excess amounts will roll over into the Fund for the following fiscal year.

5. Franchisor has the right to suspend or terminate the Fund at any time.

6. An unaudited accounting of the operation of the Fund shall be prepared annually and shall be available to Franchisee upon written request after the unaudited accounting is prepared at least 120 days after Franchisor's fiscal year end at issue. Franchisor retains the right to have the Fund reviewed or audited and/or reported on, at the expense of the Fund, by an independent certified public accountant selected by Franchisor, but Franchisor is under no obligation to do so.

7. Franchisee agrees and acknowledges that the Fund is not a trust and the Franchisor has no fiduciary duty to Franchisee in administering the Fund.

F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If

Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Franchised Businesses, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor may establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. If Franchisor creates and includes any information about Franchisee on a website, then Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, Twitter or YouTube, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate. Franchisee must follow Franchisor's social media policies and directives as set forth in the Manuals.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Franchised Business owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in a weekly specified amount. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement, and Franchisor may require that Franchisee expend up to an amount equal to Franchisee's LAR in connection with a Cooperative. Franchisor may specify the governing rules, terms, and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least three (3) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products

and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

If Franchisee fails to input all prospects, clients, pet bookings and/or other Approved Service information, sales and other information designated in the Required Software and/or Manuals, Franchisor reserves the right to charge Franchisee a fee amounting to $100 per infraction.

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files and data, including the any proprietary software used in connection with the System, at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business (or any amount due to Franchisor) by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) immediately pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records**. Franchisee shall record all transactions of the Franchised Business on a Computer System designated or approved by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4(C) of this Agreement.

D. **Computer System Files and Passwords**. Franchisee shall not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects related to Clients and/or properties that Franchisee is involved in or working with.

F. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies

of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

G. **Right to Require Audit if Franchisee Underreports**. In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreporting the Gross Sales of the Franchised Business by two percent (2%) or more for any reporting period as described in Section 10(B), then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.

H. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE

A. **Required Insurance**. Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time, with Franchisor having the right to designate such insurance coverage updates in the Manuals at any time upon written notice.

Franchisee must buy insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This Franchised Business is independently owned and operated pursuant to a license agreement."

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates (including any affiliate supplier), subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's ownership shares/stock or any increase in the number of outstanding shares/stock of Franchisee's ownership/membership units that results in a change of ownership; (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited

liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D) so long as there is no change in control (ownership or otherwise) with respect to Franchisee.

D. **Right of First Refusal.** If (a) Franchisee proposes to transfer any of its interest in this Agreement or the Franchised Business or any interest in its lease for the Premises, or (b) Franchisee's owners propose to transfer any interest in Franchisee if Franchisee is an entity (other than a corporation or limited liability company as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), then Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and

schedules, including transferee's assumption of an agreement to faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee or transferee shall pay Franchisor a transfer fee in the amount of $15,000, except in the case of (i) a transfer to a corporation formed for the convenience of ownership, or (ii) for approved intra-family transfers or for a transfer which arises upon death or mental incompetency, in which case Franchisor may charge its then-current administrative fee;

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program within the time frame Franchisor sets forth without paying an additional tuition fee, but the transferee will be responsible for all costs and expenses associated with attending the Initial Training Program;

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; and

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by

Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) the entity at issue is wholly owned by Franchisee (and no other party); (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that: (i) offers, provides or sells products or services in the fields of pet daycare, pet boarding, pet grooming, pet washing, and/or any of the other Approved Services or Approved Products that System Businesses are authorized to offer and sell at any time during the term of this Agreement (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (y) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (z) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

2. Subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

3. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

      i. within the DMA;
      ii. within a 50-mile radius of the DMA; or
      iii. within a 50-mile radius of any Playful Pack franchised business that is open and operating as of the date this Agreement expires and/or is terminated.

   b. Subject to and as permitted by applicable law, solicit business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's

principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

D. **Confidentiality and Restrictive Covenant Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Restrictive Covenant Agreement (which will be in substantially the same form as the document attached to the Franchise Disclosure Document). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination Upon Written Notice for Non-Curable Defaults**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses the any proprietary software that Franchisor designates for use in connection with the Franchised Business;

7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Computer System as required under this Agreement, and fails to remedy this default within forty-eight (48) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates and/or any Approved Supplier any amount that is due and owing that party within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period;

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers;

20. If Franchisee, on three (3) or more occasions, fails to comply with the standards and specifications set forth in the Manuals during any eighteen (18) month period, whether or not these failures were timely cured; or

21. If Franchisee or its personnel provide any Approved Services without the proper training or licenses.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Loss of DMA Territorial Rights**. As described more fully in Section 2 of this Franchise Agreement, in the event the agreement under which the DMA rights is terminated then all territorial rights within the DMA awarded hereunder will also be terminated as of the termination date, provided written notice thereof is provided to Franchisee.

E. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to 10% of the Gross Sales of the Franchised Business over any step-in period of operations, plus the costs and expenses Franchisor incurs during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify,

defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Franchised Business; Cease Affiliate with Franchisor and Brand Generally**. Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor, then Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of an Franchised Business (unless Franchisor agrees otherwise in writing);

B. **Return Manuals and Confidential Information**. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Client lists and Approved Services agreements) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

C. **Assignment of Approved Services Contracts, Telephone/Facsimile Numbers and Domain Names**. Take such action as may that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date (a) Client and property lists, and (b) any Approved Services contracts and other agreements between Clients and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the former Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.

D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System.

1. Remove all trade dress, then Franchisee must remove physical characteristics, color combinations, and other indications of operation under the System from the Premises (and provide documentation thereof to Franchisor as set forth in Section 16(G) below).

2. Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

F. **Payment of Amounts Due**. Pay Franchisor, as well as each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within 10 days of the termination or expiration date.

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and

H. **Purchase of Operating Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

I. **Collateral Assignment of Lease Rights.** Franchisee must ensure that Franchisor is afforded all collateral assignment of lease and other rights with respect to the Premises, as set forth in the Collateral Assignment of Lease and Lease Addendum documents Franchisee must ensure the landlord of the Premises signs or otherwise integrates into the Lease prior to executing the same.

17. TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, lodging, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all franchise agreements heretofore or hereafter issued by Franchisor in connection with a Franchised Business do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor has made in the franchise disclosure document.

19. ENFORCEMENT

A. **Injunctive Relief**. The Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

B. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

C. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce

the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:
Playful Pack Franchising, LLC
Attn: Scott Parker
888 N Quincy Street, Unit 1604
Arlington, VA 22203

With a copy to:
Fisher Zucker, LLC
Attn: Daniel Z. Nussbaum, Esq.
21 South 21st Street
Philadelphia, PA 19103

To Franchisee: _____

_____

_____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the

parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21(B) above, will be submitted first to mediation to take place at Franchisor's then-current headquarters (or with Franchisor's prior written consent, remotely) under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality and/or non-disclosure obligations under this Agreement with regards to Franchisor's Confidential Information; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 21(C) and 21(D) above, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Arlington, Virginia or, if appropriate, the United States District Court for the Eastern District of Virginia. Franchisee

acknowledges that this Agreement has been entered into in the Commonwealth of Virginia, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's presence in Virginia, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Virginia as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, owners, members, managers, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

J. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

PLAYFUL PACK FRANCHISING, LLC

By: _____
Scott Parker, Authorized Officer

Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. DMA

The DMA awarded under this Agreement or, if applicable, the Development Agreement under which Franchisee is required to develop the Franchised Business awarded hereunder is defined as follows:

_____
_____
_____

2. PREMISES

The Franchised Business shall be located at the following approved Premises:

_____
_____
_____

3. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Cellular Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

4. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____

©2026 Playful Pack Franchising, LLC

_____ _____ _____

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on this ____ day of _____, 20____.

FRANCHISEE

_____

By: _____

Name:_____

Title:_____

FRANCHISOR

PLAYFUL PACK FRANCHISING, LLC

By: _____
Scott Parker, Authorized Officer

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to PLAYFUL PACK FRANCHISING, LLC (the "Franchisor") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Playful Pack Franchising, LLC Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a Playful Pack Business (each, an "Franchised Business") and/or franchise (each, a "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other Franchised Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection

with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, an Franchised Business's operation, including client names, properties and related contracts of any kind, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system or proprietary software system; (x) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xi) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective client information, including customer names and addresses, contracts/agreements (collectively "Client Information"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that offers, provides, manufactures, distributes, or sells any kind of products and services in connection with any business that: (i) offers, provides or sells products or services in the fields of pet boarding, day care, grooming, sitting and/or walking services, and/or any of the other Approved Services or the sale of the Approved Products that System Businesses are authorized to offer and sell at any time during the term of this Agreement (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (y) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (z) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

1.2. Subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. **After the Term of the Franchise Agreement and this Guaranty.**

2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1 Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

(i) within the DMA;

(ii) within a 50-mile radius of the perimeter of the DMA; or

(iii) within a 50-mile radius of any System Business that is open or under development as of the date the Franchise Agreement expires and/or is terminated.

2.2.2 Subject to as permitted by applicable law, solicit business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled

to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the Commonwealth of Virginia.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, to be conducted at Franchisor's headquarters or nearby location that Franchisor otherwise agrees to within the Commonwealth of Virginia, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to Sections 3 and 4 above, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to

conclusion (unless settled) only in any state court of competent jurisdiction located in Arlington County, Virginia or, if appropriate, the United States District Court for the Eastern District of Virginia. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty will prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES/AGENTS/REPRESENTATIVES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and

expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

_____	_____
[Insert Signature of Guarantor]	[Insert Signature of Spouse]
_____	_____
[Insert Signature of Guarantor]	[Insert Signature of Spouse]

EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective on this ___day of _____, 20____ Effective Date,") by and between: (i) PLAYFUL PACK FRANCHISING, LLC, a Virginia limited liability company, with its principal business address at 888 N Quincy Street, Unit 1604, Arlington, Virginia 22203 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "Franchise Agreement") dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a Playful Pack franchised business (the "Franchised Business") located at _____ (the "Site"). In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be

deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately

terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section

or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISEE

By:_____

Name:_____

FRANCHISOR

PLAYFUL PACK FRANCHISING, LLC

By: _____
Scott Parker, Authorized Officer

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

_____

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

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EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes PLAYFUL PACK FRANCHISING, LLC (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____(the "Franchise Agreement") for the franchised business located at: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions, as well as other advertising/marketing amounts that Franchisee is required to expend in connection with the Franchised Business; (iii) any amounts due and owing the Company or its affiliates in connection with technology, marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

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

AGREED:

FRANCHISEE

[INSERT FRANCHISEE NAME]

By: _____

Name (Print): _____

Its: _____

FRANCHISOR APPROVAL

PLAYFUL PACK FRANCHISING, LLC

By: _____
Scott Parker, Authorized Officer

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

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EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for Designated Mangers and other management personnel, as well as any officers, directors, or owners of the Franchisee that did not sign the full Personal Guaranty)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from PLAYFUL PACK FRANCHISING, LLC (the "Company" or "Franchisor") to: (i) establish and operate a franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Franchised Business businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Manuals and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manuals"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other Franchised Businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of Franchised Business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manuals, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such

information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) offers, provides or sells products or services in the fields of pet grooming, pet sitting and/or walking, and/or any of the other Approved Services or the sale of the Approved Products that System Businesses are authorized to offer and sell at any time (a "Competing Business"); or (ii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more Competing Businesses. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 50-mile radius of the Premises; or (ii) within a 50-mile radius of any other Franchised Business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this

Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF **[INSERT STATE WHERE FRANCHISEE IS LOCATED]** AND MYSELF HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURT CLOSEST TO THE PREMISES OF THE FRANCHISED BUSINESS OR, IF APPROPRIATE, THE FEDERAL COURT CLOSED TO SUCH PREMISES. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY **[INSERT STATE]** OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

For notices to Franchisor, the notice shall be addressed to

PLAYFUL PACK FRANCHISING, LLC
Attn: Scott Parker
888 N Quincy Street, Unit 1604
Arlington, Virginia 22203

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____, doing business as Franchised Business (the "Assignor"), in exchange for valuable consideration provided by PLAYFUL PACK FRANCHISING, LLC (the "Assignee"), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its Playful Pack franchised business located at _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____
Facsimile Number(s): _____
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____
_____.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

BY: _____ Date: _____

TITLE:_____

ASSIGNEE

PLAYFUL PACK FRANCHISING, LLC

BY: _____
Scott Parker, Authorized Officer

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EXHIBIT C TO FDD

PLAYFUL PACK FRANCHISING, LLC

DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into this __ day of _____, 202__, between: (i) Playful Pack Franchising, LLC, a Virginia limited liability company with its principal place of business at 888 N Quincy Street, Unit 1604, Arlington, Virginia 22203 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Developer").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the establishment, development, opening, and operation of a business (each, a "Business") that offers and provides to prospective and existing clients with specialized pet care services that may include, but are not necessarily limited to (a) dog daycare and boarding services, dog washing and walking, as well as any related and/or other ancillary services related to pet care that Franchisor designates or otherwise authorizes its System franchisees the right to offer and provide from such as Business (collectively, the "Approved Services") and (b) the offer and sale of authorized retail items within the pet industry (collectively, the "Approved Products").

B. Franchisor's System is comprised of various distinguishing elements, including without limitation: methodology and procedures for the establishment and operation of a Business; site selection guidance and criteria; specifications for the design, layout and construction of the interior of a home office or other approved premises for a System Business; standards and specifications for the furniture, fixtures and equipment located within a Business; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for sales techniques, the provision of the Approved Services from the approved Business premises, merchandising with regarding to any authorized Approved Products , marketing, advertising, inventory management systems, advertising, bookkeeping, sales and other aspects of operating a Business. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Developer hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The Businesses are identified by the then-current proprietary marks that Franchisor designates for use and licensing in connection with the System, including the current primary mark PLAYFUL PACK® as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor grants qualified third parties the non-exclusive right to develop a certain number of Businesses within a defined designated marketing area (the "Designated Marketing Area" or "DMA") in accordance with the terms of this Agreement to which Developer must be strictly adhere, with each Business within the DMA being opened and operating utilizing the Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current form of franchise agreement (each, a "Franchise Agreement").

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E. Developer recognizes the benefits from receiving the right to operate a Business utilizing the System and desires to: (i) become a multi-unit developer subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

F. Developer has applied for the right to open and operate a certain number of Businesses within the DMA as set forth in this Agreement (each, a "Franchised Business"), and Franchisor has approved such application in reliance on Developer's representations made therein.

G. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Businesses and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Designated Marketing Area**. Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish _____ Franchised Businesses within the Designated Marketing Area (or DMA) specifically identified in Exhibit "A" hereto, provided Developer opens and commences operations of such Franchised Businesses in strict accordance with the mandatory development schedule also set forth in Exhibit "A" (the "Development Schedule") and otherwise subject to the terms and conditions set forth herein. During the term of this Agreement and except as provided herein, Franchisor will not open or operate, or license any third party the right to open or operate, any Franchised Businesses within the DMA.

2. **Development Fee.** Developer shall pay Franchisor a development fee equal to $_____ (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the DMA under this Agreement, which is: (i) deemed fully earned upon payment and is not refundable under any circumstances; and (ii) payable in accordance with the schedule set forth in this Section 3 below. Developer must pay Franchisor the full Development Fee upon execution of this Agreement. The Development Fee is deemed fully earned and non-refundable upon payment.

3. **Initial Franchise Agreement**. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the Initial Franchised Business that Developer is required to open within the DMA. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule.

5. **Development Obligations.** Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the number of new Franchised Businesses during each of the development periods defined in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Businesses open and operating at the expiration of each such Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing

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development obligations, and that Developer's failure to comply with the Development Schedule in any manner with respect to any Development Period is grounds for immediate termination of this Agreement if not timely cured as set forth in Section 6.2 of this Agreement (and any future development rights granted hereunder). The parties agree and acknowledge that in order for Developer to exercise its right to develop subsequent Franchised Businesses pursuant to this Agreement, Developer must: (i) operate its existing Franchised Business(es) for at least 12 months; (ii) demonstrate that it has met the Royalty Fee requirement and development sales criteria in connection with each and every Franchised Businesses that Developer has already developed pursuant to this Agreement for at least the six (6) full calendar months preceding the date Developer wishes to sign the franchise agreement for that subsequent Franchised Business; (iii) sign Franchisor's then-current form of Franchise Agreement to govern each additional Franchised Business; (iv) propose someone to be the Designated Manager; (v) obtain Franchisor's approval for the subsequent Premises, if applicable, (vi) acquire all required equipment, pre-opening supplies, and inventory to launch each additional Franchised Business that Franchisor requires; and (vii) obtain Franchisor's written notice authorizing Developer to commence operating Developer's second Franchised Business.

6. **Term and Termination.**

6.1 *Development Rights – Term.* Developer's development rights under this Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will expire on the earlier of: (i) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule; or (ii) the date Developer actually opens the last Franchised Business within the DMA that Developer is granted the right to open under the Development Schedule.

6.2 *Default and Termination.* Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the DMA or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an objective intent by Developer to discontinue development of the Franchised Businesses within the DMA; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to (a) meet its development obligations under the Development Schedule for any single Development Period, and (b) cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that agreement.

6.3 If the Development Agreement is terminated prior to its natural expiration, then all territorial rights within the DMA will be deemed terminated at that time.

6.4 If, on the other hand, Developer fully complies with its development obligations hereunder, then Developer will retain its territorial rights within the DMA until the date the Franchise Agreement governing the last Franchised Business developed pursuant to the Development Schedule expires, unless and until Franchisor terminates one (1) or more of the Franchise Agreement(s) governing such a Franchised Business at which point all territorial rights awarded within the DMA generally will also be deemed immediately terminated.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

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8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Post-Term Non-Competition Covenant.** Developer acknowledges that, as a participant in Franchisor's System, Developer will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Developer agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's franchisees.

9.1 For a period of two (2) years after the termination or expiration of this Agreement, regardless of the cause, neither Developer, its principals, owners and guarantors, nor any member of the immediate family of Developer, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other business that offers, provides or sells: (i) products or services in the fields of dog boarding, day care, grooming and/or walking services, and/or any of the other Approved Services or the sale of the Approved Products that System Businesses are authorized to offer and sell at any time (each, a "Competing Business"); and (ii) any of the Approved Services that are offered or provided by the Franchised Business and/or other Businesses (each, a "Competing Business") within the DMA;

b. Solicit business from customers of Developer's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

c. Subject to applicable law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

10. **Acknowledgment**. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

11. **Notices**. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

12. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles.

13. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's management, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

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14. **Mediation**. At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 12 above, must be submitted first to non-binding mediation, at Franchisor's headquarters, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 30 days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor.

14.1 The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 13 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any confidential/proprietary information of Franchisor (as such information is defined more fully in the Franchise Agreements); (ii) any of the restrictive covenants contained in this Agreement or any other Franchise Agreements executed in connection with the Franchised Businesses opened within the DMA; or (iii) any of Developer's payment obligations under this Agreement or any such Franchise Agreement.

14.2 This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation and that any mediation proceeding involving Franchisor and Developer or its principals that arises out of or relates to this Agreement in any manner must be mediated in a proceeding that does not involve any other third party, including any other franchisee or licensee of Franchisor's franchise system.

15. **Injunctive Relief.** Developer acknowledges and agrees that irreparable harm could be caused to Franchisor by Developer's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Developer's use of the Proprietary Marks and Franchisor's confidential information; (ii) Developer's covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement or any Franchise Agreement with Franchisor; (iii) Developer's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) prohibiting any act or omission by Developer or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Developer's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Developer waives all damage claims if the injunction is wrongfully issued.

16. **Jurisdiction and Venue.** Except for those claims described in Section 14 of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Franchisor's then-current headquarters or, if appropriate, the United States District Court for the Eastern District of Virginia unless

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settled by the parties after such action is initiated). Developer acknowledges that Franchisor may bring an action in any other court of competent jurisdiction to seek and obtain injunctive relief as set forth in Section 15 above. Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts described in this Section.

17. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, including without limitation, the right to specifically utilize and exhaust the mediation procedure with respect to any and all claims asserted against such person(s) by Developer or its principals.

18. **JURY TRIAL WAIVER.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS DESCRIBED HEREIN.

19. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

20. **Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

21. **Attorneys' Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees and court costs, incurred in connection with such proceeding.

22. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

23. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially

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valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

24. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

25. **Successors**. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

26. **Additional Documentation.** Developer must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

27. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

28. **Entire Agreement**. This Agreement contains the entire agreement between the parties concerning Developer's development rights within the DMA; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

THE REST OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK
SIGNATURES ON THE FOLLOWING PAGE

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IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

PLAYFUL PACK FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

DEVELOPER:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

Owner Signature: _____

Owner Name: _____

Date: _____

Owner Signature: _____

Owner Name: _____

Date: _____

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EXHIBIT A to DEVELOPMENT AGREEMENT

DATA SHEET

1. **DMA.** The DMA, as referred to in Section 1 of the Development Agreement, is described below (or in the map attached to this Data Sheet as Schedule 1) by geographic boundaries and will consist of the following area or areas:

_____

_____

2. **Development Schedule.** The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

Expiration of Development Period (each, a "Development Period")	**# of New Franchised Businesses Opened Within DMA within the Development Period**	**Cumulative # of Franchised Businesses that Must Be Open and Operating within the DMA as of Expiration of Development Period**
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		
___ Months from Effective Date		

APPROVED AND ACCEPTED BY:

PLAYFUL PACK FRANCHISING, LLC

By: _____
Title: _____
Date: _____

DEVELOPER

_____
(Individual, Partnership or Corporation Name)

By: _____
Title: _____
Date: _____

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EXHIBIT D TO FDD

PLAYFUL PACK FRANCHISING, LLC

FINANCIAL STATEMENTS

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PLAYFUL PACK FRANCHISING LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2025

PLAYFUL PACK FRANCHISING LLC
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MUHAMMAD ZUBAIRY, CPA PC
Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Members of
Playful Pack Franchising LLC

Opinion

We have audited the financial statements of Playful Pack Franchising LLC which comprise the balance sheets as of December 31, 2025 and 2024, and the related statement of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Playful Pack Franchising LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Playful Pack 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 Playful Pack 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Playful Pack 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 Playful Pack Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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



Muhammad Zubairy, CPA PC
Westbury, NY
March 13, 2026

PLAYFUL PACK FRANCHISING LLC
BALANCE SHEETS

	YEARS ENDED DECEMBER 31	
	2025	2024
ASSETS		
Current Assets		
Cash	$ 75,390	$ 7,147
Accounts Receivable	82,702	80,773
Due from related parties	3,000	—
Contract assets	34,200	15,400
Total Current Assets	195,292	103,320
Contract assets, net of current	278,092	131,575
Total Assets	$ 473,384	$ 234,895
LIABILITITES AND MEMBERS' EQUITY		
Current Liabilities		
Contract Liability	$ 276,400	$ 108,400
Total Current Liability	276,400	108,400
Contract Liability, net of current	287,000	150,900
Members' Equity	(90,016)	(24,405)
Members' Equity & Liabilities	$ 473,384	$ 234,895

See notes to financial statements

PLAYFUL PACK FRANCHISING LLC
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY

	YEARS ENDED DECEMBER 31	
	2025	2024
Revenues		
Franchise Fee	$ 55,900	$ 72,200
Royalties	74,250	20,932
Total Revenue	130,150	93,132
Operating Expenses	245,762	281,394
Net Income (Loss)	(115,612)	(188,262)
Members' Equity (Deficit)- Beginning	(24,405)	80,856
Members' Contributions (Distribution)	50,000	83,000
Members' Equity (Deficit) - Ending	$ (90,016)	$ (24,405)

See notes to financial statements

PLAYFUL PACK FRANCHISING LLC
STATEMENT OF CASHFLOWS

	YEARS ENDED DECEMBER 31	
	2025	2024
Cash Flows from Operating Activities:		
Net (Loss)	$ (115,612)	$ (188,262)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities		
Accounts Receivable	(1,929)	(5,773)
Due from related parties	(3,000)	—
Contract Assets	(165,317)	(146,975)
Contract Liability	304,100	126,800
	18,242	(214,210)
Cash Flows Provided By Financing Activities:		
Members' contributions	50,000	83,000
Net Increase in Cash	68,242	(131,210)
Cash - Beginning of Year	7,147	138,356
Cash - End of Year	$ 75,390	$ 7,147

See notes to financial statements

1. THE COMPANY

Playful Pack Franchising LLC is a Virginia limited liability company formed in March 2022 to offer franchisees the opportunity to own and operate a dog daycare, boarding, and grooming system created by Playful Pack Franchising LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*-**The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a Roseus Hospitality franchise, for a specified number of years.

***Concentration of Credit Risk*-**Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

***Use of Estimates*-**The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes on Income-The Company has elected to be taxed as a limited liability corporation for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on its income tax returns.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. CONTRACT LIABILITY AND CONTRACT ASSETS

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2025 and 2024, were $563,400 and $259,300, respectively. The commissions paid but not expensed as of December 31, 2025 and 2024, were $312,292 and $146,975, respectively.

5. RELATED PARTY TRANSACTIONS

The Company periodically provides funds to its members or related companies. These advances are due upon demand and do not bear interest. As of December 31, 2025 and 2024, the balance due from a related party was $3,000 and $0 respectively.

6. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through March 13, 2026, the date the financial statements were available to be issued.

PLAYFUL PACK FRANCHISING LLC
FINANCIAL STATEMENT
DECEMBER 31, 2024

PLAYFUL PACK FRANCHISING LLC
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Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Playful Pack 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.

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Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Playful Pack Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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



Muhammad Zubairy, CPA PC
Westbury, NY
April 3, 2025

PLAYFUL PACK FRANCHISING LLC
BALANCE SHEET

	YEARS ENDED DECEMBER 31	
	2024	2023
ASSETS		
Current Assets		
Cash	$ 7,147	$ 138,356
Accounts Receivable	80,773	75,000
Contract assets	15,400	—
Total Current Assets	103,320	213,356
Contract assets, net of current	131,575	—
Total Assets	$ 234,895	$ 213,356
LIABILITITES AND MEMBERS' EQUITY		
Current Liabilities		
Contract Liability	$ 108,400	$ 67,500
Total Current Liability	108,400	67,500
Contract Liability, net of current	150,900	65,000
Members' Equity	(24,405)	80,856
Members' Equity & Liabilities	$ 234,895	$ 213,356

See notes to financial statements

PLAYFUL PACK FRANCHISING LLC
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY

	YEARS ENDED DECEMBER 31	
	2024	2023
Revenues		
Franchise Fee	$ 72,200	$ 2,500
Royalties	20,932	—
Other Income	—	375
Total Revenue	93,132	2,875
Operating Expenses	281,394	368,723
Net Income (Loss)	(188,262)	(365,848)
Members' Equity (Deficit)- Beginning	80,856	46,703
Members' Contributions (Distribution)	83,000	400,000
Members' Equity (Deficit) - Ending	$ (24,405)	$ 80,856

See notes to financial statements

PLAYFUL PACK FRANCHISING LLC
STATEMENT OF CASHFLOWS

	YEARS ENDED DECEMBER 31	
	2024	2023
Cash Flows from Operating Activities:		
Net (Loss)	$ (188,262)	$ (365,848)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities		
Accounts Receivable	(5,773)	(75,000)
Contract Assets	(146,975)	—
Contract Liability	126,800	132,500
	(214,210)	(308,348)
Cash Flows Provided By Financing Activities:		
Members' contributions	83,000	400,000
Net Increase in Cash	(131,210)	91,652
Cash - Beginning of Year	138,356	46,703
Cash - End of Year	$ 7,147	$ 138,356

See notes to financial statements

1. THE COMPANY

Playful Pack Franchising LLC is a Virginia limited liability company formed in March 2022 to offer franchisees the opportunity to own and operate a dog daycare, boarding, and grooming system created by Playful Pack Franchising LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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***Concentration of Credit Risk*-**Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

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4. CONTRACT LIABILITY AND CONTRACT ASSETS

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5. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through April 3, 2025, the date the financial statements were available to be issued.

EXHIBIT E TO FDD

PLAYFUL PACK FRANCHISING, LLC

STATE SPECIFIC ADDENDA

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STATE SPECIFIC ADDENDA
TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Notwithstanding Section 15 of the Franchise Agreement and Section 14 of the Development Agreement, the conditions under which these agreements can be terminated and the parties' rights upon non-renewal may be affected by Illinois law, (815 ILCS 705/19 and 705/20).

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Illinois law governs the Franchise Agreement and Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

Sections 1(A), 1(B), 1(C), 1(D), 1(E), 1(F), 1(G), 1(I), and 1(L) of the Franchise Agreement are hereby deleted. For clarity, Sections 1(H), 1(J), 1(K), 1(M), 1(N), and 1(O) shall remain in full force and effect.

In conformance with the N*ASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements*, adopted September 18, 2022, and effective January 1, 2023, the Franchise Disclosure Document, Franchise Agreement and Development Agreement are hereby amended to include the following:

"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."

Any condition, stipulation or provision of the Franchise Agreement purporting to bind Franchisee to a waiver of compliance with the Illinois Franchise Disclosure Act of 1987, as amended, is void.

[*Signature Page Follows*]

© 2026 Playful Pack Franchising, LLC

PLAYFUL PACK FRANCHISING, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

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ADDENDUM REQUIRED BY THE STATE OF INDIANA

Section 21(D) of the Franchise Agreement, as well as Section 15 of the Development Agreement, are hereby modified to provide that: (i) the acts described in these Sections may cause Franchisor irreparable harm; and (ii) Franchisor is entitled to seek (rather than obtain) restraining orders or injunctive relief in accordance with the terms of these Sections without the necessity of posting a bond.

Section 13(E)(3) of the Franchise Agreement is hereby deleted in its entirety.

Section 15 of the Franchise Agreement, as well as Section 14 of the Development Agreement, are hereby modified by adding the following subsection after the last subsection thereof:

> Indiana Law. The conditions under which this Agreement can be terminated may be affected by Indiana law [IC Stat. Sec. 23-2-2.5 and 23-2-2.7] which provides Franchisee with certain termination rights.

Section 21(C) of the Franchise Agreement and Section 14 of the Development Agreement are hereby modified such that Franchisor agrees to select as the place for mediation a location within the State of Indiana and the laws of the State of Indiana shall apply to the mediation proceedings.

Section 9 of Exhibit B to the Franchise Agreement is hereby modified by deleting everything in the first sentence thereof after the words "brought before the expiration of" and before "and that any action not brought…," and replacing the deleted portion with "two (2) years after the violation of IC Stat. 23-2 and, with respect to other claims, three (3) years after discovery by the Franchisee/Developer of the facts constituting the violation."

Any covenant not to compete in the Franchise Agreement or Development Agreement which extends beyond the termination of such agreement(s) (whichever are applicable) may not be enforceable under Indiana law.

Notwithstanding anything to the contrary in the Franchise Agreement and/or Development Agreement, the laws of the State of Indiana shall govern the construction and enforcement of these agreements.

Section 21(E) of the Franchise Agreement, as well as Section 16 of the Development Agreement, are hereby modified by adding the following text as the last sentence thereof:

> This provision shall not in any way abrogate or reduce any rights of Franchisee as provided for under Indiana law including, but not limited to, the right to submit matters to the jurisdiction of the courts of Indiana.

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ADDENDUM REQUIRED BY THE STATE OF MICHIGAN

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

(A) A PROHIBITION OF THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE EACH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE'S INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION

DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATION OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

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ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

The Sections of the Franchise Agreement and Development regarding your obligation to execute a general release upon assignment or renewal are deleted in their entirety in accordance with Minnesota Rule Part 2860.4400(D).

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Minnesota Department of Commerce Securities Registration Division due to Franchisor's financial condition.

Section 7(M) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Q. Franchisor agrees to indemnify Franchisee from and against any losses, liabilities and damages for which Franchisee is held liable by a court of competent jurisdiction in any proceeding arising solely out of Franchisee's use of the mark "PLAYFUL PACK" and all other trademarks, service marks and associated marks and symbols utilized by Franchisee pursuant to this Agreement, provided such use is in accordance with and pursuant to the provisions of this Agreement. The foregoing indemnification is conditioned upon the following: Franchisee must (i) provide written notice to Franchisor of any claims subject to indemnification hereunder within twenty (20) days of Franchisee's receipt of any written information pertaining to such claims, (ii) tender the defense of the claims to Franchisor if Franchisor so desires, and (iii) permit Franchisor to have sole control of the defense and settlement of any such claim.

Section 15 of the Franchise Agreement, as well as Section 14 of the Development Agreement, are hereby modified to add the following subsection after the last subsection therein:

> Minnesota Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Minnesota law which provides Franchisee with certain termination and non-renewal rights. Minnesota Statute Section 80C.14, subdivisions 3, 4 and 5 require, except in certain specified cases, that the Franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Franchise Agreement.

Section 19(A) of the Franchise Agreement is hereby modified by adding the word "seek to" in the first sentence thereof after the word "to" and before the word "obtain."

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.

Section 21(E) of the Franchise Agreement, as well as Section 22(A) of the Development Agreement, are hereby modified by adding the following text as the last sentence thereof:

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

Section 21(I) of the Franchise Agreement and Section 22(F) of the Development Agreement are hereby modified by replacing all references of "one year" time limit to "three years" time limit to institute claims.

Sections 1(A), 1(B), 1(C), 1(D), 1(E), 1(F), 1(G), 1(I), and 1(L) of the Franchise Agreement are hereby deleted. For clarity, Sections 1(H), 1(J), 1(K), 1(M), 1(N), and 1(O) shall remain in full force and effect.

The Franchise Agreement and Development Agreement are hereby amended to include the following: "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."

Nothing in the Franchise Agreement or Development Agreement is intended to abrogate or reduce any rights of the Franchisee as provided for Minnesota Statutes, Chapter 80C.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

All references to "Disclosure Document" shall be deemed to include the term "Disclosure Document" as used under New York law.

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

> INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
>
> D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any

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

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

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

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

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

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

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

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

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

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

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

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

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The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. 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.

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NORTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for Playful Pack Franchising, LLC shall be amended by the addition of the following language:

Based on the Franchisor's financial statements, the Commissioner has determined that adequate financial resources may not be available to the Franchisor for the performance of its obligations under the Franchise Agreement. Accordingly, Franchisor will defer collection of the initial franchise fee until all initial obligations owed to Franchisee under the Franchise Agreement or other documents have been fulfilled by the Franchisor and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

The following language is added to the "Summary" section of Item 17(c) of the Franchise Disclosure Document entitled **Requirements for the franchisee to renew or extend:**

The Commissioner has determined the execution of a general release upon renewal of the Franchise Agreement to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

The following language is added to the "Summary" section of Item 17(r) of the Franchise Disclosure Document entitled **Non-competition covenants during the term of the franchise.**

The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

The following language is added to the "Summary" section of 17(u) of the Franchise Disclosure Document entitled **Dispute Resolution by arbitration or mediation:**

The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, to the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

The following language is added to the "Summary" section of 17(v) of the Franchise Disclosure Document entitled **Choice of forum:**

However, to the extent allowed by North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

The following language is added to the "Summary" section of 17(w) of the Franchise Disclosure Document entitled **Choice of law:**

The Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19- 09 of the North Dakota Franchise Investment Law. Accordingly, North Dakota law applies to North Dakota franchisees.

The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the applicable provisions of the Franchise Agreement and Development Agreement are hereby deleted.

The Commissioner has determined that Franchisee's consent to a waiver of trial by jury is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the applicable provisions in the Franchise Agreement and/or Development Agreement are hereby deleted.

The Commissioner has determined that Franchisee's (i) consent to termination and/or liquated damages, and (ii) waiver of exemplary and/or punitive damages is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the Franchise Agreement and Development Agreement are hereby amended to delete any applicable provisions.

The Franchise Agreement and Development Agreement are hereby amended to state that the statutes of limitation under North Dakota law shall apply.

The Franchise Agreement and Development Agreement are hereby amended to state that the prevailing party in any action to enforce the terms of the Franchise Agreement and/or Development Agreement is entitled to recover all costs and expenses, including attorneys' fees.

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.

PLAYFUL PACK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Even though our Franchise Agreement and Development Agreement provide that the laws of Virginia apply, the Rhode Island Franchise Investment Law may supersede these agreements because the Rhode Island Franchise Investment Law provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under the Act."

Sections 1(A), 1(B), 1(C), 1(D), 1(E), 1(F), 1(G), 1(I), and 1(L) of the Franchise Agreement are hereby deleted. For clarity, Sections 1(H), 1(J), 1(K), 1(M), 1(N), and 1(O) shall remain in full force and effect.

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.

SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND AREA DEVELOPMENT AGREEMENT

Section 4(A)(1) of the Franchise Agreement is amended to include the following: "The South Dakota Securities Regulation Office has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from South Dakota franchisees until we have completed all of our pre-opening obligations and your franchised business has opened."

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.

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ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for PLAYFUL PACK FRANCHISING, LLC for use in the Commonwealth of Virginia shall be amended as follows:

> With respect to disclosures in Item 6 of the Disclosure Document regarding a franchisee securing funds by selling securities in the franchise, be advised that any securities offered or sold by an Investor Franchisee as part of its Playful Pack Franchising, LLC Franchise must be either registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.
>
> Additional Disclosure: The following statements are added to Item 17h:
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Sections 1(A), 1(B), 1(C), 1(D), 1(E), 1(F), 1(G), 1(I), and 1(L) of the Franchise Agreement are hereby deleted. For clarity, Sections 1(H), 1(J), 1(K), 1(M), 1(N), and 1(O) shall remain in full force and effect.

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.

ADDENDUM REQUIRED BY THE STATE OF WISCONSIN

Section 15 of the Franchise Agreement, as well as Section 14 of the Development Agreement, are hereby modified to add the following subsection after the last subsection therein:

> Wisconsin Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Wisconsin law, Chapter 135, Wisc. Stats., the Wisconsin Fair Dealership Law.

Section 21(E) of the Franchise Agreement, as well as Section 16 of the Development Agreement, are hereby modified by adding the following language after the last sentence thereof:

> "The Wisconsin Fair Dealership Law supersedes any provision of this Agreement which is inconsistent with that law."

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FOR RESIDENTS OF ALL STATES LISTED IN THESE ADDENDA

Notwithstanding any provisions of Section 22 of the Franchise Agreement or Section 28 of the Development Agreement to the contrary, this Addendum shall not be merged with or into, or superseded by, the Franchise Agreement and/or Development Agreement (as applicable). In the event of any conflict between the Franchise/Development Agreement and this Addendum, this Addendum shall be controlling. Except as otherwise expressly set forth herein, no other amendments or modifications of the Franchise Agreement and Development Agreement are intended or made by the parties.

Applicable State: _____

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:	**FRANCHISOR:**
[INSERT FRANCHISEE NAME]	**PLAYFUL PACK FRANCHISING, LLC**
By: _____	By:_____
[INSERT NAME], [INSERT TITLE]	Scott Parker, Authorized Officer

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EXHIBIT F TO FDD

LIST OF FRANCHISEES

List of Franchisees Open and Operating as of December 31, 2025

Name	Address	City/State	Email
Pete and Cheryl Opere	1667 Meeting St.	Charleston, SC	Pc1@playfulpack.com
Alex Ronstadt	27435 Oak Ridge North School Road, Building #1	Conroe, TX	PC4@playfulpack.com
Paige Walker	490 Co Rd 117, Suite 100	Round Rock, TX	PC6@playfulpack.com

List of Franchisees that Have Signed Franchise Agreement for a Franchised Business that is Not Yet Open as of the Issuance Date of this Disclosure Document

Name	Address	City/State	Email
Damien Hicks	TBD	Kansas City, MO	Pc2@playfulpack.com
Damaris Olmo	TBD	North Brunswick, NJ	Pc3@playfulpack.com
Nick Sheehan	13711 Village Mill Dr.	Midlothian, VA	PC7@playfulpack.com
Scott Brooks	TBD	Greenville, SC	PC8@playfulpack.com
Jeb French & Cammie Cobble	TBD	Collin County, TX	PC9@playfulpack.com
Lisa & Tom Ksoll	TBD	Oakland, MI	PC10@playfulpack.com

List of Franchisees that Left System in Past Fiscal Year Ending December 31, 2025

Name	Address	City/State	Email
Steven Diamond	N/A	Scottsdale, AZ	PC5@playfulpack.com

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EXHIBIT G TO FDD

PLAYFUL PACK FRANCHISING, LLC

OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT H TO FDD

PLAYFUL PACK FRANCHISING, LLC

SAMPLE RELEASE AGREEMENT

In consideration for the consent of Playful Pack Franchising, LLC (the "Franchisor"), to the assignment by _____("Franchisee") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated _____ (the "Franchise Agreement"), Franchisee hereby remises, releases, and forever discharges Franchisor, its officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature, including but not limited to those arising out of or existing under the Franchise Agreement, the offer and sale of the franchised business described therein, and out of the franchise relationship between the parties hereto, whether in law or in equity, from the beginning of time to the date hereof. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

This Release has been entered into and agreed to as of the _____ day of _____, 20____

FRANCHISEE:

By: _____

Print Name:_____

By: _____

Print Name:_____

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EXHIBIT I

[RESERVED]

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EXHIBIT J

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Not Registered
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	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.

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EXHIBIT K

RECEIPTS

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RECEIPTS (YOUR COPY)

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 Playful Pack 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 and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Playful Pack 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 the state administrator identified in Exhibit A of this Franchise Disclosure Document.

The Issue Date of this Disclosure Document is April 27, 2026.

A list of franchisor's agents registered to receive service of process is listed as Exhibit A to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an issue date of April 27, 2026, which contained the following Exhibits.

A. List of State Franchise Administrators/Agents for Service of Process
B. Franchise Agreement (and Exhibits)
C. Development Agreement (and Exhibits)
D. Financial Statements
E. State Specific Addenda
F. List of Franchisees and Franchisees That Left Our System in the Past Fiscal Year or That Have Not Communicated to Us in the 10 Weeks Prior to the Issue Date of this Disclosure Document
G. Operations Manual Table of Contents
H. Sample Termination and Release Agreement
I. [Intentionally Deleted]
J. State Effective Dates
K. Receipts

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:
Scott Parker and Brock Dudley, c/o Playful Pack Franchising, LLC, 888 North Quincy Street, Suite 1604, Arlington, VA 22203, (571) 722-0075; _____
_____

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Date: _____ _____Franchisee

_____(Print Name)

_____(Telephone Number)

Below for a Partnership, Corporation or Limited Liability Corporation:

Name: _____

Title: _____

Name of Company: _____

Address:_____

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_____(Telephone Number)

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Title: _____

Name of Company: _____

Address:_____

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