FRANCHISE DISCLOSURE DOCUMENT

Scenthound Franchising LLC
a Florida limited liability company
5070 PGA Blvd., Suite 200
Palm Beach Gardens, FL 33418
Telephone: (561) 288-3997
info@scenthound.com
www.scenthound.com

We offer Scenthound® franchised businesses which specialize in basic hygiene and routine wellness care for dogs. The services for dogs principally offered by our franchised businesses (each, a "Scenter®") focuses on five areas of maintenance, namely, Skin, Coat, Ears, Nails, and Teeth.

The total investment necessary to begin operation of one Scenter® ranges from $322,999 to $553,269. This amount includes $86,049 to $96,169 that must be paid to franchisor or its affiliate(s). If you enter into a multi-unit development agreement with us, the total initial investment necessary to begin operation of two Scenters ranges from $362,999 to $598,269. This includes $126,049 to $141,169 that must be paid to franchisor or its affiliate(s). The total initial investment necessary to begin operations of four Scenters ranges from $427,999 to $663,269. This includes $191,049 to $206,169 that must be paid to franchisor or its affiliate(s).

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, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact Timothy Vogel, 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418 or call (561) 288-3997.

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

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

Issuance Date: April 18, 2026 as amended July 31, 2026

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 and Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and 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 E 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 Scenthound business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Scenthound franchisee?	Item 20 or Exhibit F lists current or former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if your franchise is losing money.

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

4. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

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.

(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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 on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection 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 thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement 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:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
P.O. Box 30755
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

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

The franchisor is Scenthound Franchising LLC. To simplify the language in this disclosure document (the "**Disclosure Document**"), Scenthound Franchising LLC is referred to as "**Franchisor**," "**we**," "**us**," or "**our**" and the person or entity who is considering the franchise is referred to as "**Franchisee**," "**you**," or "**your**". If you are a corporation, limited liability company, partnership or other legal entity, the word "**you**" or "**your**" will apply to your shareholders, members, partners, officers, managers, and directors.

The Franchisor, and Any Parents, Predecessors and Affiliates

We are a Florida limited liability company formed on March 2, 2018. Our principal place of business is 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418. We do business under the name "Scenthound®". We commenced offering Scenthound franchises as of May 2019. We have never offered any other franchises in any other line of business. We do not conduct business under any other name or mark. We are not currently engaged in any other business activities.

Our parent company is Scenthound Holdings, LLC, a Delaware limited liability company formed on September 4, 2013 ("**Scenthound Holdings**") with its principal place of business at 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418.

Through common ownership, we have three affiliated companies. The first affiliate, Scenthound Corporate Stores, LLC ("**Scenthound Corporate Stores**"), a Florida limited liability company formed on September 8, 2020, as of the issuance date of this Disclosure Document owns and operates four Scenthound retail stores similar to the Scenters that we offer and sell through this Disclosure Document (referred herein as the "**Affiliate-Owned Units**"). The Affiliate-Owned Units are located at: 6390 West Indiantown Road, Jupiter, Florida 33458; 13860 Wellington Trace, Wellington, Florida 33414; 771 Village Boulevard, West Palm Beach, Florida 33409; and 9858 Glades Road, Suite D3, Boca Raton, Florida 33434. On or about April 15, 2026, two Affiliate-Owned Units were transferred to franchisees. On or about April 16, 2026, three Affiliate-Owned Units are being operated by franchisees under management agreements. The principal business address for Scenthound Corporate Stores is 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418. Scenthound Corporate Stores does not offer franchises in this line or any other line of business.

The second affiliate is Scenthound Services LLC ("**Scenthound Services**"), a Florida limited liability company formed on April 24, 2019, to provide technological systems and services to our franchisees and directly to Scenthound members through the Scenthound App. The principal business address for Scenthound Services is 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418. Scenthound Services does not offer franchises in this line or any other line of business and does not otherwise conduct businesses of the type offered to you in this Disclosure Document.

The third affiliate is Scenthound IP, LLC ("**Scenthound IP**"), a Florida limited liability company formed on September 22, 2020, with its principal place of business at 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418. Scenthound IP is the owner and licensor of our intellectual property.

Scenthound IP does not offer franchises businesses in this line or any other line of business and does not otherwise conduct businesses of the type offered to you in this Disclosure Document.

We do not have any predecessors or other affiliates required to be included in this item except as provided above.

Agent for Service of Process

Our agent for service of process is listed in Exhibit A.

Description of the Franchised Business

We offer a franchise under which you can establish a Scenter at a single location which will operate under the "Scenthound®" marks, and certain other trademarks, trade names, service marks, logotypes and commercial symbols that we may adopt from time to time (collective the "**Marks**").

Your Scenter will operate using our procedures; marketing concepts; management techniques; business strategies; training program; site acceptance; quality assurance and inspection programs; distinctive interior and exterior design, décor, layout and color scheme; uniform operating methods, procedures and techniques; and confidential processes for providing our proprietary menu of services centered around "Basic Hygiene Service" which involves a double conditioning bath, ear cleaning, nail clipping, and teeth brushing (the "**System**"). Scenthound customers select from their choice of monthly membership options, add services to each visit including a blow-out, haircut, de-shedding service, flea and tick treatment, facial scrubs, nail grinding and other treatments and services available which may change from time to time in our discretion as well as take-home retail products. Our goal is to educate pet owners of the importance of these services to their dog's overall health and well-being. Scenters will occupy approximately 1,100 to 1,300 square feet.

The Franchise Agreement and Multi-Unit Development Agreement

We offer the right to own and/or operate a Scenthound retail store (the "**Scenter**") under our standard form of franchise agreement (the "**Franchise Agreement**"). The Franchise Agreement is attached as Exhibit B. You must operate your Scenter according to our standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a Scenter, all of which we may periodically change, improve, and further develop. You must operate and manage your Scenter according to our standards and procedures set out in our confidential operation manuals (collectively, the "**Manual**"). We will lend you a copy of the Manual for the duration of the Franchise Agreement.

We also offer the right to develop multiple Scenters within a specific geographic area (the "**Development Area**") according to a pre-determined development schedule ("**Development Schedule**") under our standard form Multi-Unit Development Agreement ("**MUDA**"). The MUDA requires you to open an agreed-upon number of Scenters pursuant to a development schedule. You must sign our then-current form of franchise agreement for each Scenter you open which may differ from the current Franchise Agreement attached to this Disclosure Document. Each future franchise agreement grants you the right to own and/or operate a single Scenter at an accepted location. The MUDA is attached as Exhibit C.

Market and Competition

Your Scenter will offer basic dog grooming, wellness and essential care services, as well as other related goods and services to the general public. Our concept is targeted to provide routine dog care services to members of the general public who are dog owners. While the dog wellness market is a niche area and still developing, it has become more competitive in recent years with national brands offering in-store services. Your competitors will include national, regional and local pet care businesses that offer dog wellness services from retail locations or mobile units, kennels, veterinarian offices, and other retail businesses selling similar dog care products and services. Your competitors may also be well-established international, national, regional and local chains, which may have significant financial, marketing and other resources.

Industry Specific Laws

In addition to laws and regulations that apply to businesses generally, your Scenter will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the American with Disabilities Act; noise ordinances; grooming licensing (where applicable), registration and permit laws and requirements; bonding requirements; environmental and hazardous waste laws; and health, sanitation, and safety laws and regulations. Local city and county zoning ordinances may prohibit you from establishing your Scenter in a particular location due to applicable land-use codes, which may prohibit dog-related services in certain neighborhood commercial zones and/or business districts.

You must operate the Scenter in full compliance with all applicable laws, ordinances and regulations, including, without limitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. There may be specific laws or regulations in your county or municipality regarding the operation of this business and businesses in general, which may include licensing and government regulations. It is also your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Scenter.

You are advised to consult counsel about any potential impact of these laws and regulations. You alone are responsible for investigating and evaluating the federal, state and local laws that may apply to the operations of your Scenter and federal, state and local restrictions that may be imposed on your Scenter, your ownership of your Scenter, and the individuals that may or may not provide services as employees of your Scenter.

ITEM 2
BUSINESS EXPERIENCE

Co-Founder and Chief Executive Officer: Timothy Vogel

Timothy Vogel has served as our Chief Executive Officer since our inception in May 2019 in Palm Beach Gardens, Florida. From January 2015 to the present, Mr. Vogel has been an owner and manager of Scenthound Holdings located in Palm Beach Gardens, Florida.

Co-Founder and Chief Brand Officer: Jessica Vogel

Jessica Vogel has served as our Chief Brand Officer since our inception in May 2019 in Palm Beach Gardens, Florida. From January 2015 to the present, Mrs. Vogel has been the Chief Brand Officer of Scenthound Holdings in Palm Beach Gardens, Florida.

Chief Financial Officer: Jacob Lee Singleton

Jacob Singleton has served as our Chief Financial Officer since April 2026 in Palm Beach Gardens, Florida. Prior to his position with us, Mr. Singleton was the Chief Financial Officer for The Joint Chiropractic in Scottsdale, Arizona from June 2015 to June 2025.

Chief Operating Officer: Josh Lyon

Josh Lyon has served as our Chief Operating Officer since April 2025 in Palm Beach Gardens, Florida. Prior to this position, Mr. Lyon was our Vice President of Operations from June 2021 to March 2026 in Jupiter, Florida. Prior to that, from September 2015 to June 2021, Mr. Lyon was with TITLE Boxing Club in Overland Park, Kansas serving as Senior Vice President of Administration. In addition to his position, Mr. Lyon is a franchise partner and member of KC Balance 2, LLC doing business as Scenthound in Overland Park, Kansas from March 2024 to present and KC Balance Lenexa, LLC doing business as Scenthound in Lenexa, Kansas from January 2025 to present.

Chief Commercial Officer: Summer Nunn

Summer Nunn has served as our Chief Commercial Officer since March 2026 in Palm Beach Gardens, Florida. Prior to her position with us, Ms. Nunn was the Chief Marketing Officer for NearU in Charlotte, North Carolina from May 2024 to March 2026. From June 2022 to January 2024, Ms. Nunn was the Chief Marketing Officer for Whistle Express Carwash in Charlotte, North Carolina. From August 2020 to June 2022, Ms. Nunn was the Chief Marketing Officer for Payzer, a field service management software company, in Charlotte, North Carolina.

Chief Development Officer: Michael Chin

Michael Chin has been our Chief Development Officer since April 2026 in Palm Beach Gardens, Florida. Prior to his position with us, Mr. Chin was self-employed as a principal/fractional executive for a consulting and advisory service business in Atlanta, Georgia from February 2025 to March 2026. From May 2023 to February 2025, Mr. Chin was the Vice President of Development for GoDog in Atlanta, Georgia. From March 2014 to May 2023, Mr. Chin was the President and Managing Director of Real Estate and Development for Level 5 Capital Partners, a private equity firm, in Atlanta, Georgia.

Vice President of Franchise Marketing: Hannah Keyser

Hannah Keyser has served as our Vice President of Franchise Marketing since February 2022 in Palm Beach Gardens, Florida. Prior to her position with us, Ms. Keyser served in multiple positions for BurgerFi International Inc. in North Palm Beach, Florida including as the Vice President of Marketing from September 2020 to February 2022.

Vice President of Franchise Development: Robert "Tony" Nicholson

Tony Nicholson has served as our Vice President of Franchise Development since August 2024 in Palm Beach Gardens, Florida. Prior to his position with us, Mr. Nicholson was the Vice President of Franchise Development for Apex Leadership, a fundraising franchise in Houston, Texas from June 2023 to July 2024. From June 2010 to May 2023, Mr. Nicholson was the Vice President of Franchise Development for Self Esteem Brands in Woodbury, Minnesota.

Vice President of Franchise Performance: Jennifer Walker

Jennifer Walker has served as our Vice President of Franchise Performance since March 2026 in Palm Beach Gardens, Florida. Prior to her position with us, Ms. Walker was a Strategic Account Executive for Listen360 in Denver, Colorado from July 2024 to March 2026. From September 2023 to November 2024, Ms. Walker was a Franchise Growth Advisor for AC Inc. in Vancouver, British Columbia, Canada. From January 2021 to March 2023, Ms. Walker was a Senior Director of Operations for Code Ninjas, in Pearland, Texas.

Director of Franchise Administration: Alyson Ekmark

Alyson Ekmark has served as our Director of Franchise Administration since January 2026 in Palm Beach Gardens, Florida. Prior to this position, Ms. Ekmark was our Director of Franchise Support from August 2023 to January 2026 in Jupiter, Florida. Prior to this, she served as a Franchise Business Coach for us from July 2022 to August 2023 in Jupiter, Florida. From January 2022 to July 2022, Ms. Ekmark was a Franchise Business Coach for Any Lab Test Now in Sandy Springs, Georgia. From June 2004 to December 2021, she was a Director of Franchise Administration for Zaxby's Franchising in Athens, Georgia.

Senior Director of Operation: Alexander Keeler

Alexander Keeler has served as our Senior Director of Operation since January 2025 in Palm Beach Gardens, Florida. From December 2021 to December 2024, Mr. Keeler was our Senior Director of Learning and Development in Jupiter, Florida. Prior to his position with us, Mr. Keeler was the Director of Learning and Development for Retro Fitness from October 2020 to December 2021 in West Palm Beach, Florida.

Franchise Development Manager: Chris Rodgers

Mr. Rodgers has served as our Franchise Development Manager since August 2024 in Palm Beach Gardens, Florida. Prior to his position with us, Mr. Rodgers was a franchisee and area developer in the Orangetheory Fitness from December 2013 to June 2024 in Delray Beach, Florida. Mr. Rodgers was also a franchisee and area developer for Relive Health in Winter Park, Florida from June 2022 to September 2023. He was also a franchisee for Foxtail Coffee in Delray Beach, Florida from December 2021 to September 2024.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

The initial franchise fee for a single Scenter is $49,900 ("**Initial Franchise Fee**"). It is paid in lump sum upon signing the Franchise Agreement. The Initial Franchise Fee is uniform, non-refundable and fully earned upon receipt. We proudly offer a discount of $5,000 off the Initial Franchise Fee for qualified U.S. veterans on the first Scenter purchased. Other than that, we have no intention, now or in the future, of reducing the Initial Franchise Fee for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case-by-case basis. We reserve the right to waive or reduce the Initial Franchise Fee for our affiliates, employees, existing franchises or if we run a franchise marketing promotion.

Technology Fees:

For your first Scenter, you must pay our affiliate, Scenthound Services, $200 per month 30 days after signing your Franchise Agreement and $675 per month after activating your point-of-sale ("**POS**") system as a technology fee (the "**Technology Fee**"). If you have a Scenter that is opening and operating, your Technology Fee will start when your POS system is activated. You will also pay our Approved Supplier a one-time setup for the POS System of $299. We estimate that you will pay $1,649 to $2,849 as an initial investment towards the Technology Fee. Your POS system is typically activated two months prior to the grand opening of your Scenter. Payment for the Technology Fee is non-refundable.

Opening Support Fee:

You must pay us a fee of $3,500 for us to send up to two of our training team members to your Scenter to train your staff prior to opening for business (the "**Opening Support Fee**"). This Opening Support Fee includes our training team's travel expenses. You will pay the Opening Support Fee within two weeks prior to opening your Scenter. The Opening Support Fee is non-refundable.

Architect Review Fee:

We require that you use our Approved Supplier, currently Angelini & Associates, for your architecture needs including preparing the plans to build out your Scenter. If a variance is granted by us in writing

to not use our Approved Supplier, you will incur a $1,500 fee for us to review and approve your preferred architect. This fee shall be due at the time you request approval and non-refundable.

Startup Supplies Package and Initial Retail Inventory Package:

You must purchase the initial start-up supplies (the "**Startup Supplies Package**") and retail inventory ("**Initial Retail Inventory Package**") needed for your Scenter, including our proprietary branded Houndswell products, from our affiliate, Scenthound Services, prior to opening your Scenter. We estimate that you will pay $4,500 for the Start-up Supplies Package and $1,500 for the Initial Retail Inventory Package. The costs for the Start-up Supplies Package and the Initial Retail Inventory Package are non-refundable.

Furniture, Fixtures and Equipment:

You will purchase certain furniture, fixtures and equipment needed for your Scenter prior to opening from our affiliate, Scenthound Service. We estimate that your initial investment for the furniture, fixtures and equipment purchased from Scenthound Services will be $25,000 to $27,000. The furniture, fixtures and equipment purchased from Scenthound Services is nonrefundable.

Career Plug Fees:

If you choose the optional service to obtain Career Plug for your staff recruiting needs, you will pay our affiliate, Scenthound Services, $70 a month. You will start this service about three months prior to opening your Scenter and continue it throughout the term of the Franchise Agreement. We estimate the initial investment cost for Career Plug services is $0 to $420. The costs for the Career Plug services paid to Scenthound Services is nonrefundable.

Extension Fee:

You are required to open your Scenter within nine months of signing your Franchise Agreement. If you sign a MUDA, you are required to open a pre-determined number of Scenters according to your Development Schedule. If you request or we deem it necessary to grant you an extension to the deadline to open your Scenter, you will pay us $2,500 for each 90-day extension period we grant you (the "**Extension Fee**"). If you request an extension to the Development Schedule, in addition to the $2,500 Extension Fee for your Scenter, you will pay us an additional $2,500 Extension Fee. The Extension Fee is nonrefundable.

Multi-Unit Development Agreement

We offer multi-unit development packages if you choose to purchase two or more Scenters. For each additional Scenter purchased after the first, the initial fee will be discounted. The Initial Franchise Fee for the first Unit is $49,900. The initial fee for the second Scenter is $40,000. The initial fee for the third Scenter is $35,000. The fee for each of the fourth or more Scenters is $30,000 each. You must pay us the total fee in the chart below based upon the number of Scenters you agree to develop and operate at the time you sign the MUDA. All amounts above the Initial Franchise Fee shall be deemed by us as the development fee ("**Development Fee**"). The Initial Franchise Fee and the Development Fee are fully earned by us upon receipt and are non-refundable.

Number of Scenters	Fee Amount Due at Signing
1	$49,900
2	$89,900
3	$124,900
4	$154,900
Additional Scenters	$30,000 each

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (Note 1)	6% of Gross Revenue	Every Friday, for Gross Revenue from the previous week (defined as Sunday through Saturday)	You must pay this fee directly to us. We reserve the right to increase the Royalty Fee by 1% per year in our discretion but we will not increase your Royalty Fee to be more than 9% of your Gross Revenue.
Brand Fund Contribution (Note 2)	Up to 1.5% of Gross Revenue	Every Friday, for Gross Revenue from the previous week (defined as Sunday through Saturday)	You must pay this fee directly to us. We may from time to time change the rate or rates required to be paid by you. We will not increase your Brand Fund Contribution by more than 1% of Gross Revenue per year and your total Brand Fund Contribution will not be more than 3% of your Gross Revenue.

Type of Fee	Amount	Due Date	Remarks
Local Advertising (Note 3)	5.5% of Gross Revenue with a minimum of $25,000 per year and an annual maximum of $35,000	As incurred	You pay this amount directly to third-parties subject to our approval, but you may be required to pay this amount to us if you do not meet your minimum requirements. This is the minimum amount that you must spend for local marketing. We may require your expenditures to be used in cooperative advertising, if established.
Technology Fee (Note 4)	For your first Scenter, $200 per month within 30 days of signing your Franchise Agreement; then for all franchisees, $675 per month at activation of the POS system	Monthly	This fee is payable to Scenthound Services. We reserve the right to change the Technology Fee at our sole discretion. The monthly Technology Fee is subject to an annual increase of 10%. Adjustments are compounded annually and cumulative, including increases in any given year of greater than 10% to adjust for prior years when no increase was implemented.
Audit Fee (Note 5)	Cost of audit plus interest on underpayment at Default Rate	Immediately upon a determination by audit.	Due if the audit or any other inspection should reveal that any payments to us have been underpaid or for your failure to provide any required report. You shall reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and accounting and attorneys' fees).
Interest (Note 6)	The lesser of 1.5% per month or the highest amount allowed by applicable law, (the "**Default Rate**")	Amounts not received by us on the due date shall incur interest charges	Due on all overdue amounts owed to us.
Late Fee	The greater of: (i) 5% of the amount due or (ii) $100	As incurred	Due on each occurrence that you fail to make a timely payment to us or fail to provide a report as requested.

Type of Fee	Amount	Due Date	Remarks
Management Fee (Note 7)	Our expenses plus an administrative fee of 10% of Gross Revenue	As incurred	Due when we (or a third party) manage your Scenter after your managing owner's death or disability, or after your default or abandonment.
Transfer Fee (Note 8)	To an existing franchisee: $2,500. To an unrelated third party: 50% of the then-current Initial Franchise Fee, subject to a minimum payment of $25,000	At the time of transfer	You may not transfer your Scenter without our prior written consent. The Transfer Fee is due at the time of transfer and is not refundable.
Renewal Fee	25% of the then-current Initial Franchise Fee, subject to a minimum payment of $12,250	At the time of renewal	You must timely notify us of your desire to renew the Franchise Agreement. The Renewal Fee is due at the time of renewal and is not refundable.
Convention Fee	Varies but currently $999 for the first person and $899 for additional attendees	Upon demand	We may hold an annual franchisee conference devoted to training and plans for the future of Scenthound which you will be required to attend. We reserve the right to change the convention fee at our discretion. Additionally, you will be obligated to pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.
Failure to Attend Convention Fee	$1,500	Upon demand	If you or your Operating Principal fails to attend the annual convention, we may charge you a fee of $1,500.

Type of Fee	Amount	Due Date	Remarks
Indemnification (Note 9)	Will vary	As incurred	You must indemnify and reimburse us for all costs, fees and damages if we are sued or held liable in any case having to do with the operation of your Scenter or your breach of the Franchise Agreement.
Non-Compliance Fee (Note 10)	$500 for the first occurrence; $750 for a second occurrence and $1,000 for a third occurrence	Upon demand	If you breach certain provisions of the Franchise Agreement by failing to comply with our System standards, we may charge you this fee.
Cost of Enforcement	All costs including reasonable attorney's fees	Upon demand	You will reimburse us for all costs, including reasonable attorneys' fees, as a result of your default and to enforce and terminate the Franchise Agreement
Testing of Products or Approval of new Suppliers (Note 11)	All reasonable costs and expenses of inspection and testing estimated to range from $500 to $2,000	As invoiced	This covers the costs of testing new products or inspecting new suppliers you propose to us.
Liquidated Damages	An amount equal to the average Royalty Fees earned by us for the last 12 months (or shorter period, if Scenter has been in operation less than 12 months), multiplied by 36 or the number of months remaining in the term, whichever is less.	Upon demand	We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for cause.

Type of Fee	Amount	Due Date	Remarks
Insufficient Funds Fee	$100	As incurred	Due if you have insufficient funds in your designated bank account to cover a payment, or if any other payment instrument you use is rejected for insufficient funds.
Insurance	You must reimburse our costs plus a 10% administrative fee	When billed	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us. You will pay a 10% administrative fee to account for our costs in obtaining your insurance.
Additional Training and Assistance	Currently $300 per person per day but not more than $750, plus hotel, air fare, and other expenses incurred by our trainer or you	Prior to training or assistance begins	This fee will be assessed for training a newly appointed Operating Principal and for training newly hired personnel; for refresher training courses; and for special assistance or training you need or request to be conducted.
Virtual Vet Fees	$2.50 per month for each member of your Scenter that utilizes the virtual veterinarian service	Monthly	Some of your members will have a virtual veterinarian service included in their Scenthound membership package. For each of your members that does have this service, you will pay our affiliate, Scenthound Services, $2.50 per month (the "**Virtual Vet Fees**").
Career Plug Fees	$70 per month	Prior to opening and then monthly	If you choose the optional service to obtain Career Plug for your staff recruiting needs, you will pay our affiliate, Scenthound Services, $70 a month. You will start this service about three months prior to opening and continue it throughout the term of the Franchise Agreement.
Additional Printed Materials	Cost of any printed materials ordered on your behalf plus delivery fees	As incurred, prior to shipment	We reserve the right to order and have shipped to your Scenter, sales materials, advertising materials, and other marketing material on your behalf and invoice you (or debit your account by ACH) for such items and their delivery.

NOTES

General: All fees expressed in percentages are calculated by multiplying the percentage stated by the total monthly Gross Revenue of your Scenter unless otherwise indicated. All fees due to us shall be payable to us by direct deposit from franchisee's account or in another form or manner approved by us. "**Gross Revenue**" means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Scenter. Gross Revenue includes all revenues earned from services offered at your Scenter, leasing space in your Scenter to subcontractors (if approved by us), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Scenter. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority, tips or gratuity provided to your employees and any other bona fide refunds to customers. We shall have direct access to your Computer System (defined below) which shall provide us up-to-date Gross Revenue information. However, if requested by us, you shall deliver to us electronically a signed and verified statement of Gross Revenue ("**Gross Revenue Report**") for any time period requested. Royalty Fees are due on each Friday. All fees and other amounts due to us shall be paid through a designated bank account. You must allow us to debit your account through the Automated Clearing House ("**ACH**") system. The ACH form you are required to fill out is attached as Schedule 5 to the Franchise Agreement. You shall make deposits to the designated bank account sufficient to cover amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent. All fees paid to us are nonrefundable and uniformly imposed.

Note 1. **Royalty Fee**: This fee is set at 6% of your Gross Revenue (the "**Royalty Fee**") as calculated every Friday for the Gross Revenue from the previous week (defined as Sunday through Saturday) for the entire term of the Franchise Agreement and all subsequent terms. We have the right to increase the Royalty Fee by 1% per year in our discretion upon notice to you but we will not increase your Royalty Fee to more than 9% of your Gross Revenue. The Royalty Fee obligation begins immediately on the first day your Scenter is open for operation. We reserve the right to change the time and manner of payment of your Royalty Fee at any time upon written notice to you. Royalty Fees and all fees paid to us are non-refundable.

Note 2. **Brand Fund**: You must contribute up to 1.5% of Gross Revenue each week during the term of the Franchise Agreement and all subsequent terms (the "**Brand Fund Contribution**"). The payment of the Brand Fund Contribution is due every Friday for the Gross Revenue from the previous week (defined as Sunday through Saturday) for the duration of your franchise term. We may raise, discontinue, or reduce your required contribution at our sole discretion by providing advanced written notice to you. We will not increase your Brand Fund Contribution by more than 1% of Gross Revenue per year and your total Brand Fund Contribution will not be more than 3% of your Gross Revenue. You shall pay the Brand Fund Contribution at the same time, and on the same terms, as the Royalty Fee. The Brand Fund is defined and discussed in Item 11.

Note 3. **Local Advertising**: You are required to spend 5.5% of your Gross Revenue with a minimum of $25,000 per year on local marketing during the term of the Franchise Agreement and all subsequent terms. We will not require you to spend in excess of $35,000 per year on local marketing even if 5.5% of your monthly Gross Revenue exceeds $35,000; however we can amend this limitation if the local

marketing activities for your Scenter require additional funds, which shall be decided in our sole discretion. We can require that you pay all of the local marketing expenditures that we require to us or our designated approved marketing firm. You will be required to submit an accounting of this expense to us upon request or, at minimum, on a monthly basis on the 5th of each month. If you fail to spend the amounts required, you shall be required to pay us the amount underpaid in local marketing to us to be applied to our Brand Fund.

Note 4. **Technology Fee**: The Technology Fee will include a monthly subscription to hosted email, our training platform, our digital asset repository, our POS system software, and our CRM, reporting and analytics, project management, and ticketing system. The Technology Fee also includes email marketing, web hosting, as well as access to our S.C.E.N.T. Check® app, our Consumer mobile and web apps, and other technology based services we provide, all which will be utilized in your Scenter. Your POS system is typically activated two months prior to the grand opening of your Scenter.

Note 5. **Audit Fee**: We will assess audit fees against you if you fail to provide us reports, supporting records, or any other information we require under the Franchise Agreement; or if you understate (or if we have reason to believe you understated) Gross Revenue or underpay any fees due to us including Royalty Fees and Brand Fund Contributions. The total amount of the audit fees that you pay us will vary depending on the cost of the audit itself (for which you will be entirely liable), and whether you have any unpaid Royalty Fees or Brand Fund Contributions for which you may be penalized in accordance with the Franchise Agreement.

Note 6. **Interest**: Interest and late charges begin to accrue on all amounts not received after the due date without notice to you. In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and/or reasonable attorneys' fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Scenter.

Note 7. **Management Fee**: Management fees will only be charged when one of our employees, or a third party appointed by us, actively controls the day-to-day management of your Scenter. The total amount of Management fees that you owe will be determined by the number of days that it is necessary for us to manage your business.

Note 8. **Transfer Fee**: The term "transfer" means any of the following: the sale of the assets of your Scenter; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust.

Note 9. **Indemnification**: You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, damages or losses of any kind arising out of your operation of your Scenter. This indemnification includes claims related to the lease of your Scenter, sale or transfer of your Scenter, any default under the Franchise Agreement, and for costs associated with defending claims that you used our Marks in an unauthorized or illegal manner including through your marketing efforts. You must pay for any and all damages, legal fees, enforcement or collection costs, and/or any other costs assessed against us in any proceeding related to your Scenter.

Note 10. **Non-Compliance Fee**: If you fail to follow our System standards you will be subjected to non-compliance fee (the "**Non-Compliance Fee**"). The Non-Compliance Fee will be $500 for the first occurrence of not complying with our System standards within a 12-month period. Should you not comply with our System standards again within the same 12-month period, the Non-Compliance Fee will be $750. If you fail to comply with our System standards for a third time within the same 12-month period, the Non-Compliance Fee will be $1,000.

Note 11. **Testing of Products or Approval of New Suppliers**: You will be required to obtain our written approval for most of the products, vendors, and/or suppliers of products, that you will use in the operation of your Scenter (as described in more detail in Item 8), and you will be charged an assessment fee for the examination of any product, vendor, or supplier submitted to us for approval. This fee will range from $500 to $2,000, for any single product, vendor, or supplier you wish to offer, use, and/or substitute in your operation of your Scenter whether we give our approval or not. We may waive these fees at our sole and absolute discretion if the equipment, products, vendors and/or suppliers you select meet our requirements and are added to our approved list of equipment, products, vendors and/or suppliers for all franchise locations. We will make every effort to process our evaluation within three months of your request.

Multi-Unit Development Agreement

If you sign a MUDA, you should review both the above table of fees applicable to your Franchise Agreement as well as the following table of fees applicable to the MUDA:

Fee	Amount	Due Date	Notes
Transfer Fee	The greater of (i) 50% of then current Initial Franchise Fee; or (ii) $25,000	At the time of transfer	The transfer fee and all other fees paid to us are non-refundable.
Attorneys' fees and costs	Will vary	As incurred	Payable to us if we are forced to incur costs (including attorneys' fees) if you fail to comply with or breach any provision in the MUDA among our other remedies
Indemnification	Will vary	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of your breach of the MUDA

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (Note 1)	$49,900	Lump sum	Upon signing your Franchise Agreement	Us
Leasehold Improvements (Note 2)	$140,500 - $266,000	As arranged	Before opening	Landlord, Vendors, Utility Providers
Fixtures/Equipment/ Furniture (Note 3)	$33,000 - $45,800	As arranged	Before opening	Vendors, Our affiliate
Millwork (Note 4)	$7,700 - $23,000	As arranged	Before opening	Vendors
Signage (Note 5)	$4,800 - $12,800	As arranged	Before opening	Vendors
Architect Review Fee (Note 6)	$0 - $1,500	As arranged	Before opening	Us
Computer System (Note 7)	$4,500	As arranged	Before opening	Vendors
Technology Fee (Note 8)	$1,649 - $2,849	As invoiced	As invoiced	Our affiliate
Startup Supplies Package (Note 9)	$4,500	As arranged	Before opening	Our affiliate
Initial Retail Inventory Package (Note 10)	$1,500	As arranged	Before opening	Our affiliate
Career Plug Fees (Note 11)	$0 - $420	As arranged	Before opening	Our affiliate
Grand Opening Marketing (Note 12)	$20,000 - $35,000	As arranged	During the time that is 10 weeks prior to opening your Scenter and four weeks after opening your Scenter	Marketing Vendors
Training Travel Expenses (Note 13)	$250 - $4,500	As arranged	Before opening	Hotel, Airlines, etc.

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Opening Support Fee (Note 14)	$3,500	As arranged	Before opening	Us
Rent (3 months) (Note 15)	$0 - $18,500	As arranged	As arranged	Landlord
Security Deposit	$2,000 - $9,000	As arranged	As arranged	Landlord
Business Licenses/Permits (Note 16)	$1,500 - $6,700	As arranged	According to statute or ordinance	Government Agencies
Professional Fees (Note 17)	$1,500 - $4,500	As arranged	As incurred	Your Accountant, Attorney and Other Professionals
Insurance Deposits and Premiums (3 months) (Note 18)	$1,000 - $3,000	As arranged	Before opening	Insurance Carriers
Utility Deposits (Note 19)	$200 - $800	As arranged	As arranged	Vendors
Extension Fee (Note 20)	$0 - $5,000	As arranged	Before opening	Us
Additional Funds (3 months) (Note 21)	$45,000 - $50,000	As arranged	As incurred	Employees, Vendors, Suppliers
Total Estimated Initial Investment (Note 22)	**$322,999 - $553,269**			

NOTES

Note 1. **Initial Franchise Fee**: You must pay us a $49,900 Initial Franchise Fee if you purchase one Scenter. If you purchase the right to develop two or more Scenters, the initial fees shall be reduced based on the number of businesses purchased through the MUDA. See Item 5. You must pay the Initial Franchise Fee in full when you sign the Franchise Agreement. Initial Franchise Fees are non-refundable and fully earned when paid.

Note 2. **Leasehold Improvements**: You must improve the premises of your Scenter to our standards and specifications before you open for operation. These improvements may include, for example, architectural plans, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according to our specifications. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises at the time you sign your lease and may be much higher if you establish your Scenter in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. You

may receive a leasehold allowance covering a portion of the costs of constructing the leasehold improvements from the landlord. The figures in the chart are for the build-out of a "plain vanilla shell" location for a space that is approximately 1,100 to 1,300 square feet in size. The locations used to compute this estimate had an average size of 1,273 square feet. The low and high estimates assume that you will receive a tenant improvement allowance that covers some of the improvements and are based on actual reported franchisee locations. The estimates above are based on franchise locations that opened in 2024. There are variables regarding potential sites that are likely to be site-specific and may impact overall construction and/or operating costs, such as, for example, special permitting rules and regulations, special HVAC requirements, or site-specific design criteria. Additionally, inflation and supply chain delays may impact your overall costs. These situations are site-specific and we cannot estimate the costs. You should evaluate those potential extra costs for any specific site that might be considered with a realtor or broker in your geographic region before you sign your lease.

Note 3. **Fixtures, Equipment and Furniture**: You will need to purchase fixtures, furnishings and equipment to operate your Scenter. If you rent office space or flex space it may require you to purchase additional equipment and furniture for your office. If your Scenter is significantly larger in size, you may need to purchase or lease additional equipment. You will need to purchase certain equipment, fixtures, furnishings, and decor, including grooming and other pet supplies. Some of the fixtures, equipment and furniture needed for your Scenter will be purchased from our affiliate, Scenthound Services, which we estimate to be $25,000 to $27,000. All fixtures, equipment and furniture paid to Scenthound Services are nonrefundable.

Note 4. **Millwork**: You are required to have certain millwork in the buildout of your Scenter.

Note 5. **Signage**: Signage includes the exterior storefront signs as well as interior signage package and branding elements. However, the specific location where your Scenter will be located may have different requirements and regulations dictating the size, layout and illumination of the exterior signage. You will be required to abide by these regulations, and as a result may experience higher or lower costs for your exterior signage.

Note 6. **Architect Review Fee**: We require that you use our Approved Supplier, currently Angelini & Associates, for your architecture needs including preparing the plans to build out your Scenter. If a variance is granted by us in writing to not to use our Approved Supplier, you will pay us $1,500 fee for us to review and approve your preferred architect. This fee shall be due at the time you request approval and is non-refundable.

Note 7. **Computer System**: You must purchase certain types of computer equipment for your Scenter. See Item 11.

Note 8. **Technology Fee**: For your first Scenter, you will pay a Technology Fee equal to $200 per month within 30 days of signing your Franchise Agreement. This amount will increase to $675 per month for all franchisees at the activation of their POS system which commonly occurs two months prior to opening. You will also pay our Approved Supplier a one-time setup for the POS System of $299. This estimate assumes you open your Scenter within nine months of signing your Franchise Agreement.

Note 9. **Startup Supplies Package**: You must purchase certain types of supplies for your Scenter that will be necessary to offer the authorized and required services and products including initial supply of product such as grooming supplies and uniforms. The overall cost of the supplies will vary based upon the size of your Scenter. Shipping costs for your Startup Supplies Package will vary and may increase your costs.

Note 10. **Initial Retail Inventory Package**: You must purchase the Initial Retail Inventory Package that is needed for your Scenter from our affiliate, Scenthoud Services, prior to opening. You will continue to order products from Scenthound Services during the term of the Franchise Agreement. Shipping costs for your Initial Retail Inventory Package will vary and may increase your costs.

Note 11. **Career Plug Fees**: If you choose the optional service to obtain Career Plug for your staff recruiting needs, you will pay our affiliate, Scenthound Services, $70 a month. You will start this service about three months prior to opening your Scenter and continue it throughout the term of the Franchise Agreement. The low end of the estimate in the chart above assumes you do not select this service and the high end of the estimate assumes three monthly payments prior to opening and three monthly payments after opening your Scenter. The fees for the Career Plug services paid to Scenthound Services are nonrefundable.

Note 12. **Grand Opening Marketing**: Under the Franchise Agreement, we require you to spend a minimum of between $20,000 to $35,000 on the "**Grand Opening Marketing Program**". Your minimum amount required will be dependent on the market in which your Scenter is located and determined in Franchisor's sole discretion. You may choose to spend more than the required amount. The Grand Opening Marketing Program must be conducted within 10 weeks before opening and the first four weeks after opening your Scenter. Your Grand Opening Marketing Program must include the promotional elements we require, and we must approve of your Grand Opening Marketing Program before it is conducted. We may require you to submit expenditure report(s) to us, accurately reflecting your Grand Opening Marketing Program expenditures.

Note 13. **Training Travel Expenses**: The cost of initial training program is included in the Initial Franchise Fee. However, you will be responsible for all travel and living expenses for you and anyone else required to attend training. If applicable, you will be responsible for your employees' wages while they are training. The costs will vary depending on the distance traveled, choice of accommodations and travel arrangements, and other related factors. We may conduct our training programs remotely/virtually so you may not incur these travel-related expenses if training is performed virtually. See Item 11 for more information on the training program we offer.

Note 14. **Opening Support Fee**: You will pay us the Opening Support Fee at least two weeks prior to opening and we will send up to two members of our training team to your Scenter to train your staff prior to opening. The Opening Support Fee includes our training team member's travel expense.

Note 15. **Rent**: You must lease or otherwise provide a suitable commercial space for the operation of your Scenter. The cost per square foot for leasing commercial space varies considerably depending upon the location and market conditions affecting commercial property. We estimate the cost of leasing commercial space per square foot to be between $20 and $65 plus triple net expenses annually (although this figure can vary significantly from market to market). The amounts in the chart reflect our estimate for your payment of rent for the first three months from your rent commencement date.

You may receive a free rent period from your landlord. You may also be required to pay prepaid rent and/or a security deposit in connection with leasing space. Landlords will vary in the amount they charge for a security deposit. We have used a security deposit of one month's rent for the estimate. You should consult a real estate broker in your area to assess the typical leasing costs for your target market area.

Note 16. **Business Licenses**: You must obtain a general business license, if applicable in your state. You must consult your attorney regarding licensing and permitting requirements in your state or municipality.

Note 17. **Professional Fees**: We strongly recommend that you hire your own attorney to help you evaluate this franchise offering and for whatever other purpose you deem appropriate.

Note 18. **Insurance**: You must obtain certain insurance included in Item 8. Factors that may affect your cost of insurance include the size and location of your Scenter, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time your sign the Franchise Agreement.

Note 19. **Utility Deposits**: Utility deposits may include gas, electricity, water, telephone, cable, and Internet. Utility deposits and the method of payment thereof will depend upon the location of the Scenter and your creditworthiness. Deposits are often refundable if you are current on all payments at the time of request for refund.

Note 20. **Extension Fee**: You are required to open your Scenter within nine months of signing your Franchise Agreement. If you request or we deem it necessary to grant you an extension to the deadline to open your Scenter, you will pay us the Extension Fee for each 90-day extension period we grant you. The low end of the estimate assumes you will not pay an Extension Fee and the high end of the range assumes you will pay two Extension Fees.

Note 21. **Additional Funds**: You will need additional capital to support on-going expenses, such as payroll and utilities, insurance, licenses, inventory, security, repairs and maintenance, and miscellaneous expenses. This estimate includes payroll costs for one manager and other employees, but does not include a salary or draw for you or your Operating Principal. We have relied on the initial development costs reported of franchise location that opened in 2025 to estimate the Additional Funds needed. New businesses often generate a negative cash flow. This estimate does not account for additional capital or other reserve funds necessary for you to reach "break-even", generate "positive cash flow" or achieve any other financial position. We cannot and do not guarantee when or if your Scenter will break even. We do not furnish, nor do we authorize our salespersons or anyone else to furnish estimates as to those amounts. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be through three months after opening your Scenter. Your level of sales, investment in payroll and marketing, and the start date if lease payments, among other factors will impact your cash flow and the amount of working capital and additional funds that you may need during this start-up phase. These costs are only an estimate, and there is no assurance that additional working capital will not be necessary during this startup phase or after. Your credit history could impact the amount (and cost) of funds needed during the start-up phase. You will need to have staff on-hand before opening to prepare your Scenter for

opening, for training, orientation, and related purposes. We recommend you review these figures carefully with your business advisor.

Note 22: **General**: Your costs may be more or less depending on your management abilities, experience and business acumen, local economic conditions, size of your premises, location, and your actual sales. In formulating these estimates, we have relied on the initial development costs of reported franchise location that opened in 2025. All expenses paid to us or our affiliates are non-refundable. We will not finance any part of the initial investment. These figures are estimates only, and we cannot and do not guarantee that you will not have additional expenses in starting this business. You should review this chart with a business advisor before making a decision to purchase a franchise.

Multi-Unit Development Agreement

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Development Fee in Addition to the $49,900 Initial Franchise Fee (Note 1)	$40,000 for two Scenters - $105,000 for four Scenters	Lump sum	Upon signing your Development Agreement	Us
Extension Fee (Note 2)	$0 - $5,000	As arranged	Before opening	Us
Total Investment for a single Scenter under the Franchise Agreement (Note 3)	$322,999 - $553,269	*See Table Above*		
Total Estimated Initial Investment (Note 4)	**$362,999 - $663,269**			

NOTES

Note 1. **Development Fee**: If you sign a MUDA, in addition to the Initial Franchise Fee of $49,900 that you will pay for your first Scenter (which is included in the Total Investment of a single Scenter) you will be required to pay us a Development Fee that will vary significantly depending on the number of Scenters we agree to sell to you. This estimate includes the Development Fee for the development

of two Scenters to four Scenters, but we may grant qualified developer candidates the right to develop more Scenters.

Note 2. **Extension Fee**: If you sign a MUDA, you are required to open a pre-determined number of Scenters according to your Development Schedule. If you request or we deem it necessary to grant you an extension to the Development Schedule, you will pay us the Extension Fee for each 90-day extension period we grant you. The Extension Fee is nonrefundable. The low end of this estimate assumes there is no Extension Fee, and the high end of the estimate assumes two Extension Fees.

Note 3. **Total Investment for Single Scenter**: This is the estimated initial investment set forth above that is applicable to your initial Scenter.

Note 4. **Total Estimated Initial Investment for Developer**: In formulating these estimates, we have relied on the initial development costs reported by developers and franchise locations that opened in 2025. We cannot guarantee you will not need more capital toward the development of Scenters under the Development Agreement. We recommend you review these estimates carefully with your business advisor, accountant or attorney before making any decision to sign the Development Agreement. We do not offer any financing for your initial investment toward developing Scenters.

ITEM 8
RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

Approved Services and Products

You must use in the operation of your Scenter, and in the offer and sale of the services and products we approve, only those techniques, procedures and supplies we specify. You must offer all, and only such, products and services as we approve from time to time. We may require that you, at your expense, enter into agreements with suppliers approved by us specifically for the offer, sale and performance of the services and related products at your Scenter. We may change any of our requirements periodically. All products and items must conform to those standards and specifications we may periodically establish. You must obtain our written approval before making any changes to your Scenter and before modifications to or replacements of furniture, fixtures, equipment, computer hardware, proprietary software, generic software, products, signs or other items. All products and services to be offered at your Scenter must be purchased from us, our affiliate(s) or approved suppliers to, among other thing, ensure uniformity in our System.

Marketing and Promotional Materials; Items Bearing our Marks

You must purchase from us or our designated suppliers all marketing, advertising, and promotional materials, including business cards, stationery, brochures, flyers, postcards, posters, advertisement templates, and any other promotional or business marketing tools we use, or might use, in your Scenter. Any items, including all merchandise and any promotional items, which bear or include our Marks, must be purchased from us or our designated suppliers to ensure brand consistency within the System. It is solely your responsibility to ensure that any marketing is compliant with the applicable laws in your jurisdiction.

Approved Suppliers

We may require that you, at your expense, enter into agreements with suppliers approved by us ("**Approved Suppliers**"). We may designate Approved Suppliers from whom you will be required to purchase certain fixtures, furnishings, equipment, uniforms, supplies, marketing materials, computer hardware, software, routers, and grooming equipment and other products, supplies, services, and equipment, which you may or must use or sell at or through your Scenter. We may change Approved Suppliers from time to time. We will provide you with a current list of Approved Suppliers through updates to the Manual or other forms of communication. Angelini & Associates serves as our Approved Supplier for architecture services for franchisees. We may designate ourselves or our affiliates as Approved Suppliers for certain products and services. Certain approved products and supplies may only be available from one Approved Supplier source, and we or our affiliates may be that source. You will pay the then-current price in effect for any approved products and supplies you purchase from us or our affiliates. Currently, our affiliate, Scenthound Services, is an Approved Supplier of products to be purchased by you for sale at your Scenter including the Technology Fee, the Initial Retail Inventory Package, and the Startup Supplies Package. Our officers, Timothy Vogel and Jessica Vogel, own an interest in this affiliate.

If you would like to use any goods or services in establishing and operating your Scenter that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our Approved Supplier criteria. You must pay our expenses typically ranging from $500 to $2,000 to evaluate goods, services or suppliers regardless of whether we provide our approval or not. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We will notify you in our Manual or other written communications if we revoke approval of any supplier.

Notwithstanding the foregoing, we may limit the number of Approved Suppliers with whom you may deal with for any reason, including suppliers that we have already designated as an exclusive source (which may be us or our affiliates) for any particular item or service if we believe doing so is in the best interest of our System in our sole judgment. We will notify you if and when we no longer approve a previously Approved Supplier, product, good, or piece of equipment. A supplier must continually adhere to our standards and specifications to maintain its approval. We reserve the right to condition our approval of any proposed service or product on such terms we decide at our discretion, including your execution of a general release in our favor, your agreement to obtain additional related insurance and to attend additional training, and your agreement to a test period.

Payment Processing Services

We require you to enter into a merchant services agreement with our designated supplier for payment processing and fund transfer services (i.e., ACH).

Insurance

You must maintain insurance that we determine is necessary or appropriate for liabilities caused by or occurring in connection with the development and operation of your Scenter, which must include the following minimum coverages:

- Commercial general liability insurance, which shall include us, and any entity in which we have an interest and any entity affiliated with us and each of our members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds, protecting against any and all claims for personal, bodily and/or property injury occurring in or about the premises of your Scenter and protecting against assumed or contractual liability under the Franchise Agreement with respect to the Scenter and your operations, including personal and advertising liability as well as products and completed operations coverage, with such policy to be placed with minimum limits of $1,000,000 combined single limit per occurrence; $2,000,000 general aggregate per location and damage to leased property for the full replacement value of your Scenter, provided, however, that at our election, such minimum limits may be periodically increased;
- Property Liability coverage covering all perils to personal property contained within and outside the premises of your Scenter. The amounts may vary based on coverage needed but must cover your business property and a minimum of $1,000,000;
- Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which your Scenter is located in the amount as required by such by statute or rule of the state or locality;
- Business interruption and extra expense insurance for a minimum of twelve (12) months to cover net profits and continuing expenses, including Royalty Fees;
- Cyber Liability coverage with limits of liability of $1,000,000;
- Umbrella liability coverage with minimum limits of $1,000,000; and
- Any other insurance coverage that is required by the Manual or federal, state, or municipal law.

We have the right to establish and modify the minimum coverages required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. All such insurance policies must name us as additional insured, include any endorsements we may require and include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees. We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of the Franchise Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums and reasonable expenses we incur in obtaining the insurance and a 10% administrative fee. Your failure to obtain and maintain insurance coverage at any time is a material default under the Franchise Agreement and could subject you to costs incurred by us and additional fees.

Required Purchases and Related Revenues

Our affiliate, Scenthound Services, has negotiated purchase agreements with several vendors to secure competitive rates and discount offers from that of the general public for the benefit of us and our franchisees. As of the date of this document, these vendors include AskVet, Clear Sky, Flying Pig, Groomer's Choice, and Sweden Care, whose products or services you will be required to purchase. We and our affiliates may negotiate and enter into other purchase arrangements with vendors whose products and services you may be required to purchase. We reserve the right to direct that any supplier rebates, discounts, refunds, mark-ups, advertising allowances or other consideration payable or paid as a result of your purchases of products, services pr equipment be paid directly to us and/or our affiliates as revenue and you will have no interest in such items.

We require you to pay Technology Fees (Item 5 Note 4) and Virtual Vet Fees (3.13) to our affiliate, Scenthound Services. The Technology Fee and Virtual Vet Fees include a mark-up to offset our (or our affiliate's, as applicable) costs of administering and managing the related products and services; such mark-up exceeds our (or our affiliate's, as appliable) direct costs of such related product and services, and we or our affiliate (as appliable) may derive a profit from the Technology Fees and Virtual Vet Fees.

As of the fiscal year ending December 31, 2025, Scenthound Services received $4,401,971 in total revenue from franchisee purchases, which was 95.6% of Scenthound Services' total revenue. As of the fiscal year ending December 31, 2025, Franchisor did not drive any revenue as a result of franchisee purchases and has not previously sold or leased any required goods or services for your Scenter to our franchisees. We and our affiliates may require that you purchase additional products or services from us in the future. You must pay the then-current price in effect for any purchases from us or our affiliates.

Required Purchases as a Proportion of Costs

Scenthound Services provides technology services to franchisees for hosting the point-of-sale system software, email marketing, web hosting, and training software which are utilized in your Scenter. It is estimated that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will represent approximately 50%-75% of your total initial purchases. It is anticipated that during the operation of your Scenter, required purchases from us, our affiliates or the vendors that we specify or approve (not including rent, Royalty Fees or labor costs) are estimated to be approximately 15%-30% of your total monthly purchases in the continuing operation of your Scenter (this depends on the size of your Scenter).

Purchasing or Distribution Cooperatives

At this time, we do not have any purchasing or distribution cooperatives. We anticipate that we will negotiate purchase arrangements with suppliers for the benefit of our franchisees.

Other Purchase Arrangements

We may also make available to you the opportunity to purchase optional products or services at beneficial terms if you meet certain conditions. These arrangements may include discounted pricing,

special terms, rebates or other incentives provided. As of this Disclosure Document, Scenthound Services offers you the opportunity to purchase indirectly the services of Career Plug. Scenthound Services negotiated a thirty percent (30%) discount off the retail prices offered to the general public for franchisees to purchase payroll services directly from ADP. As of the fiscal year ending December 31, 2025, Scenthound Services derived $7,575 in revenue as a result of franchisee required purchases from Approved Suppliers which represents 0.2% of Scenthound Services' total revenue. We do not provide you with any material benefits based on your purchase of particular products or services, or your use of designated or approved sources. We may retain such discounts, rebates, or other benefits for our own benefit. Except as described above and under "Required Purchases and Related Revenues", neither we nor our affiliates have derived any revenue or other material consideration as a result of your required purchases or leases.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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.

Franchisee Obligations	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
a. Site selection and acquisition/lease	2 and 5	3, 4, and 8	11 and 12
b. Pre-opening purchases/leases	5, 13, and 15	Not Applicable	7, 8, 11
c. Site development and other pre-opening requirements	2, 3, 5, 8, and 10	1, 3, and 4	11
d. Initial and ongoing training	8	Not Applicable	11
e. Opening	4, 5, 11, and 13	4	11
f. Fees	3, 4, 8, 10, 11, 12, 13, 15, 18, 21, 22, and 23	2	5, 6, 7, 8, and 11
g. Compliance with standards and policies/Manual	6, 7, 9, 10, and 13	Not Applicable	8, 11, 14, and 16
h. Trademarks and proprietary information	6, 7, and 9	Not Applicable	13 and 14

Franchisee Obligations	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
i. Restrictions on products/ services offered	6 and 13	Not Applicable	8 and 16
j. Warranty and customer service requirements	13	Not Applicable	16
k. Territorial development and sales quotas	2	4	12
l. Ongoing product/service purchases	13	Not Applicable	8 and 11
m. Maintenance, appearance & remodeling requirements	3, 10, and 13	Not Applicable	6
n. Insurance	15	Not Applicable	6, 7, and 8
o. Advertising	11	Not Applicable	6, 7, 8, and 11
p. Indemnification	21	14	6
q. Owner's participation/ management/staffing	8 and 13	7	15
r. Records and reports	12	Not Applicable	11
s. Inspections and Audits	6 and 12	Not Applicable	6 and 11
t. Transfer	18, 19, and Schedule 8	11	6 and 17
u. Renewal	4 and Schedule 8	5	17
v. Post-termination obligations	17 and Schedule 2	10	17
w. Non-competition covenants	7, 9, and 17, and Schedule 2	12	17

Franchisee Obligations	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
x. Dispute resolution	23, Schedule 2, and Schedule 3	18	17

ITEM 10
FINANCING

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

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

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

Pre-Opening Assistance

Before you open your Scenter, we or our designee will:

1. Provide an initial training program. This training does not include any professional licenses, certification, or other training you must possess and/or complete before you can operate your Scenter. (FA Sec. 8.1).

2. Provide assistance in ordering your initial inventory, equipment, signage and other required inventory as we deem necessary. (FA Sec. 8.2).

3. Provide to you opening assistance and guidance that we think is advisable, in our sole discretion, and as may be described in the Manual. We will also send two of our training team members to your Scenter to train your staff prior to opening for business (FA Sec. 8.2).

4. Provide to you one copy of the Manual. (FA Sec. 9.1).

5. Approve or disapprove the site you have selected. (FA Sec. 5.4).

6. Designate your Designated Territory. (FA Schedule 1).

7. Furnish prototypical plans and specifications for your Scenter. (FA Sec. 2.2.2).

8. Provide to you site selection assistance as we deem advisable including our site selection guidelines and design specifications. (FA Sec. 2.2.5).

9. Provide you with information regarding approved, required and preferred products, suppliers and services. We will provide you with assistance and guidance in establishing prices for products and services. We do not set a minimum or maximum price but we provide you with recommended pricing tiers. (FA Sec. 13.1).

Continuing Obligations

During the operation of your Scenter, we or our designee will:

1. Provide you periodic assistance in the marketing, management, assistance with key suppliers, and the operation of your Scenter at the times and in the manner that we determine necessary. We may periodically offer you the services of certain of our representatives, such as a field representative, and these representatives may periodically visit your Scenter and offer advice regarding your operations. (FA Sec. 14.1).

2. Provide additional training and ongoing training as we deem necessary in our sole discretion at such places and times as we deem proper. (FA Sec. 8.4).

3. Have the right to approve or disapprove all marketing and promotional materials that you propose to use. (FA Sec. 11.1.2).

4. Provide you with any modifications to the Manual as they are made available to franchisees. (FA Sec. 9.2).

5. Administer the Brand Fund in the manner described in the Franchise Agreement. (FA Sec. 11.2).

6. Make periodic visits, which may be announced or unannounced, to your Scenter for the purposes of determining compliance with the requirements of the Franchise Agreement, for conducting quality assurance audits, and for any other purpose connected with the System only if we deem such necessary in our discretion. (FA Sec. 14.2).

7. Hold periodic conferences, as we deem necessary, to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. We also reserve the right to charge you a penalty fee for failure to attend the conference. These conferences will be held at a location chosen by us. Attendance is mandatory. (FA Sec. 8.4).

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of your Scenter.

Site Selection

You must locate, obtain and occupy the site for your Scenter (the "**Accepted Location**") on your own initiative and at your own expense. You are responsible for completing and submitting to us for review and approval, the information and materials we designate regarding your proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive all of the information and materials we requested. We may not withhold our approval unreasonably. We will

not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our sole and absolute discretion. We will consider the potential client base in the area when deciding whether to issue our approval. Other factors we consider include traffic patterns, visibility and parking. We do not provide assistance conforming your Accepted Location to local ordinances and building codes, obtaining any required permits, constructing, remodeling, decorating and/or hiring and training your employees. If you do not secure an Accepted Location and enter into a binding lease agreement that has been approved by us for such location within 90 days of signing the Franchise Agreement, we may terminate the Franchise Agreement. Under the MUDA, we will approve each Scenter, based on our then current site selection standards, within your Development Area and determine the Designated Territory for each Scenter.

Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for Scenters nor the specific location of your Scenter will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Scenter. Our acceptance of the proposed site merely signifies that we are willing to grant you a Scenthound franchise at the site. Both you and your landlord shall execute the Franchisor Lease Rider that is attached as Schedule 4 to the Franchise Agreement prior to or at the signing of your lease.

Design, Remodeling and Opening

Our mandatory and suggested specifications and layouts for your Scenter, including requirements for design, color scheme, image, interior layout, internal and external signs and equipment are included in our Manual. You are obligated, at your expense, to have our Approved Supplier, currently Angelini & Associates, or another architect designated by us, prepare all required construction plans based on our prototype designs in the Manual. If a variance is granted by us in writing to not to use our Approved Supplier, you will incur a $1,500 fee for us to review and approve your preferred architect. We must review and approve all plans and specifications to ensure that they meet our design specifications and requirements. We may inspect the premises of your Scenter prior to opening. You must construct, equip, and improve your Scenter in compliance with our current design standards, and trade dress. You must purchase and install, at your expense, all millwork and customized fixtures, furnishings, equipment, décor, and signs from our designated or approved third-party suppliers.

Opening

The typical length of time between signing your Franchise Agreement and opening is nine months. You shall have nine months after the Effective Date to develop and open your Scenter. If you fail to meet this requirement, we shall have the right to terminate this Agreement and retain all fees paid to us by you. Time is of the essence. You may not open your Scenter to the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening your Scenter if (a) your Scenter has not been constructed and equipped in accordance with our standards and specifications, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, or (d) you have not been given all the proper governmental approvals by the local authorities. If you request or we deem it necessary to grant you an extension to the deadline to open your Scenter, you will be required to pay us the Extension Fee for each 90-day extension period granted to you.

Grand Opening Marketing

You must spend a minimum of between $20,000 to $35,000 on the Grand Opening Marketing Program which includes local advertising, promotion, and other marketing activities on marketing activities and vendors that we specify or approve in connection with your grand opening. Your minimum amount required will be dependent on the market in which your Scenter is located and determined in Franchisor's sole discretion. Such amount shall be spent within 10 weeks before your Scenter opens and during its first four weeks of operation. You must submit to us proof of these expenditures within 120 days after your Scenter first opens for business.

Local Advertising

You are required to spend 5.5% of your Gross Revenue with a minimum of $25,000 per year on local marketing, advertising and promotion of your Scenter. We will not require you to spend in excess of $35,000 per year on local marketing even if 5.5% of your Gross Revenue exceeds $35,000; however we can amend this limitation if the local marketing activities for your Scenter require additional funds, which shall be decided in our sole discretion. Local marketing expenditures will be directed towards local online, digital marketing and advertising mechanisms within the geographical area of your Scenter. You shall allocate to localize these monies toward print and direct mail and/or digital marketing (and related professional fees) utilizing the following advertising mediums: (i) pay per click advertising through Google; (ii) Facebook advertising campaigns; (iii) YouTube advertising campaigns; (iv) Instagram advertising campaigns; (v) email marketing campaigns; (vi) other social media platforms; (vii) localized digital campaigns utilizing search engine optimization tools (SEO); and (viii) any additional local marketing initiatives. Local marketing expenditures are not included in your Brand Fund Contribution and will be your sole cost and expense. It is solely your responsibility to ensure that any marketing of the services and products offered at your Scenter are compliant with the applicable laws in your jurisdiction.

Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). Our approval does not mean that the advertising is legally compliant; only that the content is approved if the advertisement or marketing effort is allowed in your jurisdiction. If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove the plans or materials. All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision.

We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased. As used in the Franchise Agreement, the term "local marketing" refers to only the direct costs of purchasing and producing marketing materials

(such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees' expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.

We, our vendors or our affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities. We are not required to spend any particular amount on advertising in your Designated Territory.

You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

You acknowledge and agree that certain associations between you, your Scenter, the Marks and the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, or an adverse effect on, our reputation and the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with you, the Marks, us, and the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Scenter.

Brand Fund

You shall pay to us an amount up to 1.5% of Gross Revenue as a Brand Fund Contribution. We may from time to time change the rate or rates required to be paid by you as a Brand Fund Contribution, provided that (a) we will not increase your Brand Fund Contribution by more than 1% of Gross Revenue per year, (b) your total Brand Fund Contribution will not be more than 3% of your Gross

Revenue, and (c) no change in the rate will take effect unless we give you at least three months prior written notice. We will maintain and administer the Brand Fund as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Fund. We are not obligated to spend any amount of Brand Fund Contributions in your Designated Territory or in any particular franchisee's territory.

2. We will use Brand Fund Contributions for producing, maintaining, administering and directing consumer advertising (including but not limited to the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees) on a national and/or regional level as we deem necessary or appropriate, in our sole discretion. We may use multiple sources for advertising including in-house and regional or national agencies. We will maintain your contributions in a separate account from our funds. We will not use Brand Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Brand Fund. We will not use Brand Fund Contributions for the direct solicitation of franchise sales. However, we may include a statement regarding the availability of information about the purchase of Scenthound franchises in advertising and other items produced or distributed using the Brand Fund.

3. We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Fund are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in subsequent years. We will use any interest or other earnings of the Brand Fund before we use current contributions. We intend for the Brand Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share. In our fiscal year ending December 31, 2025, we billed $698,356 in Brand Fund Contributions and we spent $644,071 which equaled 27% on production, 28% on media placement, 38% on brand support and 7% on administrative expenses.

4. The Brand Fund is not audited. The Brand Fund is not a trust, and we assume no fiduciary duty in administering the fund. Upon your request, we will provide you, within 120 days of our fiscal year end, a written statement for such fiscal period setting forth in brief detail the total amounts collected and disbursements made by us in connection with the Brand Fund. Locations owned by us or our affiliates contribute equally to the Brand Fund.

5. Except for salaries of marketing personnel employed by the Franchisor, we do not receive compensation for providing goods or services to the Brand Fund.

6. The Brand Fund is not and will not be our asset. Although the Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Fund. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been expended for marketing purposes. If amounts are unspent in the Brand Fund at fiscal year-end, those amounts are carried over by the Brand Fund for expenditure in the following year. Except as described above, we are not obligated to advertise.

Internet Marketing

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator (URL) www.scenthound.com that provides information about the System and about Scenthound. We may provide you with a page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Scenthound website. You are not permitted to use a domain name containing Scenthound in the URL.

We will have the right, but not the obligation, to provide you with one or more references or webpage(s), as we may periodically designate, within our Online Site. The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, the web, webpages, microsites, social networking sites (e.g., Facebook, Twitter, LinkedIn, TikTok, YouTube, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), and other applications. However, if we approve a separate Online Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Online Site without our prior written approval; (2) before establishing any Online Site, you must submit to us, for our prior written approval, a sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not use or modify an Online Site without our prior written approval; (4) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (6) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

Advertising Cooperative

We may, in our discretion, form local or regional marketing cooperatives covering your Designated Territory, as defined in Item 12 and the territory of at least one other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or

regional marketing cooperative (the "**Co-op**"), then you must: join the Co-op; participate with other franchisees in the Co-op's marketing programs; and pay your share of the Co-op's marketing expense. Any payments you make for the Co-op's marketing will be applied towards your local marketing requirement but will not affect your obligation to make Brand Fund Contributions under the Franchise Agreement. If the amount you contribute to a Co-op is less than the local marketing requirement, then you shall nevertheless spend the difference locally. The Co-op's marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. If established, the Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable written request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

Franchisee Advisory Council

We currently have a franchisee advisory council that advises us on ongoing business operations and that members are selected or nominated by their peers of other franchisees. The franchisee advisory council is advisory only and does not have operational or decision-making powers. We have the full control to dissolve, change or form the advisory council.

Computer System

You must purchase and use any hardware and software programs we designate.

We require our franchisees to purchase a Computer System. You must meet our current requirements concerning the Computer System, including: (a) POS system, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at the Scenthound businesses, between or among other franchised businesses, and between and among your Scenter(s), and you, and us; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) high speed Internet access; and (f) technology used to enhance and evaluate the customer experience (collectively, all of the above are referred to as the "**Computer System**"). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws related to customer data. You must have Cyber Liability insurance to protect you and us for any data breach.

As part of your Computer System, you will pay our affiliate, Scenthound Services, the Technology Fee that for your first Scenter will include a fee of $200 per month 30 days after signing your Franchise Agreement and for all franchisees, $675 per month after the activation of your POS system which usually takes place two months prior to opening your Scenter. You will also pay our Approved Supplier a one-time setup for the POS System of $299. The Technology Fee will include a monthly subscription to hosted email, our training platform, our digital asset repository, our POS system software, and our CRM, reporting and analytics, project management, and ticketing system. The Technology Fee also

includes email marketing, web hosting, as well as access to our S.C.E.N.T. Check® app, our Consumer mobile and web apps, and other technology based services we provide, all which will be utilized in your Scenter. There is an additional credit card processing fee equal to approximately 3% of the amount processed.

You must use your Computer System to (i) enter and track reservations and sales receipts, services purchased and performed, and customer information, (ii) update inventory of merchandise and products, (iii) enter and manage your customer contact information, (iv) generate sales reports and analysis relating to your Scenter, (v) schedule staff, (vi) maintain electronic records, and (vii) provide other services relating to the operation of your Scenter. We have the right to develop or to designate: (a) computer software programs, accounting system software and Approved Suppliers that you must use in connection with the Computer System ("**Required Software**"), which you must install; and (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install. We rely on suppliers to provide support for the hardware and software and we may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

Neither we nor our affiliates nor any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. You must maintain your Computer System in good working order and must replace, update, or upgrade your hardware systems and Required Software as we may periodically require. There are no contractual limitations on the frequency and cost of these upgrades and updates. The initial cost of your Computer System is $4,500 and we estimate that the annual cost of optional or required maintenance, updating, upgrading, or support contracts to your Computer System is $500 to $1,000.

You are responsible for securing reliable Internet access for your operations at your Scenter and be able to send and receive email. We reserve the right to approve your email address or require you to use only an email address that we provide for your Scenter's business emails.

You must afford us unimpeded independent access to your Computer System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your Computer System in any manner we deem necessary or desirable. We have the right to require you to use one or more designated telephone vendors. If we so require, you must use our designated telephone vendors for the phone service to your Scenter. We may designate, and own, the telephone numbers for your Scenter.

There are no contractual limitations on our right to access information stored on your Computer System. Any customer lists or information compiled or amassed through your Computer System or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Scenter. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to your Scenter and any other operations taking place through your Scenter. We have developed a mobile application for our System (the "**Scent Check App**"). We may require you to enter into a separate license agreement related to the use of the Scenthound App. We may require you to promote the use of the Scent Check App in your Scenter and to provide content to be included in the Scenthound App. We may add, discontinue, or modify any mobile applications periodically in our sole discretion.

Training

Before opening your Scenter, you and your Operating Principal must attend and successfully complete, to our satisfaction, the initial training program we offer for Scenthound franchisees at our headquarters in Palm Beach Gardens, Florida, at another location that we specify or virtually. Your Scenter must at all times be under the active full-time management of either you, the Operating Principal or your designated Manager (as defined in Item 15). If you or your Operating Principal cannot complete the training program to our satisfaction, we may terminate the Franchise Agreement. You or your Operating Principal will be responsible to train your Manager or any replacement if your Manager ceases active management or employment at your Scenter. You will be obligated to pay us the Opening Support Fee to send two members of our training team to your Scenter prior to your opening to train your staff.

If you or your Operating Principal cease active management at your Scenter, then any replacements must attend and successfully complete the basic management training program or equivalent offering designated by us to our reasonable satisfaction, as soon as it is practical to do so but, in all cases, the replacement shall successfully complete training within 30 days. We may require that your Operating Principal and Manager(s) periodically attend additional courses, seminars, and other training programs. You will incur expenses in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. We may conduct our training programs remotely/virtually so you may not incur these travel-related expenses if training is performed virtually. You must pay our per diem training charges of up to $300 per person per day but not more than $750 for additional and refresher training. The subjects covered in the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of In Person Training	Hours of On-the-Job Training	Location
Foundational Operations and Business Management Training	8	0	Our Headquarters, Online or Your Location
Operations Systems, Tools, Resources and Support	8	0	Our Headquarters, Online or Your Location
Mandatory and Approved Vendors, Internal Systems, Policies and Procedures	2	0	Our Headquarters, Online or Your Location
Marketing Systems, Tools, Resources and Support	4	0	Our Headquarters, Online or Your Location
Finance Systems, Tools, Resources and Support	2	0	Our Headquarters, Online or Your Location

Subject	Hours of In Person Training	Hours of On-the-Job Training	Location
Learning and Development Systems, Tools, Resources and Support	2	0	Our Headquarters, Online or Your Location
Shadow a Live Scenter	0	6	Our Headquarters, Online or Your Location
Dog Handling, Safety, and Scenthound Services	0	16	Our Headquarters, Online or Your Location
Pre-Opening Staff Operations	0	30	Our Headquarters, Online or Your Location
Totals	**26**	**52**	

The amount of hours listed in the chart above are estimates only, and the number of hours we will spend training you will depend on your or your Operating Principal's experience in the franchise industry, job history, business acumen, and other related factors. We reserve the right to perform the training program in-person, online or on-the-job at your location, or at any location we deem appropriate in our sole discretion. All training will be conducted under the supervision of our executive team including Jessica Vogel, Alexander Keeler and Josh Lyon. Additionally, we have Nicole Sierra as our Learning and Development Manager. These individuals have experience in growing the Scenthound franchise brand and other related franchise experience with other national franchise brands. Jessica Vogel is a Co-Founder of the Scenthound System and has served as Brand Officer for us and our affiliate since 2009 having 20 years in the dog care industry. Josh Lyon has served as our Chief Operating Officer since April 2025 and, prior to that, was our Vice President of Operations and served in multiple operations positions with TITLE Boxing Club. Mr. Lyon has five years of experience in the dog care industry and five years with us. Alexander Keeler has 12 years of experience in the wellness industry and five years of experience with us. Nicole Sierra has four years of experience in the dog care industry and four years with us. The principal instructional materials will consist of written directions and the Manual. The Table of Contents of the Manual is included as Exhibit D to this Disclosure Document. The Manual contains a total of 62 pages.

ITEM 12
TERRITORY

Your Scenter will be located at a single site, which must meet our standards and specifications and must be approved by us in advance. We will designate your territory (the "**Designated Territory**") which will be based on the particular area surrounding your Accepted Location and determined by us, in our sole discretion, using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation, Buxton and Google Maps. We may grant you a Designated Territory of less than other franchisees based on the demographics of the area in which you wish to open your Scenter.

We retain the right to conduct any business at any location, including: (a) the right to offer Scenthound franchises using our System and Marks to others for any site outside your Designated Territory regardless of how close the site is to your Accepted Location; (b) the right to sell, rent and distribute any services and products, directly or indirectly, and/or license others to sell and distribute any services and products, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Designated Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, on the Internet, and/or sales to delivery customers), except that we shall not do so from a Scenter located inside the Designated Territory; (c) the right to produce, license, distribute and market services and products bearing the Scenthound name or other marks, including packaged items, books, retail items, dog grooming products, and apparel, among other things, at any location or any outlet, regardless of proximity to your Scenter, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept except a Scenthound-branded business at any place, including within the Designated Territory, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with the services and products offered at your Scenter; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing that penetrates your Designated Territory in our sole discretion; (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Designated Territory; (g) the right to operate a Scenthound-branded business at a trade show booth or similar "pop-up" location in your Designated Territory for up to 20 days; and (h) the right to open Scenters at non-traditional sites in your Designated Territory including, without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums ("**Non-Traditional Sites**").

Our reserved right authorizing us to sell branded products in your Designated Territory through other channels of distribution may affect your ability to sell those products. There are no restrictions on our right to solicit or accept orders from consumers inside your Designated Territory. Nothing in the Franchise Agreement prohibits us or our affiliates from selling services and products through alternative channels of distribution within your Designated Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Designated Territory. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks that sells or distributes similar products or services to those that you will offer.

Because we reserve the above rights, we must disclose the following statement: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You may not relocate your Scenter from the Accepted Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new Scenthound business to their establishment.

Except as expressly stated in this Item 12, we will not operate permanent outlets or grant franchises for a similar or competitive business within your Designated Territory, but we have the unlimited right to do so anywhere outside your Designated Territory. Neither we nor our affiliates are restricted from establishing other franchises or company-owned outlets, or other channels of distribution, selling or leasing similar products or services under a different trademark.

Under the MUDA, the developer will receive a designated territory and neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Scenters within the Development Area, except the franchises that are granted to area developer pursuant to the MUDA and except as otherwise expressly provided in the MUDA. However, we have the right to terminate the protection if the developer is not in full compliance with all of the terms and conditions of the MUDA and all of the Franchise Agreements signed under it. Your territorial rights may not, in our discretion, include the right to develop Scenters at any Non-Traditional Sites. We will approve each Scenter, based on our then current site selection standards, within your Development Area and determine the Designated Territory for each Scenter. You are not granted any other option, right of first refusal or similar right to acquire additional Scenters in your Development Area under the MUDA. To maintain your rights under the MUDA, you must have open and in operation the cumulative number of Scenters as stated on the Development Schedule by the dates agreed upon in the Development Schedule. Failure to do so will be grounds for termination of the MUDA. If you request or we deem it necessary to grant an extension to your Development Schedule, you will pay us the Extension Fee for each 90-day extension period granted. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

In the future, we and our affiliates may acquire or develop additional business concepts that use different trademarks, and those business concepts may also be located within your Designated Territory. We do not have a method to resolve conflicts between you and other franchisees of other systems we control involving territory, customers, or franchisor support. Except as disclosed above, neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

Except for the Designated Territory granted in your Franchise Agreement, we do not grant you any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Scenters, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. The Designated Territory described above will affect where you and other franchisees may solicit business. You may not offer any services or products outside your Designated Territory without our prior written consent including through other forms of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Designated Territory without prior written authorization from us, including Internet marketing, postcards, letters, fliers, emails, or other marketing communications. You may not make telemarketing calls to customers or prospective customers located outside your Designated Territory, or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Designated Territory.

You must adhere to the terms of the Franchise Agreement. If during the term of the Franchise Agreement, you are unable to promptly and properly service any of your customers, you must notify

us. For any default of the Franchise Agreement, as an alternative to termination, we may, at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Designated Territory, effective 10 days after delivery of written notice to you. In addition, we may modify, or eliminate completely, the Designated Territory. We reserve all rights not specifically granted to you in this Item.

ITEM 13
TRADEMARKS

We grant you the right to operate your Scenter under the name "Scenthound". Our affiliate, Scenthound IP, has the following registrations on the United States Patent and Trademark Office ("**USPTO**") Principal Register:

MARK	REG. NUMBER	REG. DATE	INTERNATIONAL CLASS OF GOODS
	4681964	February 3, 2015	044
SCENTHOUND	6378279	June 8, 2021	044
S.C.E.N.T. CHECK	6378357	June 8, 2021	044
E-SCENT-IALS	6385275	June 15, 2021	044
SCENTER	7154257	September 5, 2023	044
HYFIVE	7273357	January 16, 2024	003
HOUNDSWELL	7444269	July 9, 2024	003
HOUNDSWELL	7444255	July 9, 2024	005

	7828239	June 10, 2025	044
LOVE A CLEAN HEALTHY DOG	7845466	June 24, 2025	044
	8052975	December 2, 2025	044

We intend to renew the registration and file all appropriate affidavits for the Marks at the times required by law.

The trademarks listed above are owned by our affiliate, Scenthound IP. Pursuant to a license agreement between us and our affiliate, we have the exclusive right to license the use of the trademarks to others within the United States. The license granted to us by Scenthound IP is perpetual and can only be terminated if we misuse the trademarks or willfully allow our franchisees to misuse the trademarks. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your business which may increase your expenses. Other than the license agreement with our affiliate, there are no agreements that limit our right to use or license the use of the trademarks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by us. There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks. We know of no infringing or prior superior uses that could materially affect the use of the Marks.

You do not receive any rights to the Marks other than the right to use them in the operation of your Scenter. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of your Scenter. You cannot use any Mark or portion of any Mark as part of any business entity name. You may not use the Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. You must not communicate with any person other

than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so; however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Marks will be beneficial to the System. In such cases, you must implement and use such different Marks at your cost and in the manner we require. If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We have no obligation to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Scenter for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

If we undertake the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our counsel's opinion, be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out-of-pocket costs in doing these things, except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement. To the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim common law copyright protection in the Manual, our website, our marketing materials, training manuals or videos, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights, but we reserve the right to register these copyrights in the future. You may use these items only as we specify while operating the Scenter and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Scenter. We will provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the Franchise Agreement. You may only use the trade secrets and other confidential information for the purpose of operating your Scenter. You may only disclose trade secrets and/or other confidential information to employees who must have access to it to operate your Scenter. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your Manager(s), executives, employees, agents, independent contractors, consultants and staff are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2 to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques, developments or materials concerning your Scenter or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property that we may choose to adopt and/or disclose to other franchisees as part of the System. Pursuant to the Franchise Agreement, you will be deemed to have assigned to us all right, title and interest in any such ideas, concepts, techniques, development or materials without additional compensation to you. Likewise, we may disclose to you ideas, concepts, techniques, developments or materials of other franchisees that we make part of the System. You must, if requested, assist us in obtaining and perfecting intellectual property rights in any ideas, concepts, techniques, developments or materials assigned or required to be assigned to us

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

We own all Client Information, including Client Information compiled or amassed through the Computer System or collected by you in any other manner, and shall retain ownership of all Client Information following the termination or expiration of the Franchise Agreement. We may use Client Information as we deem appropriate (subject to applicable law), including disclosing it to vendors, developing, training or modifying artificial intelligence/machine learning models, or sharing it with our affiliates for cross-marketing or other purposes. You may only use Client Information for the purpose of operating your Franchised Business to the extent permitted under the Franchise Agreement during the term of the Franchise Agreement and subject to such restrictions as we may from time to time impose and in compliance with all data privacy, security and other applicable laws. You must secure from customers of your Franchised Business, prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for use by us and our affiliates of such Client Information, in the manner that the Franchise Agreement contemplates. "**Client Information**"

means names, contact information, financial information, and other personal identifiable information of or relating to your Scenter's customers and prospective customers.

We and our affiliates will, through the Computer System or otherwise, have access to Client Information. You must comply with our System standards, other directions from us, and all applicable laws and regulations, regarding the organizational, physical, administrative and technical measures, and security procedures to safeguard the confidentiality and security of customer's information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Client Information. If there is a suspected or actual breach of security or unauthorized access involving your Client Information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Client Information was compromised or disclosed.

You will not, without our prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning models ("**Generative AI**") - including by way of example only but not limited to ChatGPT, Google Gemini, Microsoft Copilot and Perplexity AI - directly or indirectly in the operation of your Scenter, including without limitation, in advertising, promotion, marketing, communications with customers, business planning, analysis or optimization or in any social media. You acknowledge and agree not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized by us in writing. In addition, you shall prohibit your employees from using any Confidential Information in Generative AI. In the event you utilize any Generative AI, with or without our prior approval, you shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution.

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

If you are a corporation, partnership or limited liability company, you must have an individual owner serve as your "**Operating Principal**" who will be listed in Schedule 6 to the Franchise Agreement. The Operating Principal must supervise the operation of your Scenter and must own at least 10% of your voting and ownership interests. If the Operating Principal will not supervise your Scenter on a full-time and daily basis, you must employ a full-time manager (a "**Manager**") with qualifications reasonably acceptable to us, who will assume responsibility for the daily administrative operation of your Scenter.

You must, at all times, retain and exercise direct management and decision-making control over all aspects of your Scenter. Your personal supervision is not required if the day-to-day operation of your Scenter is performed by your Manager who you have successfully trained and has, at our sole discretion, the appropriate experience and training in franchise sales. If you do not personally supervise the operation of your Scenter, you and your Operating Principal still must attend and satisfactorily complete training. You, your Operating Principal or your Manager must devote full time and best efforts to the operation of your Scenter. You are not restricted as to whom you may hire as

a Manager, except that your Manager must be approved by us. If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell the services and products we specify. You may not sell any services or products that we have not authorized, and you must discontinue offering any services or products that we may disapprove of even if the services or products were previously approved. We may take action, including terminating your Franchise Agreement, if you purchase or sell unapproved products or services or make purchases from unapproved suppliers. Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences. There are no limits on our right to do so. Your Scenter may not be used for any purpose, other than the operation of a Scenthound business, in compliance with the Franchise Agreement.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
a. Length of Franchise Term	FA: Section 4.1 MUDA: Sections 5 and 6	The initial term of the Franchise Agreement is 10 years.
b. Renewal or Extension of Term	FA: Section 4.2 MUDA: Section 5	You have the right to renew the Franchise Agreement for an additional term of ten years. You must pay the renewal fee equal to 25% of the then-current Initial Franchise Fee, subject to a minimum payment of $12,250. If you do not meet the conditions, we may refuse to renew or extend the terms of your Franchise Agreement.

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
c. Requirements for Franchisee to Renew or Extend	FA: Section 4.2 MUDA: Not applicable	Renewal allows you to remain as a franchisee after the initial term of your Franchise Agreement expires. You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us or any of our affiliates; are not in default of any provision of the Franchise Agreement or any other agreement between you and us or our affiliates or suppliers; have given timely written notice of your intent to operate a successor franchise to us not earlier than 12 months but no later than six months prior to the end of the term of the Franchise Agreement; sign a then current Franchise Agreement, which may have materially different terms and conditions than your original Franchise Agreement; comply with current qualifications and agree to comply with any training requirements; sign a general release in a form the same as or similar to the General Release attached as Schedule 8 to the Franchise Agreement and pay a renewal fee of 25% of the then-current Initial Franchise Fee.
d. Termination by you	FA: Section 16.1 MUDA: Not applicable	You may not terminate the Franchise Agreement or the MUDA, subject to state law.

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
e. Termination by Franchisor without Cause	FA: Not applicable MUDA: Not applicable	
f. Termination by Franchisor with Cause	FA: Section 16.2 MUDA: Section 9	We may terminate the Franchise Agreement and MUDA only if you default. If we terminate the Franchise Agreement or MUDA following a default, your interests in both will terminate. If we terminate the MUDA, we have the right to terminate each of your Scenter's Franchise Agreements.
g. "Cause" Defined – Curable Defaults	FA: Section 16.2.2 MUDA: Section 9	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within three days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within five days of receiving our notice of default. If we terminate the Franchise Agreement resulting

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		from a default, your interest in the franchise will terminate.
h. "Cause" Defined – Non-Curable Defaults	FA: Section 16.2.1 MUDA: Section 9	We have the right to terminate the Franchise Agreement and MUDA without giving you an opportunity to cure if you: fail to timely establish, equip, and commence operations of your Scenter; fail to satisfactorily complete our training program or if your Operating Principal fails to satisfactorily complete our training program; fail to obtain and maintain all required licenses, permits, and certifications; make any material misrepresentation or omission during the pre-sale process; are convicted of or plead no contest to a felony or other crime or offense; fail to refrain from activities, behavior, or conduct likely to adversely affect our reputation; disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, trade secrets, trademarks, our trade name Scenthound, or any Confidential Information; fail to have any holder of a legal or beneficial interest in your Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the staff and all employees of the Franchisee entity, execute a nondisclosure and non-competition agreement upon execution of the Franchise

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		Agreement or prior to each such person's affiliation with you; surrender or transfer control of the operation of your Scenter without our approval; fail to submit reports or other information or supporting records when due, to pay any Royalty Fee, Brand Fund Contribution, amounts due for purchases from us or any of our affiliates, or other payment when due to us or any affiliate within five days of a written notice to you; violate any health or safety law, ordinance or regulation, or operate your Scenter in a manner that presents a health or safety hazard to your customers, employees, or the public; and other automatic defaults set forth in Section 16.2.1 of the Franchise Agreement
i. Franchisee's Obligations on Termination/Non-Renewal	FA: Section 17.1 MUDA: Section 10	If the Franchise Agreement is terminated or not renewed, you must: stop operating the Scenter; stop using any trade secrets, Confidential Information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us (and our affiliates and suppliers) including damages and costs incurred in enforcing the Franchise Agreement; return the Manual, trade secrets and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of Contract by Franchisor	FA: Section 18.1 MUDA: Section 7.1.2	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by Franchisee– Definition	FA: Section 18.2 MUDA: Section 11	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the MUDA or the Scenter's assets.
l. Franchisor's Approval of Transfer by Franchisee	FA: Section 18.2 MUDA: Section 11	You may not transfer your interest in the MUDA or the Franchise Agreement without our prior written consent.
m. Conditions for Franchisor Approval of Transfer	FA: Section 18.2 MUDA: Section 11	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us (and our affiliates and suppliers) are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached as Schedule 8 to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay us a Transfer Fee of $2,500 if you are transferring to an existing franchisee or 50% of the then-current Initial Franchise Fee, subject to a minimum payment of $25,000 if you are transferring to an unrelated

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		third party; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement; and the transferee has agreed that its Operating Principal will complete the initial training program before assuming management of your Scenter.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Franchised Business	FA: Section 19 MUDA: Not applicable	We may match an offer for your Scenter or an ownership interest you propose to sell.
o. Franchisor's Option to Purchase Franchisee's Franchised Business	FA: Section 17.4 MUDA: Section 11	Except as described in (n) above, we do not have the right to purchase your Scenter; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of your Scenter for at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the Accepted Location to meet our then-current standards for a Scenthound business and less any sums

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		necessary to acquire clear title to the lease or sublease interest.
p. Death or disability of Franchisee	FA: Section 18.6 MUDA: Section 11	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate.
q. Non-Competition Covenants During the Term of the Franchised Agreement	FA: Section 7.4 MUDA: Section 12	You may not have an interest in a Competitive Business during the term of your Franchise Agreement and MUDA. We have the right to require you, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff, and employees, agents, consultants, and independent contractors to execute a nondisclosure and non-competition agreement. You shall provide us with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements. Subject to applicable state law.
r. Non-Competition Covenants After the Franchised Business is Terminated or Expires	FA: Section 17.2 MUDA: Section 12	For two years after the termination or expiration of the Franchise Agreement and MUDA, you may not offer competitive business services or sell products offered by Scenthound or similar to the products or services offered by

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		your Scenter within 25 miles of your Scenter or any other Scenthound business, or planned expansion thereof, or affiliate-owned businesses; or soliciting or influencing any of our customers, employees, or business associates to compete with us or terminate their relationship with us or any of our franchisees. Subject to applicable state law.
s. Modification of the Franchise Agreement	FA: Sections 9.2, 22.7, 22.8 MUDA: Not applicable	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/Merger Clause	FA: Section 22.7 MUDA: Section 18	Only the terms of the Franchise Agreement and MUDA are binding (subject to state law). Any representations or promises outside of the Disclosure Document, MUDA and/or Franchise Agreement are not enforceable.
u. Dispute Resolution by Arbitration or Mediation	FA: Section 23.9 MUDA: Section 19	You must mediate and arbitrate claims against us.
v. Choice of Forum	FA: Section 23.2 MUDA: Section 18	Any litigation or arbitration must be pursued in Palm Beach County, Florida (subject to applicable state law).
w. Choice of Law	FA: Section 23.1 MUDA: Section 18	Except as to claims governed by federal law, Florida law applies (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Overview

The first franchised Scenter opened on December 14, 2020. As of December 31, 2025, there are 148 operating franchised Scenters. The financial performance representations below include franchised Scenters that were open and operating for a full 12 months as of December 31, 2025. From January 1, 2025 to December 31, 2025 (the "**Reporting Period**"), one franchised Scenter was reacquired by Franchisor, one was temporarily closed and one franchised Scenter was terminated. Therefore, 114 out of 117 Scenters were open for a full 12 months ending December 31, 2025.

For these franchised Scenters, we have provided two main categories of financial performance representations ("**FPR**"): Revenue FPR and Operating Income FPR, as defined below. Because Scenthound is a membership-based business, the Revenue FPR includes information on membership counts and member contributions to revenue. The criteria for inclusion of a location (a "**Qualifying Scenter**") in the following tables of information are as follows:

(1) 2025 Gross Revenue and Membership Counts (the "**Revenue FPR**"):
   a. Qualifying Scenter must be open and operating continuously during the full Reporting Period
   b. Qualifying Scenter must have been open and operating for 12 months as of December 31, 2025
   c. 114 of 114 Qualifying Scenters reported:
      i. Table 1: Sources of Gross Revenue
      ii. Table 2: Sources of Gross Revenue by Quartile
      iii. Table 3: Gross Revenue by Quartile
      iv. Table 4: Membership Counts as of December 31, 2025 by Quartile
      v. Table 5: Membership Counts by Quartile for First 12 Months after Opening
   d. See Note 1 for definitions of terms.

(2) 2025 Net Operating Income (the "**Operating Income FPR**") :
   a. Qualifying Scenter must have opened prior to January 1, 2025
   b. Qualifying Scenter must have been open and operating continuously for the full Reporting Period

c. Qualifying Scenter must have been open and operating for 12 months as of December 31, 2025
d. Qualifying Scenter must have provided complete, reliable and consistent financial information
e. 82 of 114 Qualifying Scenters reported:
    i. Table 6: 2025 Net Operating Income Dollars by Quartile
    ii. Table 7: 2025 Net Operating Income % of Gross Revenue by Quartile
    iii. Table 8: 2025 Net Operating Income Dollars
    iv. Table 9: 2025 Net Operating Income % of Gross Revenue
f. 27 of 32 Qualifying Scenters that have been open from 2022 or before reported:
    i. Table 10: 2025 Net Operating Income Dollars by Quartile
    ii. Table 11: 2025 Net Operating Income % of Gross Revenue by Quartile
    iii. Table 12: 2025 Net Operating Income Dollars
    iv. Table 13: 2025 Net Operating Income % of Gross Revenue
g. 25 of 37 Qualifying Scenters that have been open from 2023 reported:
    i. Table 14: 2025 Net Operating Income Dollars by Quartile
    ii. Table 15: 2025 Net Operating Income % of Gross Revenue by Quartile
    iii. Table 16: 2025 Net Operating Income Dollars
    iv. Table 17: 2025 Net Operating Income % of Gross Revenue
h. 30 of 45 Qualifying Scenters that have been open from 2024 reported:
    i. Table 18: 2025 Net Operating Income Dollars by Quartile
    ii. Table 19: 2025 Net Operating Income % of Gross Revenue by Quartile
    iii. Table 20: 2025 Net Operating Income Dollars
    iv. Table 21: 2025 Net Operating Income % of Gross Revenue
i. See Note 2 for definitions of terms.

Table 1: Sources of Gross Revenue

114 of 114 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**
Member Count	1004	470	129	483
Monthly Dog Visits	1100	540	193	560
Gross Revenue	$991,061	$427,445	$109,027	$461,041
Membership Fees	$483,073	$226,287	$63,206	$237,319
% of Gross Revenue from Membership Fees	49%	53%	58%	51%
Other Revenue from Members	$379,712	$135,940	$28,554	$151,327
Total Revenue from Members	$862,785	$362,227	$91,761	$388,645
% of Revenue from Members	87%	85%	84%	84%
Revenue from Non-Members	$128,276	$65,218	$17,267	$72,396
% of Revenue from Non-Members	13%	15%	16%	16%

Table 2: Sources of Gross Revenue by Quartile				
114 of 114 Qualifying Scenters Reported	**Top Quartile**	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**
Member Count	691	520	425	298
Monthly Dog Visits	802	610	483	347
Gross Revenue	$710,494	$499,520	$373,642	$262,256
Membership Fees	$354,794	$257,063	$197,362	$140,778
% of Gross Revenue from Membership Fees	50%	51%	53%	54%
Other Revenue from Members	$244,820	$166,098	$114,174	$81,015
Total Revenue from Members	$599,614	$423,161	$311,536	$221,792
% of Revenue from Members	84%	85%	83%	85%
Revenue from Non-Members	$110,880	$76,360	$62,106	$40,464
% of Revenue from Non-Members	16%	15%	17%	15%

Table 3: 2025 Gross Revenue by Quartile					
114 of 114 Qualifying Scenters Reported	**Top Quartile**	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
Maximum Gross Revenue	$991,061	$572,991	$426,487	$325,963	$991,061
Average Gross Revenue	$710,494	$499,520	$373,642	$262,256	$461,041
Median Gross Revenue	$673,957	$505,347	$365,865	$282,704	$427,445
Minimum Gross Revenue	$579,820	$428,404	$329,799	$109,027	$109,027
Count of Qualifying Scenters	28	29	29	28	114
# of Scenters Above Average	10	16	13	16	55
# of Scenters Below Average	18	13	16	12	59
% of Scenters Above Average	36%	55%	45%	57%	48%
% of Scenters Below Average	64%	45%	55%	43%	52%

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Table 4: Membership Counts as of December 31, 2025 by Quartile					
114 of 114 Qualifying Scenters Reported	**Top Quartile**	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
Maximum Member Count	1004	596	468	360	1004
Average Member Count	712	520	416	285	483
Median Member Count	699	513	420	303	470
Minimum Member Count	598	472	365	129	129
Count of Qualifying Scenters	28	29	29	28	114
# of Scenters Above Average	10	13	16	17	51
# of Scenters Below Average	18	16	13	11	63
% of Scenters Above Average	36%	45%	55%	61%	45%
% of Scenters Below Average	64%	55%	45%	39%	55%

Table 5: Membership Counts by Quartile for First 12 Months after Opening						
114 of 114 Qualifying Scenters Reported	**Top Quartile**	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**Average**	**% Above Average/ % Below Average**
Count of Qualifying Scenters	28	29	29	28	114	
Month 1	311	235	209	163	229	43% 57%
Month 2	357	282	238	187	266	46% 54%
Month 3	408	316	261	206	297	45% 55%
Month 4	448	343	282	218	322	45% 55%
Month 5	484	374	297	232	346	45% 55%
Month 6	511	389	312	243	363	45% 55%
Month 7	530	405	325	254	378	45% 55%
Month 8	546	421	338	265	392	46% 54%
Month 9	567	436	354	269	406	46% 54%
Month 10	575	451	367	274	416	47% 53%
Month 11	581	461	373	279	423	46% 54%
Month 12	596	469	382	280	432	46% 54%

Table 6 – 2025 Net Operating Income Dollars by Quartile					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
82 of 114 Qualifying Scenters Reported	20	21	21	20	82
Membership Count	654	565	489	383	523
Average Monthly Dog Visits	759	652	586	438	609
Gross Revenue	$667,372	$554,267	$459,232	$334,354	$505,363
Expenses:					
Payroll, Taxes & Benefits	$271,111	$266,432	$246,860	$201,992	$246,844
Rent	$49,439	$55,112	$54,848	$47,754	$51,866
Other Occupancy Expenses	$14,514	$13,307	$13,497	$11,243	$13,147
Royalty Fees	$40,042	$33,256	$27,902	$20,061	$30,322
Technology Fees	$8,100	$8,057	$8,100	$8,100	$8,089
Brand Fund Contributions	$7,095	$6,496	$5,478	$4,381	$5,866
Local Advertising	$32,089	$30,880	$31,327	$30,587	$31,218
Other Operating Expenses	$69,707	$65,946	$56,702	$46,435	$59,737
Net Operating Income	$175,259	$74,769	$20,307	($36,207)	$58,264

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Table 7 – 2025 Net Operating Income % of Gross Revenue by Quartile					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
82 of 114 Qualifying Scenters Reported	20	21	21	20	82
Gross Revenue	100%	100%	100%	100%	100%
Expenses:					
Payroll, Taxes & Benefits	40.60%	48.00%	53.70%	60.40%	48.80%
Rent	7.50%	10.00%	12.00%	14.30%	10.30%
Other Occupancy Expenses	2.20%	2.50%	3.00%	3.40%	2.70%
Royalty Fees	6.00%	6.00%	6.10%	6.00%	6.00%
Technology Fees	1.20%	1.40%	1.70%	2.40%	1.60%
Brand Fund Contributions	1.10%	1.20%	1.20%	1.40%	1.20%
Local Advertising	4.80%	5.50%	6.80%	9.10%	6.10%
Other Operating Expenses	10.40%	11.80%	12.30%	13.80%	11.80%
Net Operating Income	26.20%	13.40%	4.40%	-10.80%	11.50%

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Table 8 – 2025 Net Operating Income Dollars						
82 of 114 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**	**# of Scenters Above Average**	**# of Scenters Below Average**
Membership Count	1004	592	306	523	37	45
Average Monthly Dog Visits	1100	626	277	609	39	43
Gross Revenue	$949,604	$489,805	$251,046	$505,363	38	44
Expenses:						
Payroll, Taxes & Benefits	$344,634	$228,341	$182,715	$246,844	41	41
Rent	$58,175	$61,253	$52,008	$51,866	39	43
Other Occupancy Expenses	$19,520	$13,922	$7,364	$13,147	35	47
Royalty Fees	$56,976	$29,388	$15,063	$30,322	38	44
Technology Fee	$8,100	$8,100	$8,100	$8,089	81	1
Brand Fund Contributions	$9,496	$6,465	$2,510	$5,866	37	45
Local Advertising	$42,732	$23,992	$23,626	$31,218	43	39
Other Operating Expenses	$66,809	$74,239	$26,331	$59,737	43	39
Net Operating Income	$343,146	$44,105	($66,677)	$58,264	35	47

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Table 9 – 2025 Net Operating Income % of Gross Revenue				
82 of 114 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**
Gross Revenue	100%	100%	100%	100%
Expenses:				
Payroll, Taxes & Benefits	36.20%	46.60%	72.70%	48.80%
Rent	6.10%	12.50%	20.70%	10.20%
Other Occupancy Expenses	2.00%	2.80%	2.90%	2.60%
Royalty Fees	6.00%	6.00%	6.00%	6.00%
Technology Fees	0.80%	1.60%	3.20%	1.60%
Brand Fund Contributions	1.00%	1.30%	1.00%	1.10%
Local Advertising	4.50%	4.80%	9.40%	6.10%
Other Operating Expenses	7.00%	15.10%	10.40%	11.80%
Net Operating Income	36.10%	9.00%	-26.50%	11.50%

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Table 10 – 2025 Net Operating Income Dollars by Quartile for Scenter Openings 2022 and Older					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
27 of 32 Qualifying Scenters Reported	6	7	7	7	27
Membership Count	763	573	552	525	603
Average Monthly Dog Visits	888	686	629	639	710
Gross Revenue	$800,034	$620,518	$527,091	$504,607	$606,138
Expenses:					
Payroll, Taxes & Benefits	$312,867	$269,028	$269,032	$269,760	$278,961
Rent	$53,126	$52,517	$50,285	$54,364	$52,553
Other Occupancy Expenses	$16,318	$16,682	$13,857	$16,399	$15,795
Royalty Fees	$48,002	$37,231	$31,625	$30,276	$36,368
Technology Fees	$8,100	$8,100	$7,971	$8,100	$8,067
Brand Fund Contributions	$8,000	$6,205	$5,271	$5,046	$6,061
Local Advertising	$36,245	$28,473	$18,839	$31,369	$28,453
Other Operating Expenses	$81,691	$68,137	$67,169	$70,721	$71,568
Net Operating Income	$235,668	$134,132	$63,029	$18,560	$108,298

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Table 11 – 2025 Net Operating Income % of Gross Revenue by Quartile for Scenter Openings 2022 and Older					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
27 of 32 Qualifying Scenters Reported	6	7	7	7	27
Gross Revenue	100%	100%	100%	100%	100%
Expenses:					
Payroll, Taxes & Benefits	39.10%	43.30%	51.00%	53.40%	46.00%
Rent	6.70%	8.50%	9.60%	10.80%	8.70%
Other Occupancy Expenses	2.10%	2.70%	2.70%	3.30%	2.70%
Royalty Fees	6.00%	6.00%	6.00%	6.00%	6.00%
Technology Fees	1.00%	1.30%	1.50%	1.60%	1.30%
Brand Fund Contributions	1.00%	1.00%	1.00%	1.00%	1.00%
Local Advertising	4.50%	4.50%	3.50%	6.20%	4.60%
Other Operating Expenses	10.20%	10.90%	12.70%	14.00%	11.80%
Net Operating Income	29.40%	21.60%	11.90%	3.60%	17.80%

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Table 12 – 2025 Net Operating Income Dollars for Scenter Openings 2022 and Older						
27 of 32 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**	**# of Scenters Above Average**	**# of Scenters Below Average**
Membership Count	1004	598	408	603	13	14
Average Monthly Dog Visits	1100	700	504	710	13	14
Gross Revenue	$949,604	$606,721	$365,865	$606,138	13	14
Expenses:						
Payroll, Taxes & Benefits	$344,634	$315,411	$186,246	$278,961	14	13
Rent	$58,175	$44,449	$63,659	$52,553	12	15
Other Occupancy Expenses	$19,520	$13,297	$14,081	$15,795	14	13
Royalty Fees	$56,976	$36,403	$21,952	$36,368	13	14
Technology Fee	$8,100	$7,650	$8,100	$8,067	26	1
Brand Fund Contributions	$9,496	$6,067	$3,659	$6,061	13	14
Local Advertising	$42,732	$20,544	$32,385	$28,453	13	14
Other Operating Expenses	$66,809	$72,751	$63,566	$71,568	10	17
Net Operating Income	$343,146	$90,148	($27,790)	$108,298	11	16

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Table 13 – 2025 Net Operating Income % of Gross Revenue for Scenter Openings 2022 and Older				
27 of 32 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**
Gross Revenue	100%	100%	100%	100%
Expenses:				
Payroll, Taxes & Benefits	36.20%	51.90%	50.90%	46.00%
Rent	6.10%	7.30%	17.30%	8.60%
Other Occupancy Expenses	2.00%	2.10%	3.80%	2.60%
Royalty Fees	6.00%	6.00%	6.00%	6.00%
Technology Fees	0.80%	1.20%	2.20%	1.30%
Brand Fund Contributions	1.00%	1.00%	1.00%	1.00%
Local Advertising	4.50%	3.30%	8.80%	4.60%
Other Operating Expenses	7.00%	11.90%	17.30%	11.80%
Net Operating Income	36.10%	14.80%	-7.50%	17.80%

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Table 14 – 2025 Net Operating Income Dollars by Quartile for Scenter Openings 2023					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
25 of 37 Qualifying Scenters Reported	6	6	7	6	25
Membership Count	619	600	501	321	510
Average Monthly Dog Visits	706	715	607	402	607
Gross Revenue	$603,435	$591,343	$475,877	$324,634	$497,904
Expenses:					
Payroll, Taxes & Benefits	$246,284	$284,117	$232,006	$190,226	$237,912
Rent	$49,402	$60,365	$58,490	$61,219	$57,414
Other Occupancy Expenses	$10,631	$14,836	$10,510	$9,673	$11,376
Royalty Fees	$36,206	$35,481	$28,553	$19,478	$29,874
Technology Fees	$8,100	$8,100	$8,100	$8,100	$8,100
Brand Fund Contributions	$6,759	$6,872	$5,852	$3,727	$5,805
Local Advertising	$34,108	$31,520	$38,470	$17,263	$30,665
Other Operating Expenses	$53,671	$68,785	$67,939	$42,009	$58,494
Net Operating Income	$158,261	$81,257	$25,948	($27,067)	$58,254

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Table 15 – 2025 Net Operating Income % of Gross Revenue by Quartile for Scenter Openings 2023					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
25 of 37 Qualifying Scenters Reported	6	6	7	6	25
Gross Revenue	100%	100%	100%	100%	100%
Expenses:					
Payroll, Taxes & Benefits	40.80%	48.00%	48.70%	58.50%	47.70%
Rent	8.20%	10.30%	12.30%	18.90%	11.60%
Other Occupancy Expenses	1.80%	2.60%	2.30%	3.00%	2.30%
Royalty Fees	6.00%	6.00%	6.00%	6.00%	6.00%
Technology Fees	1.30%	1.30%	1.70%	2.40%	1.60%
Brand Fund Contributions	1.20%	1.20%	1.30%	1.20%	1.20%
Local Advertising	5.60%	5.30%	8.00%	5.30%	6.10%
Other Operating Expenses	8.80%	11.60%	14.20%	12.90%	11.70%
Net Operating Income	26.20%	13.70%	5.40%	-8.30%	11.60%

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Table 16 – 2025 Net Operating Income Dollars for Scenter Openings 2023						
25 of 37 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**	**# of Scenters Above Average**	**# of Scenters Below Average**
Membership Count	936	488	342	510	10	15
Average Monthly Dog Visits	1057	607	373	607	12	13
Gross Revenue	$916,797	$515,313	$289,687	$497,904	14	11
Expenses:						
Payroll, Taxes & Benefits	$342,136	$241,020	$200,871	$237,912	12	13
Rent	$43,429	$71,368	$35,518	$57,414	14	11
Other Occupancy Expenses	$13,262	$10,936	$6,699	$11,376	10	15
Royalty Fees	$55,008	$30,919	$17,381	$29,874	14	11
Technology Fee	$8,100	$8,100	$8,100	$8,100	0	0
Brand Fund Contributions	$9,168	$5,153	$4,345	$5,805	12	13
Local Advertising	$36,642	$35,131	$34,695	$30,665	14	11
Other Operating Expenses	$109,286	$62,794	$37,275	$58,494	13	12
Net Operating Income	$299,746	$49,891	($55,204)	$58,254	10	15

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Table 17 – 2025 Net Operating Income % of Gross Revenue for Scenter Openings 2023				
25 of 37 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**
Gross Revenue	100%	100%	100%	100%
Expenses:				
Payroll, Taxes & Benefits	37.30%	46.70%	69.30%	47.70%
Rent	4.70%	13.80%	12.20%	11.50%
Other Occupancy Expenses	1.40%	2.10%	2.30%	2.20%
Royalty Fees	6.00%	6.00%	6.00%	6.00%
Technology Fees	0.80%	1.50%	2.70%	1.60%
Brand Fund Contributions	1.00%	1.00%	1.50%	1.10%
Local Advertising	3.90%	6.80%	11.90%	6.10%
Other Operating Expenses	11.90%	12.10%	12.80%	11.70%
Net Operating Income	32.60%	9.60%	-19.00%	11.60%

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Table 18 – 2025 Net Operating Income Dollars by Quartile for Scenter Openings 2024					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
30 of 45 Qualifying Scenters Reported	7	8	8	7	30
Membership Count	515	538	427	386	466
Average Monthly Dog Visits	578	612	477	428	523
Gross Revenue	$489,049	$520,989	$338,582	$332,358	$420,881
Expenses:					
Payroll, Taxes & Benefits	$205,777	$282,789	$196,015	$216,592	$226,234
Rent	$50,021	$48,047	$41,488	$47,579	$46,649
Other Occupancy Expenses	$12,409	$13,796	$9,716	$13,053	$12,211
Royalty Fees	$29,343	$31,259	$20,315	$19,941	$25,253
Technology Fees	$8,100	$8,100	$8,100	$8,100	$8,100
Brand Fund Contributions	$6,095	$7,458	$4,875	$4,411	$5,740
Local Advertising	$30,008	$38,315	$34,900	$33,002	$34,227
Other Operating Expenses	$53,446	$55,921	$44,921	$45,046	$49,873
Net Operating Income	$93,837	$35,292	($21,757)	($55,374)	$12,584

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Table 19 – 2025 Net Operating Income % of Gross Revenue by Quartile for Scenter Openings 2024					
	Top Quartile	**Top-Middle**	**Bottom-Middle**	**Bottom Quartile**	**All**
30 of 45 Qualifying Scenters Reported	7	8	8	7	30
Gross Revenue	100%	100%	100%	100%	100%
Expenses:					
Payroll, Taxes & Benefits	42.00%	54.20%	57.80%	65.10%	53.70%
Rent	10.30%	9.30%	12.30%	14.40%	11.10%
Other Occupancy Expenses	2.60%	2.70%	2.90%	4.00%	3.00%
Royalty Fees	6.00%	6.00%	6.00%	6.00%	6.00%
Technology Fees	1.60%	1.50%	2.30%	2.40%	1.90%
Brand Fund Contributions	1.30%	1.50%	1.50%	1.40%	1.40%
Local Advertising	6.10%	7.30%	10.30%	9.90%	8.10%
Other Operating Expenses	10.90%	10.70%	13.20%	13.50%	11.80%
Net Operating Income	19.10%	6.70%	-6.40%	-16.60%	2.90%

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Table 20 – 2025 Net Operating Income Dollars for Scenter Openings 2024						
30 of 45 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**	**# of Scenters Above Average**	**# of Scenters Below Average**
Membership Count	687	449	306	466	14	16
Average Monthly Dog Visits	835	491	277	523	13	17
Gross Revenue	$671,098	$381,845	$251,046	$420,881	13	17
Expenses:						
Payroll, Taxes & Benefits	$260,113	$196,001	$182,715	$226,234	12	18
Rent	$42,446	$57,548	$52,008	$46,649	12	18
Other Occupancy Expenses	$15,911	$10,198	$7,364	$12,211	14	16
Royalty Fees	$40,266	$22,911	$15,063	$25,253	13	17
Technology Fee	$8,100	$8,100	$8,100	$8,100	0	0
Brand Fund Contributions	$10,066	$5,728	$2,510	$5,740	12	18
Local Advertising	$39,968	$37,962	$23,626	$34,227	15	15
Other Operating Expenses	$78,199	$47,846	$26,331	$49,873	14	16
Net Operating Income	$176,013	($4,449)	($66,677)	$12,584	13	17

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Table 21 – 2025 Net Operating Income % of Gross Revenue for Scenter Openings 2024				
30 of 45 Qualifying Scenters Reported	**Maximum**	**Median**	**Minimum**	**Average**
Gross Revenue	100%	100%	100%	100%
Expenses:				
Payroll, Taxes & Benefits	38.70%	51.30%	72.70%	53.70%
Rent	6.30%	15.00%	20.70%	11.00%
Other Occupancy Expenses	2.30%	2.60%	2.90%	2.90%
Royalty Fees	6.00%	6.00%	6.00%	6.00%
Technology Fees	1.20%	2.10%	3.20%	1.90%
Brand Fund Contributions	1.50%	1.50%	1.00%	1.30%
Local Advertising	5.90%	9.90%	9.40%	8.10%
Other Operating Expenses	11.60%	12.50%	10.40%	11.80%
Net Operating Income	26.20%	-1.10%	-26.50%	2.90%

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

NOTES

1. **"Gross Revenue"** in this Item 19 and in this Disclosure Document is defined as all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with a Scenter. Gross Revenue includes all revenues earned from products and services offered at a Scenter, space in a Scenter leased to subcontractors (if approved by us), usage income, and insurance proceeds received in the event of a loss or interruption of business due to a casualty or similar event at your Scenter. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority, tips or gratuities provided to employees and any other bona fide refunds to customers.

2. Defined terms in **Revenue FPR** tables:
    a. **"Membership Counts"** include any current member (a single canine) as of December 31, 2025, whose membership has not been cancelled either by choice of the dog parent or by the Qualifying Scenter due to failed payment.

b. **"Membership Fees"** are a source of Gross Revenue representing a recurring monthly amount determined by the level of services selected at the time of enrollment. There are several tiers of monthly membership programs but minimally include bath with towel-dry, ear cleaning, nail trimming, teeth brushing, and a 6-point wellness check.
c. **"Other Revenue from Members"** are sources of Gross Revenue from member's add-on services such as de-shedding treatments, haircuts, plaque cleanses, etc., as well as from retail product sales and miscellaneous fees.
d. **"Revenue from Non-Members"** are sources of Gross Revenue from customers who have not joined a membership program. This revenue is from services similar to those provided by the Monthly Membership Fees and Other Revenue from Members but at higher prices on a single-transaction basis.

3. Defined terms in **Operating Income FPR** tables:
   a. **"Payroll, Taxes, and Benefits"** includes payroll, payroll taxes, benefits, and independent contractor costs. Amounts were increased for circumstances such as franchise owners performing significant work on behalf of the Qualifying Scenter not accounted for in Payroll or other expense line items. Amounts were decreased to account for circumstances such as franchisees either paying themselves or their managers above-market manager rates or for adding new managers to existing locations in advance of subsequent Scenter openings. Adjusted Payroll assumes a manager salary between $45,000 and $60,000 depending on market conditions.
   b. **"Rent"** is the cost for space paid to the landlord under terms of the lease for the Qualifying Scenters.
   c. **"Other Occupancy Expenses"** include utilities, repair and maintenance costs, and business insurance for the Qualifying Scenters.
   d. **"Royalty Fees"**, "**Technology Fees"**, and "**Brand Fund Contributions"** represent actual amounts paid by the Qualifying Scenters to us in 2025.
   e. **"Local Advertising"** includes digital and non-digital marketing expenses including agency fees to promote the local Scenthound franchise.
   f. **"Other Operating Expenses"** include credit/debit card processing fees (generally ranging between 2.7% and 3.1% of Gross Revenue), grooming supplies needed to support sales (generally ranging between 2.1% and 2.9% of Gross Revenue), and other items such as recruiting expenses, uniforms, office and cleaning supplies, and other necessary expenditures to conduct business.
   g. Expenses of the Qualifying Scenters exclude Depreciation & Amortization, Interest Expense, expenses related to more than one Scenter owned by a single franchisee, as well as extraordinary expenses that are not standard in the operation of a Scenter such as 401(k) contributions, automobile expenses, charitable contributions (that are non-marketing expenses) and other non-business-related expenses such as meals and entertainment.

4. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Scenthound 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 Timothy Vogel, 5070 PGA Blvd., Suite 200, Palm Beach Gardens, FL 33418, and (561) 288-3997, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 TO 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	34	71	+37
	2024	71	117	+46
	2025	117	148	+31
Company-Owned	2023	5	5	0
	2024	5	5	0
	2025	5	6	+1
Total Outlets	**2023**	**39**	**76**	**+37**
	2024	**76**	**122**	**+46**
	2025	**122**	**154**	**+32**

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR YEARS 2023 TO 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2023	0
	2024	1
	2025	0
Georgia	2023	0
	2024	0
	2025	2
North Carolina	2023	1
	2024	2
	2025	0
Texas	2023	1
	2024	0
	2025	0
Virginia	2023	0
	2024	0
	2025	1
Total	**2023**	**2**
	2024	**3**
	2025	**3**

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 TO 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
California	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Colorado	2023	2	0	0	0	0	0	2
	2024	2	5	0	0	0	0	7
	2025	7	1	0	0	0	0	8
Florida	2023	8	9	0	0	0	0	17
	2024	17	9	0	0	0	0	26
	2025	26	7	0	0	1	0	32
Georgia	2023	9	1	0	0	0	0	10
	2024	10	2	0	0	0	0	12
	2025	12	3	0	0	0	0	15
Idaho	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Illinois	2023	0	1	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
	2024	1	3	0	0	0	0	4
	2025	4	0	1	0	0	0	3
Indiana	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Kansas	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	2	0	0	0	0	5
Maryland	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Michigan	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Minnesota	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Nevada	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
New Jersey	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
North Carolina	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Oklahoma	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Oregon	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	2	0	0	0	0	3
Pennslyvania	2023	0	2	0	0	0	0	2
	2024	2	2	0	0	0	0	4
	2025	4	2	0	0	0	0	6
South Carolina	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	2	0	0	0	0	6
Tennessee	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	3	0	0	0	0	5
Texas	2023	5	9	0	0	0	0	14
	2024	14	5	0	0	0	0	19
	2025	19	5	0	0	0	0	24
Utah	2023	0	2	0	0	0	0	2
	2024	2	3	0	0	0	0	5
	2025	5	2	0	0	0	0	7
Virginia	2023	1	2	0	0	0	0	3

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
	2024	3	2	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Wisconsin	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Totals	**2023**	**34**	**37**	**0**	**0**	**0**	**0**	**71**
	2024	**71**	**46**	**0**	**0**	**0**	**0**	**117**
	2025	**117**	**33**	**1**	**0**	**1**	**0**	**148**

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2023 TO 2025

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets sold to Franchisees	Column 8 Outlets at End of the year
Florida	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	0	1	0	0	6
Total	**2023**	**5**	**0**	**0**	**0**	**0**	**5**
	2024	**5**	**0**	**0**	**0**	**0**	**5**
	2025	**5**	**0**	**1**	**0**	**0**	**6**

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchise Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
California	6	0	0
Colorado	3	6	0
Connecticut	1	0	0
Florida	4	11	0
Georgia	1	6	0
Idaho	0	1	0
Illinois	3	1	0
Kansas	1	0	0
Minnesota	1	1	0
Missouri	1	1	0
Nevada	2	1	0
New Jersey	2	0	0
New York	1	0	0
North Carolina	2	4	0
Ohio	1	0	0
Oregon	1	0	0
Pennsylvania	0	4	0
South Carolina	2	0	0
Tennessee	0	1	0
Texas	9	8	0
Utah	0	4	0
Virginia	3	2	0
Washington	2	1	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchise Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Wisconsin	2	3	0
Total	**49**	**56**	**0**

Exhibit F to this Disclosure Document includes the list of the names of all current franchisees and the address and telephone number of each of their outlets. Exhibit F also contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that limit them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are our audited financial statements as of December 31, 2025 and 2024, and for each of the years in the three-year period ended December 31, 2025 dated April 13, 2026. Also attached to this Disclosure Document are our unaudited financial statements from January 1, 2026 to June 30, 2026. Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit B – FRANCHISE AGREEMENT
Schedule 1-Franchise Fee, Accepted Location, Territory and Opening Date
Schedule 2-Nondisclosure and Non-Competition
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Conditional Assignment of Telephone Number

Exhibit C – MULTI-UNIT DEVELOPMENT AGREEMENT
Attachment A-Certification by Developer
Attachment B-Guaranty
Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
Attachment D-Development Schedule
Attachment E-Development Area
Attachment F-State Addendum to Multi-Unit Development Agreement
Exhibit G- FRANCHISEE DISCLOSURE QUESTIONNAIRE

ITEM 23
RECEIPT

You will find two copies of a receipt in Exhibit J at the end of the Disclosure Document. One receipt must be signed, dated and delivered to us. The other receipt should be retained for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Our registered agent in the State of Florida is: Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301. We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677	Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Banking Commissioner Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 061031800 (860) 240-8299	
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Indiana	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
Michigan	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222	New York Secretary of State 99 Washington Avenue Albany, New York 12231-0001 (518) 473-2492
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910	North Dakota Insurance Commissioner 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Rhode Island	Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
Wisconsin	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B TO THE DISCLOSURE DOCUMENT

SCENTHOUND FRANCHISING, LLC
FRANCHISE AGREEMENT

SCENTHOUND FRANCHISING, LLC
FRANCHISE AGREEMENT



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SCENTHOUND FRANCHISNG LLC
FRANCHISE AGREEMENT

This Franchise Agreement (the "**Agreement**") is made and entered on _____ (the "**Effective Date**") by and between:

- Scenthound Franchising, LLC, a Florida limited liability company having its principal place of business at 5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418 ("**Franchisor**," "**we**," "**us**," or "**our**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ ("**Franchisee**," "**you**," or "**your**").

RECITALS

A. We have developed our own distinctive and proprietary systems for the operation of retail stores specializing in essential care, wellness and grooming services for dogs under the trade name "Scenthound®" and selling related products.

B. The distinguishing characteristics of a Scenthound franchised business includes among other things: business processes, technologies, trade secrets, customer lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; branding elements; standards, specifications and sources for services, products, supplies, appearance, operations and management control; safety standards; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs; all of which we may periodically change, discontinue, improve, modify and further develop at our option from time to time (the "**System**").

C. The System relates to and includes the development and operation of Scenthound franchised businesses. The franchise offering through the Disclosure Document that is governed by this Agreement shall be referred to as your "**Scenter**" herein.

D. You have been advised that, prior to signing this Agreement and prior to developing your Scenter, you should retain your own independent legal counsel to advise you as to all applicable federal, state and local laws.

E. We identify the System by means of our proprietary marks. Our proprietary marks include the trade name "Scenthound®" and our logos, service marks, trademarks, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may use in connection with the System (all of these are referred to herein as our "**Marks**"). We continue to develop, use, and control the use of our Marks in order to identify for the public the source of services and products marketed under those marks and under the System, and to represent the System's high standards of quality, appearance, and service.

F. We are in the business of developing and awarding franchise rights to third party franchisees, such as you, to develop and operate a Scenter. You have asked to obtain a franchise from us. By entering into this Agreement, you understand and acknowledge: (a) the importance of our high standards of quality, appearance, and service and the necessity of operating your Scenter under this Agreement in conformity with our standards and specifications; (b) that you received our current Franchise Disclosure Document and its exhibits, including this Agreement (the "**Disclosure Document**") at least fourteen (14) calendar days before you signed this Agreement or made a payment to us in connection with the franchise sale; (c) that you have carefully reviewed the Disclosure Document and had enough time, if you wanted, to consult with a lawyer, accountant or other professional advisor; (d) that you had the opportunity to ask us and our employees, agents, or representatives all appropriate questions and those questions have been answered to your satisfaction; (e) that, if you chose not use a professional advisor, you represent you are satisfied relying on your own education, experience, and skill to evaluate the Disclosure Document and this Agreement; (f) that you have reached the age of majority, you have the legal capacity to enter into this Agreement and independently operate your Scenter, you are not violating any other agreement by entering into or performing under this Agreement, and you are not listed or "blocked" in connection with, and are not in violation of any anti-terrorism law, regulation, or executive order; (g) that no employee, agent or representative of ours made any oral, written or visual representation or projection to you of actual or potential sales, earnings or net or gross profits, costs involved in operating a Scenter, or the likelihood of success that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document; (h) that you understand the risks of owning your Scenter and you are able to accept such risks; (i) that you understand the success of your Scenter will depend primarily on your own efforts and abilities and those of your employees; (j) that our approval of the location for your Scenter does not guarantee your success; and (k) that other factors beyond our or your control will affect your Scenter's success including competition, demographic patterns, consumer trends, economic and market conditions, government policies, labor costs, lease terms and other factors which may be difficult to anticipate, assess or even identify.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this contract, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1. DEFINITIONS

While certain of these and other terms may be defined in the body of this Agreement, the following words and terms have the following meanings for your ease of reference:

"**Affiliate**" means any business entity that is under our control and with common ownership as us;

"**Agreement**" means this agreement entitled "Scenthound Franchising, LLC Franchise Agreement" and all instruments supplemental hereto or in amendment hereof;

"**Client Information**" means names, contact information, financial information, and other personal identifiable information of or relating to your Scenter's customers, and prospective customers.

"**Competitive Business**" means any business that offers the same or similar products and services as your Scenter under any service system or any business that offers essential care, wellness and grooming services for dogs or any business in which Trade Secrets and Confidential Information could be used to the disadvantage of us, any Affiliate or our other franchisees but does not include (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly-held entity in which you own less than a 5% legal or beneficial interest;

"Computer System" has the meaning given to such term in 12.5.1;

"**Confidential Information**" means technical and non-technical information used in or related to the operation of your Scenter and not commonly known by or available to the public, including, without limitation, Trade Secrets (defined below), methods and products, customer or client services techniques and other techniques and methodologies not generally known to the industry or public, client lists, services and products, the Manual, and any other information identified or labeled as confidential when delivered by us but shall not include any information that: (a) is now or subsequently becomes generally available to the public through no fault of you; (b) you can demonstrate it was rightfully in your possession, without obligation of nondisclosure, pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"**Default Rate**" has the meaning given to such term in 3.5.1;

"**Effective Date**" means the date on which we and you fully execute this Agreement, thereby commencing its effectiveness and term;

"**Franchise**" means the right granted to you by us to use the System and the Marks;

"**Franchisor Indemnities**" has the meaning given to such term in Section 21.3;

"**Gross Revenue**" means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Scenter. Gross Revenue includes all revenues earned from the services and products offered and sold at your Scenter, leasing space on your premises to subcontractors (if approved by us and the landlord), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Scenter. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority, tips or gratuity provided to your employees and any other bona fide refunds to customers;

"**Gross Revenue Reports**" has the meaning give to such term in Sections 3.2.3 and 12.2;

"**Incapacity**" means the inability of you, or any holder of a legal or beneficial interest in you, to operate or oversee the operation of your Scenter on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

"**Initial Franchise Fee**" has the meaning given to such term in 3.1;

"**Internet**" means any local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web and social media websites and applications;

"**Management Fee**" has the meaning given to such term in 3.10;

"**Manager**" means the individual who is approved by us that will run the day-to-day operation of your Scenter;

"**Manual**" means the Scenthound Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us;

"**Marks**" means the service mark "Scenthound®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as we may designate to be used in connection with your Scenter;

"**Operating Principal**" means the person who you designate in Schedule 6 if you are a corporate entity that must devote full time and best efforts to the development and operation of your Scenter and must have at least 10% ownership of the Franchisee entity and full authority to bind you regarding all operational decisions about your Scenter;

"**Opening Date**" means the deadline by which your Scenter must be open for business to the public, as set forth in Schedule 1;

"**POS system**" means the point of sale system being utilized at Scenthound businesses which may change or be modified in the Franchisor's sole discretion;

"**Royalty Fee**" has the meaning given to such term in Section 3.2;

"**System**" means the uniform standards, methods, procedures and specifications developed by us and as may be added to, changed, modified, withdrawn or otherwise revised by us for the operation of your Scenter;

"**Technology Fee**" has the meaning given to such term in 3.11; and

"**Trade Secrets**" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the operation of your Scenter that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by,

other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. GRANT OF FRANCHISE; ACCEPTED LOCATION

2.1 Grant

Subject to the terms and conditions set forth in this Agreement, we grant you the right, and you accept and undertake the obligation:

2.1.1 to operate one Scenter under the System;

2.1.2 to use the Marks and the System, but only in connection with your Scenter (recognizing that we may periodically change, improve and further develop the Marks and the System); and

2.1.3 to do so only at or from a location referred to herein as the "**Accepted Location**" and within the "**Designated Territory**" identified and defined in Section 2.2, Section 2.4 and Schedule 1 attached hereto.

2.2 Accepted Location

2.2.1 *Accepted Location Defined.* The street address or geographical description of the area for your Scenter is specified in Schedule 1 attached to this Agreement and is referred to herein as the "**Accepted Location**."

2.2.2 *Retail Space.* You must locate, obtain and occupy the site for your Scenter on your own initiative and at your own expense. You must operate your Scenter from retail space of approximately 1,100 to 1,300 square feet. We will furnish you with prototypical plans and design specifications for your Scenter. You are obligated, at your expense, to have our approved supplier, currently Angelini & Associates, or another architect designated by us prepare all required construction plans based on our prototype designs in the Manual. If a variance is granted by us in writing to not to use our approved supplier, you will incur a $1,500 fee for us to review and approve your preferred architect.

2.2.3 *Reservation of Rights to Approve Location and Lease Rider.* We have the absolute right to grant or withhold approval of the Accepted Location. You understand, acknowledge, and agree that our review and approval of your proposed location does not constitute our assurance, representation, or warranty of any kind that your Scenter will be profitable or successful. Our acceptance of the proposed site merely signifies that we are willing to grant you a Scenthound franchise at the site. Both you and your landlord shall execute the Franchisor Lease Rider that is attached as Schedule 4 to this Agreement.

2.2.4 *Restriction on Relocation.* You may not relocate your Scenter from the Accepted Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new Scenthound business to their establishment.

2.2.5 *Site Review Package.* You are responsible for completing and submitting to us for review and approval all information and materials we designate regarding your proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive all of the information and materials we requested. We may not withhold our approval unreasonably. We will not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our discretion.

2.2.6 *Time Limit to Sign Lease.* If you do not secure an Accepted Location and enter into a binding lease agreement that has been approved by us for such location within 90 days of signing this Agreement, we may terminate this Agreement.

2.2.7 *Time Limit to Commence Operation.* You must open your Scenter no more than nine months after the Effective Date of this Agreement. You may not open your Scenter to the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening your Scenter until you obtain our written approval, if (a) your Scenter has not been constructed and equipped in accordance with our standards and specifications, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, (d) your Scenter has not been given all the proper governmental approvals by the local authorities, or (e) any of the conditions in Section 5.3 have not been met.

2.2.8 *Extension Fee.* If you request or we deem it necessary to grant you an extension to the deadline to open your Scenter, you will pay us $2,500 for each 90-day extension period we grant you (the "**Extension Fee**"). The Extension Fee is nonrefundable. Our granting you an extension to open your Scenter does not waive any other rights or remedies we have under this Agreement.

2.3 Sub-Franchising/Third Parties

2.3.1 *Restriction on Sublicensing.* You shall not sublicense the use of the System or Marks to any person or entity.

2.3.2 *Restriction on Granting Rights to Third Parties.* Except as permitted in Section 18, you shall not grant any person or entity the right to perform any part of your rights or obligations licensed hereunder.

2.4 Designated Territory

2.4.1 *Territory Defined.* Your Scenter will be located at a single site, which must meet our standards and specifications and must be approved by us in advance. You shall be prohibited from operating a franchise, conducting business or soliciting customers outside of the Designated Territory without our prior written consent. We will include your Designated Territory in Schedule 1 after your Accepted Location is approved by us which may not be at the time you execute this Agreement.

2.4.2 *Your Rights and Our Rights.* During the initial term and all renewal terms of this Agreement, and provided that you are in full compliance with this Agreement and all other agreements between you and us, we shall not own or operate, or grant anyone else the right to own or operate, a Scenter within the Designated Territory identified in Schedule 1 which may be modified and/or finalized after you sign this Agreement. You understand that is the limit of your rights.

2.4.3 *Territory Size.* We reserve the right to grant each franchisee a Designated Territory on a case-by-case basis in order to account for the unique features of each geographic marketplace as determined by us, in our sole discretion, using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation Buxton and Google Maps. We may grant you a Designated Territory less than other franchisees based on the population density and demographics of the area in which you wish to open your Scenter. We reserve the right to demarcate the exact bounds of your Designated Territory once a primary location is chosen and approved, and such Designated Territory shall not be altered.

2.4.4 *Activity Restricted to Your Territory.* You may not offer or sell essential dog care, wellness or grooming products or services outside your Designated Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Designated Territory without prior written authorization from us, including Internet marketing. You may not distribute postcards, letters, fliers, emails, or other marketing communications outside your Designated Territory, make telemarketing calls to customers located outside your Designated Territory, or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Designated Territory.

2.4.5 *No Right of First Refusal.* Except for the Designated Territory granted in this Agreement, we do not grant you any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Scenters, you must enter into a new franchise agreement and meet all our current requirements for franchisees.

2.4.6 *Your Compliance.* You shall have the right to the benefits of the Designated Territory as long as you adhere to the terms of this Agreement. If you default on your obligations under this Agreement, as an alternative to termination, we may, at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Designated Territory, effective 10 days after delivery of

written notice to you and your failure to cure the default if the default is curable and charge you an administrative fee of 15% of Gross Revenue.

2.4.7 *Reservation of Rights.* You understand and acknowledge that any rights not expressly granted to you with respect to your Designated Territory are reserved to us. We retain the right to conduct any business at any location, including: (a) the right to offer Scenthound franchises using our System and Marks to others for any site outside your Designated Territory regardless of how close the site is to your Accepted Location; (b) the right to sell, rent and distribute any services and products, directly or indirectly, and/or license others to sell and distribute any services and products, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Designated Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, on the Internet, and/or sales to delivery customers), except that we shall not do so from a Scenter located inside the Designated Territory; (c) the right to produce, license, distribute and market products and services bearing the Scenthound name or other marks, including dog essential care and wellness products, dog grooming products, packaged items, books, retail items, and apparel, among other things, at any location or any outlet, regardless of proximity to your Scenter, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept except a Scenthound-branded business at any place, including within the Designated Territory, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with the products and services you offer; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing that penetrates your Designated Territory in our sole discretion; (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Designated Territory; (g) the right to operate a Scenthound-branded business at a trade show booth or similar "pop-up" location in your Designated Territory for up to 20 days; and/or (h) the right to open Scenters at non-traditional sites in your Designated Territory including, without limitation, military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums.

3. FEES

3.1 Initial Fees

3.1.1 *Initial Franchise Fees.* You shall pay us the fee set forth in Schedule 1 upon execution of this Agreement. You acknowledge and agree that the Initial Franchise Fee is fully-earned by us when paid and is not refundable under any circumstances.

3.2 Royalty Fee

3.2.1 *Royalty Fee Payment.* You agree to pay us a continuing fee equal to 6% of Gross Revenue (the "**Royalty Fee**") for the right to use the System and the Marks. We reserve the right to increase the Royalty Fee by 1% per year in our sole discretion to a maximum of 9% of Gross Revenue.

3.2.2 *Royalty Fee Payment Date.* The Royalty Fee shall be paid by you every Friday for the Gross Revenue from the previous week (defined as Sunday through Saturday). The Royalty Fee begins when you open for business. We reserve the right to change the time and manner of payment at any time upon written notice to you.

3.2.3 *Gross Revenue Report.* Upon our request, you shall provide to us a Gross Revenue Report, as required by Section 12.2, for the months requested.

3.3 Taxes, Permits and Indebtedness

3.3.1 *Payment of Taxes.* You agree to promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of your Scenter. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement within 30 days, unless the tax is credited against income tax that we otherwise pay to a state or federal authority. If any taxes, fees, or assessments are imposed on Royalty Fee payments, for example, by reason of us acting as a franchisor or licensing the Marks under this Agreement, you shall reimburse us the amount those taxes, fees, or assessments within 30 days after receipt of our invoice.

3.3.2 *Payment of Vendors.* You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or your Scenter. Your failure to pay vendors and suppliers shall be grounds for default and/or termination.

3.3.3. *Tax Disputes.* If there is a bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of your Scenter, or any improvements thereon.

3.3.4 *Compliance with Law.* You must comply with all state and local laws and regulations regarding the management of your Scenter. You must also make sure that you comply with all laws and regulations, and that you secure and maintain in force all required licenses, permits and certificates relating to the operation of your Scenter. Your failure to comply with all applicable laws shall be grounds for default and/or termination.

3.3.5 *Notice of Violations and Actions*. You agree to notify us in writing immediately after: (a) you receive notice of any investigation by a government entity, any complaint or notice from the state or federal department of financial services, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, (b) the occurrence of any accident or injury which may adversely affect the operation of your Scenter or your financial condition, or give rise to liability or a claim against either party to this Agreement, or (c) the discovery of any facts that may give rise to a professional liability claim against either party to this Agreement.

3.4 Electronic Transfer of Funds

All fees and other amounts due to us or advanced by us shall be paid to us through a designated bank account. You must allow us to debit your account through the Automated Clearing House ("**ACH**") system. The ACH form you are required to fill out is attached as Schedule 5 to this Agreement. You shall make deposits to the designated bank account sufficient to cover amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

3.5 Interest, Late Fees and Failure to Comply

3.5.1 *Interest and Default Rate.* All amounts due to us and other amounts not received by us within five days after the due date shall incur interest at the rate of 1.5% per month (the "**Default Rate**") from the date payment is due to the date payment is received by us.

3.5.2 *Late Fees*. In addition to the interest fee referenced above, you will pay us a $100 late fee for each occurrence of a payment not received by us on or before its due date or each report you fail to provide as requested. This Section does not constitute an agreement by us to accept any payments after the due date or a commitment by us to extend credit to or otherwise finance you.

3.5.3 *Failure to Comply*. You shall pay us for all costs incurred by us in the collection of any unpaid and past due amounts, including reasonable accounting and legal fees. You shall also reimburse us on demand for all costs and expenses incurred by us (including without limitation, our costs of re-training your personnel, legal and accounting costs and the costs and expenses of our personnel) to enforce compliance of your monetary and non-monetary obligations under this Agreement. You shall reimburse us for such costs and expenses through the ACH system.

3.6 Application of Payments

Notwithstanding any designation by you, we shall have the right to apply any payments by you to any past due indebtedness owed to us or our Affiliates in any proportion or priority.

3.7 Operations Manual Replacement Fee

You agree to pay us $250 if you lose or destroy the Manual.

3.8 Maintenance and Refurbishing of Business

We may charge you certain maintenance and refurbishment fees for any work we perform on your behalf to repair or otherwise improve your Scenter, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment. The total amount of the maintenance and refurbishment fees that you pay us will vary depending on the labor and material costs of any such maintenance and refurbishing, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests. If, after we notify you, and you do not undertake efforts to correct deficiencies in the appearance of your Scenter, we can undertake the repairs, and you must reimburse us.

3.9 Insufficient Funds Fee

You agree to pay to us $100 if any payment you owe to us or one of our Affiliates is rejected due to insufficient funds in your designated bank account, or if any other payment instrument you use is rejected for insufficient funds.

3.10 Management Fee

If we agree to take over your business upon default or abandonment, you agree to pay our expenses plus an administrative fee of 10% of Gross Revenue above the other fees due to us (the "**Management Fee**"). The Management Fee will only be charged when we, one of our employees, or a third party appointed by us, actively control(s) the day-to-day management of your Scenter. The Management Fee shall be paid at the same time as Royalty Fees and all other fees due to us. We have no obligation to you to manage your business upon default or abandonment, but we reserve this right in our sole discretion.

3.11 Technology Fee

As part of your Computer System, you will pay our affiliate, Scenthound Services, LLC, the Technology Fee which for your first Scenter includes of $200 per month 30 days after signing this Agreement and for all franchisees, $675 per month after the activation of your POS system which usually takes place two months prior to opening your Scenter. You will also pay our Approved Supplier a one-time setup for the POS System of $299. The Technology Fee will include a monthly subscription to hosted email, our training platform, our digital asset repository, our POS system software, and our CRM, reporting and analytics, project management, and ticketing system. The Technology Fee also includes email marketing, web hosting, as well as access to our S.C.E.N.T. Check® app, our Consumer mobile and web apps, and other technology based services we provide, all which will be utilized in your Scenter. The monthly Technology Fee is subject to an annual increase of 10%. Adjustments are compounded annually and cumulative including increases in any given year of greater than 10%, to adjust for prior years when no increase was implemented. There is an additional credit card processing fee equal to approximately 3% of the amount processed.

3.12 Convention Fee

We may hold an annual franchisee conference devoted to training and plans for the future of Scenthound which you will be required to attend. You shall pay our required fee for the convention which can vary and is currently $999 for the first person and $899 for each additional attendee. You must pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses. If you fail to attend a mandatory convention or conference, the annual convention, you will pay us a fee of $1,500.

3.13 Virtual Vet Fees

Some of your members will have a virtual veterinarian service included in their Scenthound membership package. For each of your members that utilizes this service, you will pay our affiliate, Scenthound Services, LLC, $2.50 per month. This fee is subject to change in our discretion.

3.14 Startup Supplies Package

You must purchase the start-up supplies needed for your Scenter, including our proprietary branded Houndswell products (the "**Startup Supplies Package**") from our affiliate, Scenthound Services, LLC prior to opening your Scenter. We estimate that the initial investment cost of the Startup Supplies Package is $4,500. You will continue to order product from Scenthound Services, LLC during the term of this Agreement. The cost for the Startup Supplies Package is nonrefundable.

3.15 Initial Retail Inventory Package

You must purchase the initial retail inventory needed for your Scenter (the "**Initial Retail Inventory Package**"), from our affiliate, Scenthoud Services, LLC, prior to opening. We estimate that the cost of the Initial Retail Inventory Package will be $1,500. You will continue to order product from Scenthound Services, LLC during the term of this Agreement. The cost of the Initial Retail Inventory Package is nonrefundable.

3.16 Furniture, Fixtures and Equipment

You will purchase certain furniture, fixtures and equipment needed for your Scenter prior to opening from our affiliate, Scenthound Service, LLC. We estimate that your initial investment for the furniture, fixtures and equipment purchased from Scenthound Services will be $25,000 to $27,000. The furniture, fixtures and equipment purchased from Scenthound Services is nonrefundable.

3.17 Career Plug Fee

If you choose the optional service to obtain Career Plug for your staff recruiting needs, you will pay our affiliate, Scenthound Services, LLC, $70 a month. You will start this service about three months prior to opening your Scenter and continue it throughout the term of this Agreement. We estimate the initial investment cost for Career Plug services is $0 to $420. The costs for the Career Plug services paid to Scenthound Services, LLC is nonrefundable.

3.18 Non-Compliance Fee

If you fail to follow our System standards you will be subjected to a non-compliance fee (the "**Non-Compliance Fee**"). The Non-Compliance Fee will be $500 for the first occurrence of not complying with our System standards within a 12-month period. Should you not comply with our System standards again within the same 12-month period, the Non-Compliance Fee will be $750. If you fail to comply with our System standards for a third time within the same 12-month period, the Non-Compliance Fee will be $1,000. This provision and the Non-Compliance Fee do not waive any additional rights we have under this Agreement including our right to termination per Section 16 of this Agreement. Issuing a Non-Compliance Fee does not waive a breach of this Agreement. Non-Compliance Fees are non-refundable.

4. TERM AND RENEWAL

4.1 Initial Term

The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire 10 years from the Effective Date.

4.2 Renewal Terms

You will have the right to renew your rights to operate your Scenter for a successor term of 10 years, so long as you have satisfied all of the conditions specified below before each such renewal:

4.2.1 You have, during the entire term of this Agreement, fully complied with the provisions of this Agreement;

4.2.2 You have, at your expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that your Scenter reflects our then-current standards and specifications;

4.2.3 You have satisfied all monetary obligations owed by you to us (or any Affiliate or supplier), and have timely met these obligations throughout the term of this Agreement;

4.2.4 You are not in default of any provision of this Agreement or any other agreement between us or between you and our Affiliates or suppliers, landlord and vendors;

4.2.5 You have given written notice of your intent to operate a successor franchise to us not earlier than 12 months but no later than six months prior to the end of the term of this Agreement;

4.2.6 You have executed our then-current form of franchise agreement, which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Brand Fund Contribution;

4.2.7 You have complied with our then-current qualifications for a new franchisee and have agreed to comply with any training requirements;

4.2.8 You have executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us, any affiliate, and against our and our affiliates' officers, directors, shareholders, managers, members, partners, owners, employees and agents, except to the extent prohibited by the laws of the state where your Scenter is located; and

4.2.9 You have paid the renewal fee of 25% of the then-current Initial Franchise Fee subject to a minimum payment of $12,250.

5. FRANCHISED BUSINESS

5.1 Operation of Your Scenter

You shall operate your Scenter within the Designated Territory from the Accepted Location. You shall manage and administer your Scenter from the Accepted Location and shall maintain and store your books and records at the Accepted Location.

5.2 Time to Open

You shall have nine months after the Effective Date to develop and open your Scenter. If you fail to meet this requirement, we shall have the right to terminate this Agreement and retain all fees paid to us or our Affiliate by you. You shall comply with all conditions set forth in Section 5.3 below and be prepared to open and continuously operate your Scenter. Time is of the essence.

5.3 Opening

Before opening your Scenter and commencing business, you must:

5.3.1 fulfill all of your obligations pursuant to the other provisions of this Section 5;

5.3.2 furnish us with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we may request;

5.3.3 must attend and successfully complete, to our satisfaction, the initial training program (which may include an online component) we offer for Scenthound franchisees at our headquarters or another location that we specify;

5.3.4 possess all required state, county, city, and local professional licenses and certifications;

5.3.5 obtain all necessary state, county, city, and local permits and licenses, including any zoning permits needed to operate at your Accepted Location;

5.3.6 pay in full all amounts due to us, our Affiliates and any third-party vendors;

5.3.7 hire a Lead Trimmer;

5.3.8 pay us $3,500 as an "**Opening Support Fee**" to send two members of our training team to your Scenter to train your staff prior to opening for business; and

5.3.9 obtain our written permission and approval of an opening date.

5.4 Site Approval and Failure to Open

5.4.1 *Our Approval.* You acknowledge that neither our acceptance of the premises for your Accepted Location nor any information communicated to you regarding our standard site selection criteria nor the specific location of the premises will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Scenter. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Scenter at the site.

5.4.2 *Rights Upon Termination for Failure to Open.* If this Agreement is terminated because you fail to open or fail to comply with the time limitations to open, we shall retain the entire Initial Franchise Fee paid by you among our other rights. The parties agree that the Initial Franchise Fee shall be retained in consideration of the services provided, time expended, work performed, and other efforts of us up to the date of your failure to timely commence operations of your Scenter and shall not be construed as nor considered to be a penalty.

5.4.3 *Opening Date.* The Opening Date shall be included in Schedule 1 and shall not be more than nine months from the date you execute this Agreement. Your failure to open before the Opening Date shall constitute grounds for termination.

6. MARKS

6.1 Ownership

Your right to use the Marks is derived solely from this Agreement, is non-exclusive and is limited to the conduct of business by you pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by us. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure solely to our benefit. You shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

6.2.1 *Business Entity Name.* You shall not use the name Scenthound or a portion of any Mark as part of your business entity name.

6.2.2 *Unauthorized Service.* You shall not use Scenthound or any of our Marks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by us. This is a material term of the Agreement and shall constitute grounds for immediate termination.

6.2.3 *Fictitious Name.* You shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Scenthound and shall immediately cancel the fictitious name upon termination or expiration of this Agreement.

6.2.4 *Trademark Registration.* You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, the name Scenthound, any of the Marks used in conjunction with your Scenter or a trademark or service mark that is confusingly similar to any Mark licensed to you.

6.2.5 *Public Notification.* You shall include on your letterhead, forms, cards and other such identification, a prominent notice stating that your Scenter is an "Independently Owned and Operated Scenthound Franchise".

6.2.6 *Limited Permission to Use the Marks.* The permission to use the name Scenthound and our other Marks granted to you under this Agreement does not constitute a warranty of the absence of any third-party senior or superior use claims in and to the Marks. We shall have no liability to you for any senior users that may claim rights to the Marks. You shall amend any business entity name at our request and at your expense.

6.3 Notification of Infringements and Claims

You shall immediately notify us in writing of any infringement, claim of infringement, unfair competition, or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding arising out of any infringement, challenge, or claim involving a trademark licensed by us. This Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of us or our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

6.4 Indemnification for Use of Marks

We may but we are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the use of our Marks. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark.

6.5 Discontinuance of Use

If we deem it necessary for you to modify or discontinue use of any of the Marks, and/or use additional or substitute trade names, trademarks, service marks or other commercial symbols, you shall comply with our directions within ten business days after notice to you by us and subject to the limitations in Section 10.2. We shall not be required to reimburse you for your expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that you are properly employing the Marks in the operation of your Scenter, we reserve the right to inspect your Scenter at any time without advanced notice. You shall comply with all reasonable requests for information and documentation during these inspections and shall give us access to speak directly to your employees about the operation of your Scenter.

6.7 Franchisor's Sole Right to Domain Name

You shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the word "Scenthound" or any variation thereof without our written approval. We are the sole owner of a right, title and interest in and to such domain names. We may grant you a sub-page on our website for purposes of providing the public with contact information for your Scenter and other content in our discretion.

7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Confidentiality of Trade Secrets and Other Confidential Information

You acknowledge that we are disclosing Trade Secrets and other Confidential Information to you during the training program, through the Manual, and as a result of guidance furnished to you during the term of this Agreement. You shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of your Scenter and in performing your duties during the term of this Agreement. You acknowledge that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. You acknowledge that the Trade Secrets and other Confidential Information are proprietary and are disclosed to you solely on the condition that you (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade

Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. You shall enforce this Section as to your employees, agents and representatives including by requiring them to sign the Nondisclosure and Non-Competition Agreement attached as Schedule 2 and shall be liable to us for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

7.2 Additional Developments

All ideas, concepts, techniques, developments or materials concerning your Scenter or the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for you or your owners or employees, shall be promptly disclosed to us and shall be deemed the sole and exclusive property of ours and our works made-for-hire, and no compensation shall be due to you or your owners or employees therefor. You hereby agree to assign to us all right, title and interest in any such ideas, concepts, techniques, developments or materials without additional compensation to you. We have the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire," you shall assign, and by this Agreement, do assign, ownership of such ideas, concepts, techniques, developments or materials, and all related intellectual property and other rights therein, to us and shall sign any assignment or other document as we request to assist us in obtaining, perfecting or preserving intellectual property rights in the item. We may disclose to you concepts and developments of other franchisees that are made part of the System. As we may reasonably request, you shall take all actions to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by us or not.

7.3 Exclusive Relationship

You acknowledge that we would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Scenthound franchisees if owners of Scenthound businesses and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, you and any holder of a legal or beneficial interest in the Franchisee entity (or any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff of the Franchisee entity, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall not:

7.3.1 divert or attempt to divert any business or customer of your Scenter to any Competitive Business, 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 Marks or the System;

7.3.2 at any time during the term of this Agreement, own, maintain, engage in, be employed by, perform services for 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 a Competitive Business;

7.3.3 at any time within a two-year period following termination or expiration of this Agreement, own, maintain, engage in, be employed by, perform services for 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 a Competitive Business at the Accepted Location or within a 25-mile radius of your Scenter or any Scenthound franchise or Affiliate-owned Scenthound business as set forth in Section 17;

7.3.4 call on, solicit, accept business from, or take away any customers or prospective customers of your Scenter or of us or our Affiliates for the benefit of any person or entity outside the System. The term "**Prospective Customer(s)**" includes any person or entity that received a quote for dog essential care, wellness or grooming services from your Scenter, or any person or entity whose information was provided to your Scenter, at any time during the six-month period preceding the termination, expiration, non-renewal or transfer of the Agreement; or

7.3.5 call on, solicit, accept business from, or take away for the benefit of yourself or any other person or entity, any Prospective Customers or customers of your Scenter or of us or our Affiliates, that you worked with or serviced in any capacity or that you received any confidential or proprietary information about, regarding the services and products similar to those provided by your Scenter, for a continuous period of two years after the nonrenewal, expiration or termination of this Agreement.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

We have the right to require any holder of a legal or beneficial interest in the Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity to execute a Nondisclosure and Non-Competition Agreement, in a form the same as or similar to Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon our request, you shall provide us with copies of all Nondisclosure and Non-Competition Agreements signed pursuant to this Section. Such agreements shall remain on file at your Accepted Location and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

You acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement, and that without their inclusion we would not have entered into this Agreement. You acknowledge that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of us, the System and the Marks and you waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

8. TRAINING AND ASSISTANCE

8.1 Initial Training

8.1.1 *Who Must Attend Training*. Before opening your Scenter, you (or if you are an entity, your Operating Principal) must attend and successfully complete, to our satisfaction, the initial training program (which may include an online component) we offer for Scenthound franchisees at our headquarters or another location that we specify. You will be responsible for training your Manager (if you employ a Manager) and any replacement if your Manager ceases active management or employment at your Scenter.

8.1.2 *Qualified Replacement Training*. If you or your Operating Principal(s) cease active management or employment at your Scenter, then any replacements must attend and successfully complete the basic management training program, to our reasonable satisfaction, as soon as it is practical to do so but, in all cases, the replacement shall successfully complete training within 30 days. You must pay our then-current per diem training charges (which is currently $300 per person per day but not more than $750) for additional training.

8.2 Opening Assistance

Prior to opening of your Scenter, we will provide to you general guidance either by telephone, email and/or videoconference that we think is advisable, in our sole discretion, and as may be described in the Manual. We will also send two members of our training team to your Scenter to train your staff. You will pay us the Opening Support Fee for this service.

8.3 Failure to Complete Initial Training Program

You are required to complete the initial training program before commencing operation of your Scenter. If we determine that you are unable to satisfactorily complete the training program described above, we have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, we shall have no obligation to return any of the Initial Franchise Fee. If you are a business entity and the Operating Principal fails to complete the initial training program to our reasonable satisfaction, you may be permitted to select a substitute Operating Principal who must complete the initial training to our satisfaction. You will be required to pay us our then-current rates for additional training of $300 per day per trainee but not more than $750 plus hotel, air fare and other expenses incurred by us and our trainers.

8.4 Ongoing Training

We may require that your Operating Principal(s), Manager(s), Lead Trimmer(s) and employees periodically attend additional courses, seminars, and other training programs. You will also bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. You must pay our then-current per diem training charges of $300 per person per day but not more than $750 for additional training. We may hold periodic conferences, as we deem necessary, to discuss sales techniques, products and services,

personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. You are solely responsible for ensuring that your management staff and employees are adequately trained.

9. OPERATIONS MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, we shall lend to you one copy of the Manual or grant you access to an electronic copy of the Manual. Except in the case of a conflict with applicable laws or regulations, you shall conduct your Scenter in strict accordance with the provisions set forth in the Manual. The Manual may consist of one or more separate manuals and other materials as designated by us and may be in written or electronic form. The Manual shall, at all times, remain our sole property and shall promptly be returned to us upon expiration or termination of this Agreement.

9.2 Revisions

We have the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules we prescribe. We may make such additions or modifications without prior notice to you. You shall immediately, upon notice, adopt any such changes and shall ensure that your copy of the Manual is up to date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by us at our headquarters shall be controlling.

9.3 Confidentiality

The Manual contains Trade Secrets and other Confidential Information of ours, and its contents shall be kept confidential by you during the term of this Agreement and subsequent to the expiration, non-renewal or termination of this Agreement. You shall at all times ensure that your copy of the Manual is available at your Scenter in a current and up-to-date manner. If the Manual is in paper form or stored on computer-readable media, you shall maintain the Manual in a secure manner at the Accepted Location; if the Manual is in electronic form, you shall maintain the Manual in a password-protected file. You shall only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination, or passwords needed for access to the Manual. You shall not disclose, duplicate, or otherwise use any portion of the Manual in an unauthorized manner.

10. FRANCHISE SYSTEM

10.1 Uniformity

Except in the case of a conflict with applicable laws or regulations, you shall strictly comply, and shall cause your Scenter and your employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to you by us. Consistent with the goals of the System, you shall be responsible for the day-to-day operation of your Scenter. In case of a conflict between the Manual,

this Agreement or other communications supplied to you on the one hand, and applicable laws or regulation, you shall request a variance and we shall grant an automatic variance for the purpose of compliance with such laws or regulations. You acknowledge the mandatory specifications, standards and operating procedures are not for the purpose of exercising control of over the day-to-day operation of your Scenter.

10.2 Modification of System

You acknowledge and understand that, from time to time, we may introduce, as part of the System, other methods, technology or services, and products which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, new equipment, new technology or signage. You agree to make all required upgrades and modifications at your expense as may be required by us.

10.3 Refurbishment of your Scenter

Upon our request, you shall correct any deficiencies in your Scenter's appearance or set-up and you must refurbish and/or update the Accepted Location to current System standards. The obligations described in this Section are exclusive of the obligations described in Section 10.2.

10.4 Variance

We have the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which we deem to be of importance to the successful operation of any particular Scenthound business. We shall not be required to disclose or grant to you a like or similar variance hereunder.

10.5 Unapproved Products and Services

You acknowledge that the offer or sale of any unapproved products or services at your Scenter constitutes a material breach of this Agreement and good cause for termination of this Agreement. You authorize us to cure any default under this Section on your behalf by removing and disposing of any unapproved products and unapproved equipment and other materials from your Scenter. Any dispute between you and us as to whether any item, service, or equipment is approved will be governed by the official lists we maintain at our principal place of business. You hereby grant us all of your right, title, and interests in and to any unapproved products and equipment at your Scenter and waive any claims you may have against us arising from the removal and disposal of any unapproved products and unapproved equipment and other materials. You acknowledge that we have the right to physically remove any unapproved products and equipment from your Scenter, and to dispose of them in any way we desire, without any compensation or liability to you.

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Local Marketing

11.1.1 *Local Marketing Requirement.* You are required to spend 5.5% of your Gross Revenue with a minimum of $25,000 per year during the term of this Agreement and all subsequent terms on local advertising, promotion, and marketing of your Scenter. We will not require you to spend in excess of $35,000 per year on local marketing even if 5.5% of your Gross Revenue exceeds $35,000; however, we can amend this limitation if the local marketing activities for your Scenter require additional funds, which shall be decided in our sole discretion. Local marketing expenditures will be directed towards local online, digital marketing and advertising mechanisms within the geographical area of your Scenter. You shall allocate these monies toward print and direct mail and/or digital marketing (and related professional fees and costs) utilizing the following advertising mediums: (i) pay per click advertising through Google; (ii) Facebook advertising campaigns; (iii) YouTube advertising campaigns; (iv) Instagram advertising campaigns; (v) email marketing campaigns; (vi) other social media platforms; (vii) localized digital campaigns utilizing search engine optimization tools (SEO), and (viii) any additional local marketing initiatives. Local marketing expenditures are not included in your Brand Fund Contribution and are your sole cost and expense.

11.1.2 *Franchisor's Control and Approval.* We shall have sole control over creative concepts, materials, and media used in local marketing programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by its local marketing program. We do not warrant the success or effectiveness of any particular advertising/marketing program. We shall have the right to approve or disapprove all marketing and promotional materials that you propose to use.

11.1.3 *Local Marketing Criteria.* Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove the plans or materials.

11.1.4 *Our Sole Property.* All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign any documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this

provision. We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased.

11.1.5 *Local Marketing Defined*. As used in this Agreement, the term "local marketing" refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees' expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.

11.1.6 *Materials Available for Purchase*. We, our vendors or our Affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing.

11.1.7 *Periodic Marketing Programs*. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities. You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new services or products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

11.1.8 *Considerations as to Charitable Efforts*. You acknowledge and agree that certain associations between you and your Scenter, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and legal, may create an unwelcome, unfair, or unpopular association with, and an adverse effect on, our reputation and the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that involve the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

11.1.9 *Additional Marketing Expenditure Encouraged*. You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you

may spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Scenter. If you fail to make the required local marketing expenditures, you must pay the balance due to us to be applied to our Brand Fund immediately upon demand.

11.2 Brand Fund

During the term of this Agreement, you will contribute to the System-wide marketing, advertising, and promotion fund (the "**Brand Fund**"). You shall pay to us an amount up to 1.5% of Gross Revenue as a "**Brand Fund Contribution**". We may from time to time change the rate or rates required to be paid by you as a Brand Fund Contribution, provided that (a) we will not increase your Brand Fund Contribution by more than 1% of Gross Revenue per year, (b) your total Brand Fund Contribution will not be more than 3% of your Gross Revenue, and (c) no change in the rate will take effect unless we give you at least three months prior written notice. We will maintain and administer the Brand Fund as follows:

11.2.1 We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Fund;

11.2.2 We will use Brand Fund Contributions for producing, maintaining, administering and directing consumer advertising (including but not limited to the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees) on a national and/or regional level as we deem necessary or appropriate, in our sole discretion. We may use multiple sources for advertising including in-house and regional or national agencies. We account for your contributions separately from our funds. We will not use Brand Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Brand Fund. We will not use Brand Fund Contributions for the direct solicitation of franchise sales. However, we may include a statement regarding the availability of information about the purchase of Scenthound franchises in advertising and other items produced or distributed using the Brand Fund;

11.2.3 We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Fund are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in subsequent years. We will use any interest or other earnings of the Brand Fund before we use current contributions. We intend for the Brand Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share;

11.2.4 The Brand Fund is not audited. The Brand Fund is not a trust, and we assume no fiduciary duty in administering the fund. Upon your request, we will provide you, within 120 days of our fiscal year end, a written statement for such fiscal period setting forth in brief detail the total amounts collected and disbursements made by us in connection with the Brand Fund. Locations owned by us or our Affiliates contribute equally to the Brand Fund;

11.2.5 Except for salaries of marketing personnel employed by the Franchisor, we do not receive compensation for providing goods or services to the Brand Fund; and

11.2.6 The Brand Fund is not and will not be our asset. Although the Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Fund. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been expended for marketing purposes. If amounts are unspent in the Brand Fund at fiscal year-end, those amounts are carried over by the Brand Fund for expenditure in the following year.

11.3 Internet Marketing

11.3.1 *Restrictions on Internet.* You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator (URL) www.scenthound.com that provides information about the System and about Scenthound. We may provide you with a page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Scenthound website. You are not permitted to use a domain name containing Scenthound in the URL.

11.3.2 *Our Online Site.* We will have the right, but not the obligation, to provide you with one or more references or webpage(s), as we may periodically designate, within our Online Site. The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, the web, webpages, microsites, social networking sites (e.g., Facebook, Twitter, LinkedIn, TikTok, YouTube, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), and other applications. However, if we approve a separate Online Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Online Site without our prior written approval; (2) before establishing any Online Site, you must submit to us, for our prior written approval, a

sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not modify an Online Site without our prior written approval; (4) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (6) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

11.4 Grand Opening Marketing Program

You must spend a minimum of between $20,000 to $35,000 on the "**Grand Opening Marketing Program**" which includes local advertising, promotion, and other marketing activities on marketing activities and vendors that we specify or approve in connection with your grand opening. Your minimum amount required will be dependent on the market in which your Scenter is located and determined in Franchisor's sole discretion. Such amount shall be spent within 10 weeks before your Scenter opens and during its first four weeks of operations. You must submit to us proof of these expenditures within 120 days after your Scenter first opens for business.

11.5 Cooperative Marketing

We may, in our discretion, form local or regional marketing cooperatives covering your Designated Territory and the territory of at least one other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the "**Co-op**"), then you must: join the Co-op; participate with other franchisees in the Co-op's marketing programs; and pay your share of the Co-op's marketing expense. Any payments you make for the Co-op's marketing will be applied towards your local marketing requirement, but will not affect your obligation to make Brand Fund Contributions under this Agreement. If the amount you contribute to a Co-op is less than the local marketing requirement, then you shall nevertheless spend the difference locally. The Co-op's marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

11.6 Franchisee Advisory Council

We currently have a franchisee advisory council that advises us on ongoing business operations and that members are selected or nominated by their peers of other franchisees. The franchisee advisory

council is advisory only and does not have operational or decision-making powers. We have the full control to dissolve, change or form the advisory council.

11.7 Gift Cards, Loyalty Programs and Client Information

You must, at your expense, participate in, and comply with the requirements of our gift certificate, loyalty, customer retention, and customer loyalty programs that we implement from time to time. You must take any other action that we require in order for you to participate in these programs. You may not issue or offer any benefit, gift certificate, gift card, stored value card, customer loyalty or retention program, without our prior written approval. You acknowledge that we and our affiliates shall have the right, through the POS system and the Computer System, to independent and unrestricted access to lists of your Scenter's members, clients and/or prospects, including names, addresses, and other related information, all of which constitutes Client Information owned by us. We may use such Client Information in our business activities. You may not use Client Information to compete with us during the term of this Agreement and after the termination and/or expiration of this Agreement. Upon termination or expiration of this Agreement, we and our affiliates reserve the right to make any and all disclosures and use the Client Information in any manner that we or our affiliates deem appropriate or necessary.

12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, you shall maintain full, complete, and accurate books, records and accounts in compliance with all regulations as well as any applicable state laws governing customer records. You shall utilize the Franchisor approved accounting software to manage your books. For the first two years your Scenter is open, you are required to use one of our Approved Suppliers for bookkeeping services. You shall retain during the term of this Agreement, and for three years thereafter, all books and records related to your Scenter including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law. By signing this Agreement, you grant us unlimited access to the accounting software and Computer System for any legitimate reason in our discretion or business purpose.

12.2 Gross Revenue Reports

You shall maintain an accurate record of Gross Revenue and, upon our request, shall deliver to us electronically a signed and verified statement of Gross Revenue.

12.3 Financial Statements

You shall supply to us on or before the 21st day of each month a balance sheet and income statement of your Scenter for the preceding month. You are to provide your first income statement of your Scenter within 60 days of signing your lease agreement for your Scenter and your first balance sheet with is due the month after you open. You shall, at your expense, submit to us within 60 days after the end of each calendar year, an income statement, profit and loss statement, and balance sheet for

the Scenter for the calendar year just ended. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. You shall submit to us such other periodic financial reports in the manner and at the time specified in the Manual or otherwise requested by us in writing. If you fail to provide any required report or financial statement, you may be charged a late fee as detailed in Section 3.5.2.

12.4 Other Reports

You shall submit to us copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Manual. We shall have the right to release financial and operational information relating to your Scenter to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer Equipment; Required Software; Our Access; Telephone Numbers

12.5.1 *Computer System.* You must meet our current requirements concerning the Computer System, including: (a) POS system, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at Scenthound businesses, between or among other franchised businesses, and between and among your Scenter(s), and you, and us; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) Internet access mode (such as the telecommunications connection) and speed; and (f) technology used to enhance and evaluate the customer experience (collectively, all of the above are referred to as the "**Computer System**"). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws related to customer financial or other customer data. You must have Cyber Liability insurance to protect you and us for any data breach.

12.5.2 *Required Equipment and Software.* You shall purchase, install, and use computer equipment consisting of hardware and software in accordance with our specifications in the Manual. We may periodically require you to upgrade and update the hardware and software used in connection with the Computer System. There are no contractual limitations on the frequency and cost of these upgrades and updates. We reserve the right to approve your email address or require you to use only an email address that we provide for your Scenter's business emails.

12.5.3 *Franchisor Access.* We shall have full access to all of your Computer System, POS system, video surveillance and data and all related information by means of direct access, either in person or by telephone, modem, or Internet to permit us to verify your compliance with your obligations under this Agreement. You must afford us unimpeded independent access to your Computer System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data, video and information from your Computer System in any manner we deem necessary or desirable. We have the right to review your business operations, in person, by video, by mail, or electronically, and to inspect your operations and obtain your paper and

electronic business records related to your Scenter and any other operations taking place through your Scenter. There are no contractual limitations on our right to access the information stored on your Computer System.

12.5.4 *Telephone.* We have the right to require you to use one or more designated telephone vendors. We may designate, and own, the telephone numbers for your Scenter. You must sign our Conditional Assignment of Telephone Number attached hereto as Schedule 9.

12.5.5 *Email and Internet.* You must be able to access information that is available on the Internet and be able to send and receive email.

12.5.6 *Client Information.* We own all Client Information, including Client Information compiled or amassed through the Computer System or collected by you in any other manner, and shall retain ownership of all Client Information following the termination or expiration of the Franchise Agreement. We may use Client Information as we deem appropriate (subject to applicable law), including disclosing it to vendors, developing, training or modifying artificial intelligence/machine learning models, or sharing it with our affiliates for cross-marketing or other purposes. You may only use Client Information for the purpose of operating your Franchised Business to the extent permitted under the Franchise Agreement during the term of the Franchise Agreement and subject to such restrictions as we may from time to time impose and in compliance with all data privacy, security and other applicable laws. You must secure from customers of your Franchised Business, prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for use by us and our affiliates of such Client Information, in the manner that the Franchise Agreement contemplates.

12.6 Right to Inspect

We have the right, during normal business hours without notice, to examine, copy, and audit your books, records, and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay us the amount of the underpayment and interest from the date such amount was due until paid at the rate of 1.5% per month (or the rate legally allowed by the law of the state where you are located, whichever is lower). You shall, in addition, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have.

12.7 Release of Records

At our request, you shall release or authorize and direct third party(ies), including accounting and legal professionals, to release to us copies of all accounting and financial records arising from or relating to the operation of your Scenter including, but not limited to, records evidencing sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control,

and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us.

12.8 Privacy Laws

You must abide by all federal and state privacy laws inclusive of its implementing regulations and other applicable laws related to the collection, storage, use, and data security of personal or individually identifiable health information of customers, and comply with our policies pertaining to such privacy laws. If you become aware of any violation of any privacy laws and/or security of Client Information, or have a reasonable basis to believe that you will receive a notice of such violation, or have reason to believe that the security or integrity of any records containing Client Information has been breached or potentially breached or have notice of any other event that exposes or threatens to expose Client Information to unauthorized third parties, then you shall promptly provide written notice to us regarding such breach, potential breach or notice. Such notice shall include a detailed description of the Client Information at issue and the factual circumstances surrounding such breach, potential breach or notice. You shall comply with all applicable laws and cooperate with and follow any instructions provided by us or your Cyber Liability insurer in responding to any such breach including with respect to notifying any individuals, regulators, law enforcement agencies, consumer reporting agencies or others.

13. STANDARDS OF OPERATION

13.1 Authorized Services, Products and Suppliers

13.1.1 *Generally.* Although we do not do so for every item, we have the right to require you to purchase products from designated or approved suppliers as well as enter into service agreements with approved vendors. We or our affiliates may be that source, and in such event you will pay the then-current price in effect for any approved products and services you purchase from us or our affiliates. You shall not conduct any business or sell any products at your Scenter that do not comply with the foregoing requirements.

We have the right to add, eliminate, modify, and substitute any services and products offered at your Scenter or the designated suppliers for your Scenter in our sole discretion. We will provide you with assistance and guidance in establishing prices for products and services. We do not typically set a minimum or maximum price but reserve the right to do so. We may provide you with recommended pricing tiers.

13.1.2 *Reputation and Goodwill.* You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality services and products to your customers. Accordingly, you, your staff shall provide the services and products offered at your Scenter with the greatest diligence and care and comply with our specifications and quality standards. You shall not offer for sale, sell or provide through your Scenter or from the Scenter any products or services that we have not approved. Furthermore, you must offer for sale all services and products currently offered by us or which will be offered by us in the future.

13.1.3 *Supplier Review*. Notwithstanding anything contrary in this Agreement, we have the right to review from time to time our approval of suppliers. We may revoke our approval of any item, service or supplier at any time by notifying the supplier without notice to you. You shall, at your own expense, promptly cease using, selling or providing any items and services disapproved by us. The cost to review a new product or service as proposed by you shall range from $500 to $2,000 per product or service. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We notify you in our Manual or other written communications if we revoke approval of any supplier. Despite the existence of this approval process, we reserve the right to be the only approved supplier of a product or service. In that situation, you will be required to purchase the authorized service or product from us and no one else. The price you will pay for the service or product will be the price then in effect, and we may make a profit on the sale of the Product or Service. YOU MAY NOT INSTALL ANY UNAUTHORIZED EQUIPMENT OR OFFER ANY UNAUTHORIZED PRODUCT OR SERVICE AT ANY TIME.

13.1.4 *Variance Rights*. We have the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.4 and shall not create any rights in you to provide the same products or services.

13.1.5 *Supplier Benefits*. We reserve the right to direct that any supplier rebates, refunds, mark-ups, advertising allowances or other consideration payable or paid as a result of your purchases of products, services or equipment be paid directly to us and/or our affiliates as revenue. You hereby acknowledge and agree that you have no entitlement to or interest in any such rebates, refunds, advertising allowances or other consideration and that you will not assert any claim to the contrary.

13.2 Appearance and Condition of your Scenter

You shall maintain your Scenter, including the signage, décor and branding elements in a condition we approve and shall repair or replace the signage, décor and branding elements as necessary to comply with our specifications and any applicable laws or regulations. The expense of such maintenance shall be borne by you and shall be in addition to any required System modifications described in Section 10.2.

13.3 Ownership and Management

You must, at all times, retain and exercise direct management control over all aspects of your Scenter. Your personal supervision is not required if the day-to-day operation of your Scenter is performed by an approved Manager who you have successfully trained and has, at our sole discretion, the appropriate experience and training. Even if you do not plan to personally supervise the operation of your Scenter on a daily basis, you and your Operating Principal still must attend and satisfactorily complete training. You, your Operating Principal(s) or your Manager(s) must devote full time and best efforts to the operation of your Scenter. You are not restricted as to whom you may hire as a Manager, except that your Manager must be competent, conscientious, substance-free, fully-trained and must meet all of our requirements. Your Manager must be approved by us. You and your Manager will recruit, hire, train, terminate, and supervise employees, set pay rates, and pay all wages and related amounts, including any employment benefits, unemployment insurance, withholding taxes or other sums. We are not an employer, co-employer or joint employer with you of your management staff or other employees. You are solely responsible for all employment matters, decisions and relationships. You shall designate the Operating Principal(s) in Schedule 6 who is an individual that we approve who must own and control, or have the right to own and control not less than a 10% interest in Franchisee's equity, shall have the authority to bind Franchisee regarding all communications with us and operational decisions with respect to your Scenter, and who must have completed our initial training program to our satisfaction.

13.4 Days of Operation

You shall keep your Scenter open for business during normal business hours on the days specified in the Manual.

13.5 Contributions and Donations

In order to protect the Marks, you must obtain our prior written consent before making any contributions or donations of items, services or funds to any non-profit organization on behalf of your Scenter. We may withhold any such consent in our sole and absolute discretion.

13.6 Licenses, Permits and Regulations

You shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of your Scenter, including all zoning and local permits necessary to operate your Scenter at your Accepted Location, and shall operate your Scenter in full compliance with all applicable laws, ordinances and regulations. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of your Scenter. YOU SHALL BE SOLELY RESPONSIBLE FOR INVESTIGATING AND COMPLY WITH ALL LAWS, ORDINANCES, AND REGULATIONS with regard to the operation of your Scenter.

13.7 Notification of Proceedings

You shall notify us in writing of the commencement of any action, suit or proceeding involving you, your owners, or your Scenter, and of the issuance of any order, writ, injunction, judgment, award or

decree which may affect the operation or financial condition of your Scenter immediately but not more than three days after notice of such commencement or issuance. You shall deliver to us immediately but not more than three days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices

You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Accordingly, you shall endeavor to maintain high standards of quality and service in the operation of your Scenter, including operating in strict compliance with all applicable rules and regulations. You shall at all times give prompt, courteous and efficient service to customers of your Scenter. You shall in all dealings with your customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. You are required to respond to customer reviews publicly unless we advise otherwise. If we deem that you did not fairly handle a customer complaint or that you have operated outside of applicable rules and regulations, we have the right to intervene and satisfy the customer or respond to the customer's review. We have the right to terminate this Agreement for a material violation of this Section that negatively impacts the goodwill in the Scenthound brand. You shall reimburse us for all costs and expenses (including attorneys' fees) incurred by us in servicing a customer of your Scenter or responding to negative publicity pursuant to this Section.

13.9 Attire

You shall abide by all dress code requirements stated in the Manual or upon our notification to you.

13.10 Credit Cards

You shall, at your expense, lease or purchase the necessary equipment and/or software through approved vendors and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as we may designate, from time to time, to enable your Scenter to accept such methods of payment from your customers.

13.11 Email

You shall, at all times and at your expense, maintain a Scenthound email address and account for communicating with us and your customers. The Technology Fee set forth in Section 3.11 includes one email address for your Scenter. Additional email addresses can be purchased for an additional fee. In sending emails from your Scenthound email address, you shall identify yourself as an independent owner and operator of the Franchisee entity doing business as Scenthound. You shall refrain from giving out titles to employees and your staff that causes confusion to the public as to the ownership of the Franchisor and as to our and your franchise relationship.

13.12 Best Efforts

You shall use your best efforts to promote and increase the clients and recognition of services and products offered through your Scenter. You shall require all of your employees, officers, agents and representatives to make a good faith effort to enhance the sales of all services and products provided as part of the System.

14. FRANCHISOR'S ASSISTANCE

14.1 General Advice and Guidance

We may periodically provide general guidance to you by telephone and/or electronic correspondence, with respect to operating your Scenter as we deem necessary in our sole discretion.

14.2 Periodic Visits

We and our representative may, in our sole discretion, make periodic visits, which may be announced or unannounced, to your Scenter. During the visit, we may monitor and observe the conduct of the Franchisee, the Operating Principal, the Lead Trimmer, and the employees of your Scenter for the purposes of determining compliance with the requirements of this Agreement, for conducting quality assurance audits which may include customer surveys, and for any other purpose connected with the System. Such right shall also include, without limitation, the ability to confer with your employees and customers and to observe the manner in which you are selling products and dealing with customers. You shall, in all cases, facilitate our exercise of our rights under this Section. Our representatives who visit, monitor or review Scenter may prepare, for the benefit of both you and us, written reports detailing any successes, problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of your Scenter. By signing this Agreement, you agree to implement any required changes or improvements as required by us with time being of the essence.

15. INSURANCE

15.1 Types and Amounts of Coverage

15.1.1 *Insurance Coverage Required.* Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement, at your expense, at least the following insurance policy or policies in connection with your Scenter:

15.1.1.1 Commercial general liability insurance, which shall include us, and any entity in which we have an interest and any entity affiliated with us and each of our members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds, protecting against any and all claims for personal, bodily and/or property injury occurring in or about the premises of your Scenter and protecting against assumed or contractual liability under this Agreement with respect to your Scenter and your operations, including personal and advertising liability as well as

products and completed operations coverage, with such policy to be placed with minimum limits of $1,000,000 combined single limit per occurrence; $2,000,000 general aggregate per location; and damage to leased property for the full replacement value of your Scenter, provided, however, that at our election, such minimum limits may be periodically increased;

15.1.1.2 Property Liability coverage covering all perils to personal property contained within and outside the premises of your Scenter. The amounts may vary based on coverage needed but must cover your business property and a minimum of $1,000,000;

15.1.1.3 Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which your Scenter is located;

15.1.1.4 Business interruption and extra expense insurance for a minimum of twelve (12) months to cover net profits and continuing expenses, including Royalty Fees;

15.1.1.5 Cyber Liability coverage with limits of liability of $1,000,000;

15.1.1.6 Umbrella liability coverage with minimum limits of $1,000,000; and

15.1.1.7 Any other insurance coverage that is required by the Manual or federal, state, or municipal law.

15.1.2 *Insurance Advice.* You shall seek advice from your professional and business advisors and a licensed insurance agent and procure such other types of coverage and amounts of coverage in accordance with the advice received and as required by law.

15.2 Future Increases

We have the right to establish and modify the minimum coverages required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. In addition to naming us as additional insured, you must include any endorsements we may require (including an "alternate employer endorsement" under Employer's Liability policy even though we are not your employer) and include a waiver of subrogation in favor of us and our affiliates, and each of our and our affiliates' officers, directors, shareholders, partners, members, agents, attorneys, representatives, independent contractors, servants, and employees.

15.3 Carrier Standards

The insurance policies you procure must be written by an insurance company or companies we have approved, having at all times a rating of at least "A" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which

your Scenter is located, and must include, at a minimum (except that we may reasonably specify additional coverages and higher policy limits for all franchisees periodically in the Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances).

15.4 Evidence of Coverage

Your obligation to obtain and maintain the insurance policies shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Section 21.3. Upon issuance of a policy and renewal of said policy, you shall provide to us certificates of insurance showing compliance with the foregoing requirements immediately but no later than 15 days from your receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least 30 days' prior written notice to us and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of this Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums plus an additional 10% administrative fee to cover expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under this Agreement.

16. DEFAULT AND TERMINATION

16.1 Termination by Franchisee

Under no circumstances may Franchisee terminate this Agreement.

16.2 Termination by Franchisor

16.2.1 We have the right to terminate this Agreement, upon notice to you and without any opportunity to cure, if you:

16.2.1.1 fail to timely establish, equip, and commence operations of your Scenter pursuant to Section 5;

16.2.1.2 fail to satisfactorily complete our training program or if your Operating Principal(s) fail to satisfactorily complete our training program pursuant to Section 8;

16.2.1.3 fail to obtain and maintain all required professional licenses, permits, and certifications to operate your Scenter;

16.2.1.4 make any material misrepresentation or omission during the pre-sale process and/or in your application to obtain a Scenthound franchise from us or otherwise to us in the course of entering into this Agreement;

16.2.1.5 are convicted of or plead no contest to a felony or other crime or offense;

16.2.1.6 fail to refrain from activities, behavior, or conduct likely to adversely affect the reputation of us, you or your Scenter after a 5-day written notice to cure;

16.2.1.7 disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, Trade Secrets, trademarks, our trade name Scenthound, or any Confidential Information;

16.2.1.8 fail to have any holder of a legal or beneficial interest in your Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide us with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by us;

16.2.1.9 abandon, fail, or refuse to actively operate your Scenter for three or more consecutive days (unless your Scenter has not been operational for a purpose approved by us), or, if first approved by us, fail to promptly relocate your Scenter or any other event rendering your premises unusable;

16.2.1.10 surrender or transfer control of the operation of your Scenter without our approval, make or attempt to make an unauthorized direct or indirect assignment of your Scenter, or your assets, or an ownership interest in the Franchisee entity, or if you fail or refuse to assign your Scenter or the interest in the Franchisee entity of a deceased or incapacitated owner thereof as herein required;

16.2.1.11 fail to maintain your Scenter under the primary supervision of your Operating Principal or approved Manager during the 180 days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in the Franchisee entity pursuant to Section 18.6;

16.2.1.12 submit to us at any time during the term of this Agreement any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than 2% for any accounting period and you are unable to demonstrate that such understatements

resulted from inadvertent error;

16.2.1.13 become insolvent, meaning unable to pay bills as they become due in the ordinary course of business or if a receiver of your property or any part thereof is appointed by a court or if you make a general assignment for the benefit of your creditors or if a final judgment remains unsatisfied of record for 30 days or longer (unless supersede as bond is filed) or if execution is levied against your business or property or if a suit to foreclose any lien or mortgage against your Scenter and/or the equipment is instituted against you and not dismissed within 30 days;

16.2.1.14 misuse or make an unauthorized use of any of the Marks or commit any other act which impairs the goodwill associated with any of the Marks;

16.2.1.15 fail to submit reports or other information or supporting records when due, to pay any Royalty Fee, Brand Fund Contribution, amounts due for purchases from us or any of our Affiliates, or other payment when due to us or any affiliate within five days of a written notice to you;

16.2.1.16 violate any health or safety law, ordinance or regulation, or operate your Scenter in a manner that presents a health or safety hazard to your customers, employees, or the public;

16.2.1.17 disparage us or our officers, directors, or owners and/or engage in any activity exclusively reserved to us;

16.2.1.18 fail to comply with any applicable law or regulation governing the operation of your Scenter;

16.2.1.19 breach this Agreement three times in a 12-month period and/or fail three times in a 12-month period to comply with mandatory specifications, customer service standards, or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;

16.2.1.20 default under any other agreement between us (or any of our Affiliates, designated suppliers, vendors, or landlord) and you, such that we or our Affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically terminates;

16.2.1.21 perform any competing services or sell competing products in any geographic location outside of the Designated Territory, whether or not such geographic location falls within another franchisee's territory or the territory of any other Franchisor-controlled business;

16.2.1.22 fail to refer business opportunities or offers received by third parties, if such business opportunities or offers would take place in any geographic

location which falls under the territory of other franchisees, our affiliated business(es), or which are directly controlled by us; and

16.2.1.23 default on your lease and fail to cure the default within the applicable period provided by the landlord and/or lose possession of your Scenter as a result of a landlord default and termination;

16.2.1.24 if any governmental office overseeing your business determines you violated any state or federal law or if, during the investigation, we determine in our sole discretion that you violated any of the subsections in Section 16.2.1.

16.2.2 Except as otherwise provided in Section 16.2.1, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that you may avoid termination by curing such default or failure (or by providing proof acceptable to us that you have made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.2.1 within three days of receiving notice of your failure to maintain insurance as specified in Section 15 of this Agreement;

16.2.2.2 within five days of receiving notice of your failure to pay any amounts due to us, one of our affiliates or an approved supplier; or

16.2.2.3 within 30 days of receiving notice of any other default by you or upon your failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.2.3 For any default of this Agreement which triggers our ability to terminate, we may as an alternative to termination, at our sole and absolute discretion:

16.2.3.1 modify or completely eliminate any rights you may have with respect to the Designated Territory effectively immediately or on a new effective date in our sole discretion; or

16.2.3.2 automatically and permanently transfer your clients to an existing Scenthound franchisee or one or more of our Affiliates.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or extend the term of this Agreement for the purpose of complying with

applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of default or termination, we have the right to suspend our performance of any of our obligations under this Agreement until such time as you correct the breach.

16.5 Right of Franchisor to Operate Your Scenter

Following the delivery of a notice of default or termination, if necessary, in our discretion, we shall have the right, but not the obligation, to assume the operation of your Scenter until such time as you correct the breach if applicable. We charge a Management Fee as set forth in Section 3.10.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination, non-renewal or expiration, this Agreement and all rights granted hereunder to you shall terminate and you shall:

17.1.1 immediately cease to operate your Scenter and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former Scenthound franchisee;

17.1.2 cease to use the Trade Secrets or other Confidential Information, the System and the Marks, including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms, and any other items which display or are associated with the Marks;

17.1.3 take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city, or county authorities which contains the name "Scenthound®" or any other Mark, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.4 pay all sums owing to us and any of our Affiliates. In the event of termination for any default, such sums shall include, but not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate, or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by us as a result of any early termination of this Agreement, and any other amounts due to us or any Affiliate;

17.1.5 pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of your Scenter in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement as set forth in Section 22.4;

17.1.6 immediately return to us the Manual, Trade Secrets, and all other Confidential Information, including records, files, instructions, brochures, agreements, and any other materials relating to the operation of your Scenter (all of which are acknowledged to be our property);

17.1.7 assign all telephone listings and numbers for your Scenter to us and shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same;

17.1.8 if applicable, assign to us any interest which you have in any lease or sublease for your Scenter by executing the Franchisor Lease Rider attached as Schedule 4 upon our request. In the event that we do not elect to exercise our option to acquire such lease or sublease, you shall make such modifications or alterations to the Accepted Location immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said Accepted Location from that of other Scenthound businesses, and shall make such specific additional changes thereto as we may reasonably request for that purpose. In the event you fail or refuse to comply with these requirements, we shall have the right to enter upon the Accepted Location without being guilty of trespass or any other tort for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay upon demand;

17.1.9 if this Agreement is terminated by us for cause, we shall be entitled, as stipulated liquidated damages and not as a penalty and solely to compensate us for lost Royalty Fees for the period after termination of this Agreement, to a sum equal to the average Royalty Fees earned by us (even if not paid) per month over the twelve (12) month period preceding the date of termination (or, if the Scenter was not open throughout such 12 month period, then the average Royalty Fees earned by us per month for the period in which your Scenter was open), multiplied by 36 or the number of months remaining in the then-current term of this Agreement, whichever is less ("**Liquidated Damages**"). In the event a default of this Agreement by you caused the Royalty Fees earned to substantially decline during the period to be used to calculate average Royalty Fees earned, then we may use any other reasonable time period or method to calculate Liquidated Damages;

17.1.10 execute any legal document that may be necessary to effectuate the termination of this Agreement and shall furnish to us, within 30 days after the date of termination, written evidence satisfactory to us of your compliance with the foregoing obligations;

17.1.11 comply with all applicable covenants that, by their nature, survive expiration or termination of this Agreement, including those discussing confidentiality, non-competition, and non-solicitation, in this Agreement;

17.1.12 transfer any interests in existing client contracts to us or our designee; and

17.1.13 comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

17.2.1 *Franchisee Acknowledgement.* You acknowledge that the restrictive covenants contained in this Section and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

17.2.1.1 to protect the Trade Secrets and other Confidential Information of Franchisor;

17.2.1.2 to induce us to grant a Scenter to you; and

17.2.1.3 to protect us against our substantial costs in training you and your officers, directors, executives, and professional staff.

17.2.2 *In-Term and Post-Termination Non-Compete and Non-Solicit Agreement.* Except as otherwise approved in writing by us neither you, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee or any of their immediate family, shall, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, during the term of this Agreement and for a period of two years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly:

17.2.2.1 own, maintain, engage in, be employed by or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, offer services or products (including identical or similar products offered by your Scenter) to or have any interest in or involvement with a Competitive Business located or operating (a) at or within a 25-mile radius of your Scenter, or (b) within a 25-mile radius of any other Scenthound business in existence at the time of termination or expiration, or (c) any other business owned or operated by us in existence at the time of termination or expiration;

17.2.2.2 solicit business from customers of your former Scenter;

17.2.2.3 contact or communicate with any of your suppliers or vendors for any purpose related to a Competitive Business;

17.2.2.4 solicit any of our employees, or any other Scenthound franchisee for any competitive purpose, or knowingly solicit or induce such an employee or franchisee to violate any confidentiality, non-competition or franchise agreement; or

17.2.2.5 refrain from any activity set forth in Section 7.3.

17.3 Unfair Competition

If you operate any other business during and after the term of this Agreement that is not in violation of the in-term and post-term covenants, you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute our rights in the Marks. You shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with us. This Section is not intended as an approval of your right to operate other businesses and in no way is it intended to contradict Sections 7.3, 17, 17.1 or 17.2. You shall make such modifications or alterations to your Scenter (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at your Scenter. You shall make such specific additional changes to your Scenter as we may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon your Scenter for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense you shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

We have the right (but not the obligation), for a period of 30 days after termination or expiration of this Agreement, to purchase any or all assets of your Scenter including equipment, supplies and other inventory or equipment at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the Accepted Location to meet our then-current standards for a Scenthound franchise business and less any sums necessary to acquire clear title to the lease or sublease interest. In the event that we are unable to agree on the value of said items, an independent appraiser shall be appointed by us to determine the value of the items based on the declining basis of accounting metric set forth in this Section. The determination of said appraiser shall be final and binding upon the parties. You shall pay the costs and expenses associated with the appointment of an independent appraiser.

17.5 Survival of Certain Provisions

All obligations of you and us, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by us and such rights will inure to the benefit of any person or entity to whom transferred. Nothing contained in this Agreement shall require us to remain in the dog essential care, wellness and grooming business

or to offer the same products or services, whether or not bearing our Marks, in the event that we exercise our rights under this Agreement to assign our rights in this Agreement.

18.2 Transfer by Franchisee to a Third Party

Your rights and duties as set forth in this Agreement, and the franchise herein granted, are personal to you (or your owners), and we have entered into this Agreement in reliance upon your personal or collective skill and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, your Scenter granted hereby, the assets of your Scenter or any part or all of the ownership interest in you without our prior written approval. The term "**transfer**" means any of the following: the sale of the assets of your Scenter; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If you are in compliance with this Agreement, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 you have complied with the requirements set forth in Section 19;

18.2.2 all obligations owed to us, our subsidiaries, our affiliates, suppliers, and all other outstanding obligations relating to your Scenter, are fully paid and satisfied;

18.2.3 you and any transferring owners, if you are a business entity have executed a general release, in a same form as the General Release attached as Schedule 8, of any and all claims against us, including our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of your Scenter, provided, however, that if a general release is prohibited, you shall give the maximum release allowed by law;

18.2.4 the prospective transferee has satisfied us that it meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require to demonstrate ability to own and operate your Scenter;

18.2.5 the transferee and, if we require, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Brand Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

18.2.6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us and our

officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

18.2.7 you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the franchise;

18.2.8 you have paid to us a fee in the amount equal to (i) $2,500 if you are transferring the Scenter (or substantially all of its assets) to an existing Scenthound franchisee; or (ii) 50% of the then-current Initial Franchise Fee if you are transferring to an unrelated third party;

18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by us;

18.2.10 you have agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by us;

18.2.11 the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.12 you have, and if you are an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to us a nondisclosure and non-competition agreement in a form satisfactory to us and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and

18.2.13 the transferee agrees that its Operating Principal(s) shall complete, to our satisfaction, a training program in substance similar to our initial training program prior to assuming the management of the day-to-day operation of your Scenter.

18.3 Transfer to a Controlled Entity

18.3.1 *Controlled Entity*. If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by you ("**Controlled Entity**"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.3.1.1 the Controlled Entity is newly organized, and its charter or articles of formation provides that its activities are confined exclusively to the operation of your Scenter;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.1.3 all obligations of you to us or any Affiliate are fully paid and satisfied; provided, however, that neither you nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2.8;

18.3.1.4 the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of your Scenter. If the consent of any other party to any such other agreement is required, you have obtained such written consent and provided the same to us prior to consent by us;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

18.3.1.7 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to us. Any amendment to any such documents shall also be furnished to us immediately upon adoption.

18.3.2 *Term of Transferred Franchise.* The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 *No Waiver.* We consent to a transfer of any interest in this Agreement, or of any ownership interest in your Scenter, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of your Scenter all or any part of our records relating to this Agreement, your Scenter or to the history of the relationship of the parties hereto. You hereby

specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to your Scenter by an intended transferee identified by you.

18.5 For-Sale Advertising

You shall not, without our prior written consent, place in, on or upon the area of your Scenter, or in any communication media, including the Internet, any form of advertising relating to the sale of your Scenter.

18.6 Transfer by Death or Incapacity

Upon the death or incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding 180 days following such event, transfer such individual's interest in your Scenter or in the Franchisee entity to a third party approved by us. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such 180 day period, your Scenter must remain at all times under the primary management of an operator who otherwise meets our management qualifications. Following such a death or incapacity of such person, if necessary in our discretion, we shall have the right, but not the obligation, to assume operation of your Scenter until the deceased or incapacitated owner's interest is transferred to a third party approved by us. We shall be given access to your Scenter, even if located within our principal residence, and shall not be held liable for trespass or any related tort. We may charge a management fee as stated in Section 16.5 for the period in which we operate your Scenter, and we shall be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of your Scenter.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If you, or any of your owners, propose to sell or otherwise transfer (including a transfer by death or incapacity pursuant to Section 18.6) your Scenter (or any of its assets outside of the normal course of business), any ownership interest in the Franchisee entity or any ownership interest in your Scenter granted hereunder, you shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to us, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of the Franchisee entity or any of your owners.

19.2 Franchisor's Right to Purchase

We shall, for 30 days from the date of delivery of all such documents, have the right, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you. We have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Our credit shall be deemed at

least equal to the credit of any proposed buyer. After providing notice to you of our intent to exercise this right of first refusal, we shall have up to 60 days to close the purchase. We shall be entitled to receive from you all customary representations and warranties given by you as the seller of the assets or such ownership interest or, at our election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If we do not exercise our right of first refusal within 30 days from the date of delivery of all such documents, the offer or proposal may be accepted by you, subject to our prior written approval as required by Section 18.2. Should the sale fail to close within 120 days after the offer is delivered to us, our right of first refusal shall renew and be implemented in accordance with this Section.

19.4 Sales or Transfers to Family Excepted

If you propose to sell or otherwise transfer your Scenter (or any of your assets outside of the normal course of business), any ownership interest in the Franchisee entity or any ownership interest in your Scenter granted hereunder to a member of Franchisee's (or your owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve you from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section.

19.5 Franchisor Buy-Back

We shall have the right to purchase the assets of your Scenter after the first five years of operation at a multiple of five times earnings before interest, taxes, depreciation, and amortization (EBITDA) as of the date that written notice is sent to you exercising our buyback rights. The closing of the asset sale shall take place within 60 days of the date written notice is sent by us to you exercising our option. We shall be responsible to prepare the asset sale documents, and you agree to cooperate with executing any necessary documents to effectuate the asset transfer.

20. BENEFICIAL OWNERS OF FRANCHISEE

20.1 Disclosure of Ownership Interests

You represent, and we enter into this Agreement with you in reliance upon such representation, that the individual(s) identified in Schedule 6 of this Agreement is/are the holder(s) of a legal or beneficial interest (in the stated percentages) of the Franchisee entity ("**Owner(s)**"). All Owner(s) must be acting and must sign the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 in his/her individual capacity.

20.2 Updates to Ownership

You agree that you will amend and modify Schedule 6 upon any change in ownership interest of the Franchisee entity and you shall furnished a revised Schedule 6 promptly to us to ensure that Schedule 6 is at all times current, complete and accurate.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint-venturer, partner, employee, servant, or independent contractor of Franchisor for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of Franchisor, and you are in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an owner and operator of your Scenter pursuant to a franchise license granted by us. You shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on all forms, stationery or other written materials, the content of which we have the right to specify. You shall also conspicuously identify yourself as the independent owner of your business in all business communications, such as email signatures, and on any documents, materials or information released by you. You shall ensure all employees, vendors and contractors receive actual notice of the correct legal name of their employer or the party with whom they have contracted, which is Franchisee and not Franchisor. Under no circumstances shall we be liable for any act, omission, contract, debt, nor any other obligation of you. We shall in no way be responsible for any injuries to persons or property resulting from the operation of your Scenter. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

21.3 Indemnification

You shall hold harmless and indemnify us, our Affiliates, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "**Franchisor Indemnities**") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon your (a) ownership or operation of your Scenter; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or an Affiliate); (d) defamation, libel or slander of us or the System; (e) acts, errors or omissions committed or incurred in connection with your Scenter; (f) acts, errors or omissions committed or occurring in connection with the sale or transfer of this Agreement, the assets of your Scenter or any ownership interest in you or the use or occupancy of your Scenter; (g) infringement or misuse of a third party's trademark, patent, copyright or other intellectual property;

or (h) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

21.4 Right to Retain Counsel

You shall give us immediate notice of any such action, suit, demand, claim, investigation, or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. We have the right to retain counsel of our own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If our exercise of our rights under this Section causes any of your insurers to refuse to pay a third-party claim, all cause of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by you of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and you shall be responsible for our reasonable attorneys' fees incurred in pursuing the same. Our right to seek injunctive relief will not affect the parties' waiver of jury trial and the arbitration requirements set forth herein. Our rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court in our discretion.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five business days after being sent by Registered Mail, return receipt requested. Either party may change their address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to us at the following address, or at such other address as we may provide:

Scenthound Franchising, LLC
5070 PGA Blvd., Suite 200
Palm Beach Gardens, Florida 33418

All notices to Franchisee shall be sent to the address set forth on Page 1 of this Agreement.

22.4 Cost of Enforcement or Defense

You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur before expiration and termination to enforce or defend any provision in this Agreement including your non-payment of fees due to us and/or non-compliance of any System standard. You further agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur after the termination or expiration of the franchise granted under this Agreement in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or (b) successfully prosecuting any action or defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship. If we are required to enforce or defend this Agreement or any claim arising out of the franchise relationship in a judicial or arbitration proceeding, we shall be entitled to reimbursement of our costs, including reasonable accounting and attorneys' fees, in connection with such proceeding if we are deemed the prevailing party or if you bring an action and voluntarily dismiss it. We shall be entitled to all attorneys' fees and costs associated with you bringing an action in the incorrect forum or venue.

22.5 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in the Franchisee entity of 5% or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of us, you shall make a timely written request to us for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely and assumes no liability or obligation to you or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

22.7 Entire Agreement

This Agreement, its schedules and the documents referred to herein shall be construed together and constitute the entire, full, and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior agreements, however nothing in this Agreement is intended to disclaim the representations made in the Disclosure Document or its exhibits or amendments. You agree that no representation, oral or otherwise, has induced you to execute this Agreement, and there are no representations (other than those within our Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.8 Severability and Modification

Except as noted below, each paragraph, part, term, and provision of this Agreement shall be considered severable. If any paragraph, part, term, or provision herein is ruled to be unenforceable, unreasonable, or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable, or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement. Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable, or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions and headings herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation, pandemic or other causes beyond the

reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. During any applicable force majeure event, you shall be required to pay all weekly or monthly fees due to us timely unless otherwise notified in writing by us.

22.11 Timing

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

You shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to us or one of our Affiliates or suppliers. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We shall set off sums we might owe to you against any unpaid debts owed by you to us.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

23. DISPUTE RESOLUTION

23.1 Choice of Law

This Agreement is effective upon its acceptance in Florida by our authorized officer. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, Florida law

governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties. However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

23.2 Jurisdiction and Venue

Franchisee and Franchisor each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Palm Beach County, Florida, for any claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties, except those required to be submitted to arbitration, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

23.3 Jury Waiver

IN ANY TRIAL BETWEEN ANY OF THE PARTIES AS TO ANY CLAIMS, YOU AGREE TO WAIVE YOUR RIGHTS TO A JURY TRIAL AND INSTEAD HAVE SUCH ACTION TRIED BY A JUDGE.

23.4 Class Action Waiver

YOU AGREE TO BRING ANY CLAIMS, IF AT ALL, INDIVIDUALLY AND YOU SHALL NOT JOIN SUCH CLAIM WITH CLAIMS OF ANY OTHER PERSON OR ENTITY (EVEN IF YOU COMMONLY OWN SAID ENTITY) NOR SHALL YOU BRING, JOIN OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST US WITH OTHER FRANCHISEES OR OTHER PERSONS OR ENTITIES.

23.5 Limitation of Damages

FRANCHISEE WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE FRANCHISOR AND AGREES THAT IF THERE IS A DISPUTE, FRANCHISEE WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT WHICH SHALL NOT EXCEED AND SHALL BE LIMITED TO THE REFUND OF FRANCHISEE'S INITIAL FRANCHISE FEE AND ROYALTY FEES PAID. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING OR RELATED TO THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP.

23.6 Limitation of Actions

FRANCHISEE AGREES TO BRING ANY CLAIMS AGAINST FRANCHISOR, IF AT ALL, WITHIN ONE YEAR OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH

CLAIMS OR ONE YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, AND THAT ANY ACTION NOT BROUGHT WITHIN THIS PERIOD SHALL BE BARRED AS A CLAIM, COUNTERCLAIM, DEFENSE, OR SET-OFF EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

23.7 Prior Notice of Claims

As a condition precedent to commencing an action for any legal claim brought by you, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages and serve as a condition precedent to filing an action in court or in arbitration against us.

23.8 Internal Dispute Resolution

As a mandatory condition precedent prior to you taking any legal or other action against us, or our owners, officer and directors, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us and our Affiliates 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

23.9 Mediation and Arbitration

23.9.1 *Mediation.* With the exception of any controversy or claim relating to the ownership or improper use of our Marks or Confidential Information, and except for equitable claims and claims of non-payment by us against you under this Agreement or any other agreement between us, the parties agree to submit any claim, controversy or dispute between or involving us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, representatives and/or employees) and you (and your agents, representatives and/or employees, as applicable) arising out of or related to: (a) this Agreement or any other agreement between us and you or our and your respective affiliates; (b) our relationship with you; (c) the validity of this Agreement or any other agreement between you and us or our and your respective affiliates; or (d) any System standard, to non-binding mediation at a place that we designate within 25 miles of where our principal office is located at the time of the demand for mediation is made in Palm Beach County, Florida. The mediation shall be conducted by either a mutually agreed-upon mediator or, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of their desire to seek mediation, by the American Arbitration Association in accordance with its Commercial Mediation Procedures. Absent agreement to the contrary, the mediator shall be experienced in the mediation of disputes between franchisors and franchisees. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or legal proceeding or otherwise disclosed by either you or us to any third

party who, except to the extent a third party is a participant in the mediation proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by the written agreement of the parties, either party may bring a legal proceeding under this Section. The mediation provisions of this Agreement are intended to benefit and bind certain third-party non-signatories, and all of your and our owners and affiliates. Any mediation proceeding conducted pursuant to this sub-section and any settlement or agreement arising therefrom shall be kept confidential between the parties, except for any settlement disclosure we are legally required to make within a franchise disclosure document. The parties intend for any mediation proceeding to be both private and confidential. Any third parties who are required to participate in a mediation proceeding must be bound by the same confidentiality obligations as the parties.

23.9.2 *Arbitration*. EXCEPT FOR ACTIONS BROUGHT BY US AGAINST YOU FOR NON-PAYMENT OF FEES OR ROYALTIES UNDER THIS AGREEMENT OR ACTIONS BY US FOR INJUNCTIVE RELIEF, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE INTERNAL DISPUTE RESOLUTION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED BY ARBITRATION IN PALM BEACH COUNTY, FLORIDA, OR WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION ("**AAA**"). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE FLORIDA-BASED ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES AGREE THEY WILL ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY

ENTER JUDGMENT UPON ANY AWARD. THE PARTIES AGREE AND INTEND THAT AN ARBITRATION WILL BE KEPT BOTH PRIVATE AND CONFIDENTIAL BETWEEN THEM. AT THE OUTSET OF ANY ARBITRATION, THE PARTIES WILL SEEK THE ENTRY OF A PROTECTIVE ORDER FROM THE ARBITRATOR, PROTECTING ALL PLEADINGS, MOTIONS, EXHIBITS, DEPOSITION TRANSCRIPTS, DISCOVERY REQUESTS AND RESPONSES, DOCUMENTS, AWARDS, ORDERS, DECISIONS AND REPORTS FROM DISCLOSURE BY THE PARTIES, THE ARBITRATOR, AND ANY NON-PARTY WITNESSES OR OTHER PARTICIPANTS. ADDITIONALLY, ANY FINAL AWARD SHALL REITERATE SUCH ORDER OF PROTECTION, EXCEPT FOR THE TERMS OF AN AWARD WHICH WE ARE LEGALLY REQUIRED TO DISCLOSE IN A FRANCHISE DISCLOSURE DOCUMENT, OR DISCLOSURES IN CONNECTION WITH JUDICIAL PROCEEDINGS ANCILLARY TO THE ARBITRATION, SUCH AS A JUDICIAL CHALLENGE TO, OR ENFORCEMENT OF, AN AWARD, AND UNLESS OTHERWISE REQUIRED BY LAW.

23.10 Waiver of Bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

23.11 Arbitration Fees

If we are the substantially prevailing party in arbitration, you agree to reimburse our costs and attorney fees, as well as the arbitration costs and fees, incurred in pursuing or defending the claims against you or us including all mediation and investigation costs and expenses. In any arbitration filed by you where we have no substantive counterclaim against you, you are required to advance and pay all fees to the AAA and the arbitrator.

23.12 Third Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the dispute resolution provisions contained herein.

23.13 Release of Prior Claims

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges Franchisor and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under this Agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof,

however this release expressly excludes claims arising from representations made in the Disclosure Document or its exhibits or amendments.

23.14 No Personal Liability

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with our franchise company will be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

You represent and acknowledge that you have received this Agreement and that you have received our Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed. **Initial: [ ]**

24.2 True and Accurate Information

You represent that all information set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects, and you acknowledge that we are relying upon the truthfulness, completeness, and accuracy of such information. **Initial: [ ]**

24.3 No Violation of Other Agreements

You represent that your execution of this Agreement will not violate any other agreement or commitment to which you or any holder of a legal or beneficial interest in the Franchisee entity is a party. **Initial: [ ]**

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SCENTHOUND FRANCHISING, LLC	**FRANCHISEE**
Signature: _____	Franchisee Name: _____
Print Name: _____	Signature: _____
Title: _____	Print Name: _____
Date: _____	Title: _____
	Date: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
FRANCHISE FEE, ACCEPTED LOCATION, TERRITORY AND OPENING DATE

INITIAL FRANCHISE FEE: $_____

ACCEPTED LOCATION AND DESIGNATED TERRITORY

The Accepted Location under this Agreement will be:

_____

If the Accepted Location has not yet been selected and approved, the geographic area within which you will select the site for your Scenter is [subject to change in our discretion]:

_____

The Designated Territory under this Agreement will be as defined by the map attached hereto and incorporated herein by reference.

OPENING DATE: _____

SCENTHOUND FRANCHISING, LLC

Signature: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

SCHEDULE 2 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This "**Agreement**" made as of the ____ day of _____, 20____, is by and between_____ _____, ("**Franchisee**," "**we**," "**us**," or "**our**") and _____("**Individual**," "**you**," or "**your**").

W I T N E S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") by and between Franchisee and the Franchisor, Scenthound Franchising, LLC ("**Company**"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business that (i) offers the same or similar dog essential care, wellness and grooming services and products as a Scenthound business under any service system (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "**Competitive Business**"); provided, however, that the term "**Competitive Business**" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

1.1 Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

1.2 For the purposes of this Agreement, a "**Trade Secret**" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Scenthound business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1.3 For the purposes of this Agreement "**Confidential Information**" means technical and non-technical information used in or related to Scenthound businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

1.4 Any information expressly designated by Company or Franchisee as "**Trade Secrets**" or "**Confidential Information**" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

2.1 Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

2.2 Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Scenthound business.

3. Non-Competition

3.1 During the term of Individual's relationship with Franchisee and for a period of two years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee or the Company or any licensed Scenthound location to any

Competitive Business, 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 Company's service mark "Scenthound®" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Scenthound or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of a Scenthound business.

3.2 During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, develop, own, manage, operate, be employed by or have any interest in a Competitive Business or offer Competitive Business services without the express written consent of Franchisee and the Company.

3.3 For a period of two years after the term of Individual's relationship with Franchisee, regardless of the cause of termination, Individual shall not, directly or indirectly, develop, own, manage, operate, be employee by or have any interest in a Competitive Business or offer Competitive Business services anywhere within a 25-mile radius of any Scenthound business location without the express written consent of Franchisee and the Company.

3.4 At no time shall Individual, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Scenthound business to violate a non-disclosure or non-competition agreement to which such employee or business associate is a party.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right

to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Dispute Resolution

6.1 **Choice of Law.** Except as to claims governed by federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("**Claims**").

6.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters in Palm Beach County, Florida.

6.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

6.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

6.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

6.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

6.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

6.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

6.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("**AAA**"), and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

6.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

6.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

7. Miscellaneous

7.1 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

7.2 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

7.3 The failure of either party to insist upon performance in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

7.4 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

7.5 This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

7.6 The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS

AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Name Printed: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT
UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS (this "**Guaranty**") is given on _____ by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("**Franchise Agreement**") by Scenthound Franchising, LLC ("**Franchisor**"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's (a) financial and operational obligations under the Franchise Agreement (and Multi-Unit Development Agreement ("**MUDA**") if applicable) and (b) breach of any provision in the Franchise Agreement (and MUDA if applicable), including those relating to monetary obligations, operational obligations, and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Franchise Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee (or Developer) or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) the undersigned's direct and immediate liability under this Guaranty shall be joint and several; (b) the undersigned shall render any payment or performance required under the Franchise Agreement (or MUDA if applicable) upon demand if Franchisee (or Developer) fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to

be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Florida (without giving effect to principles of conflicts of law).

This Guaranty shall apply in equal force to any MUDA signed by Guarantor or an affiliated entity owned by Guarantor in conjunction with the Franchise Agreement and/or MUDA. Specifically, Guarantor shall render any payment or performance required under the MUDA upon demand if the Developer fails or refuses punctually to do so.

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of the Franchise Agreement between the Franchisor and Franchisee signed in conjunction herewith as if set forth herein and as being equally applicable to this Guaranty and the dealings of the parties hereunder. Specifically, Guarantor agrees to arbitrate any and all claims arising under or relating to the Franchise Agreement and the franchise relationship of the parties in Palm Beach County, Florida, and that Palm Beach County, Florida is the sole and exclusive jurisdiction and venue for any such claims.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR	**PERSONAL GUARANTOR**
_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
_____	_____
_____	_____
_____	_____
TELEPHONE NO.: _____	TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____ %

SCHEDULE 4
FRANCHISOR LEASE RIDER

FRANCHISOR'S RIDER TO LEASE

THIS RIDER TO LEASE ("**Rider**") is made as of _____, by and among _____("**Landlord**"), _____ ("**Tenant**") and Scenthound Franchising, LLC, a Florida limited liability company, with its principal offices at 5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418 ("**Franchisor**").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated _____ (the "**Lease**"; any and all references to the Lease shall be deemed to include this Rider) for the leased premises located at _____ (the "**Leased Premises**"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised business at the Leased Premises and is intended to provide Tenant the right to assign the Lease to Franchisor and to provide Franchisor the opportunity to preserve the Leased Premises as a dog essential care, wellness and grooming retail store operated under Franchisor's brand in the event of any termination of the Lease or any franchise agreement between Franchisor and Tenant. Landlord agrees that Franchisor will have the right, but not the obligation, to assume the Lease on the terms, covenants and conditions hereinafter set forth. All capitalized terms used herein, but not defined herein, shall have the same meanings as set forth in the Lease.

ARTICLE - I DEFAULT BY TENANT UNDER THE LEASE

SECTION 1.01. Landlord will send Franchisor copies of all written notices of default that it gives to Tenant at the same time Landlord gives such written notices to Tenant.

SECTION 1.02. If Tenant fails to cure a Tenant default under the Lease after the giving of any required default notice and passage of any applicable cure period, then Landlord shall so notify Franchisor and Franchisor or any or to a parent, subsidiary or affiliate of Franchisor (a "Franchisor Party") will have the right and the option (but not the obligation), by giving written notice to Landlord within five (5) business days after receipt of Landlord's notice that Tenant is in default under the Lease and has failed to cure the default within the applicable cure period set forth in the Lease, to (a) cure any such default on behalf of Tenant, or (b) request Landlord consent to the assumption of the Lease provided that Franchisor or such Franchisor Party cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease.

ARTICLE - II TERMINATION OF TENANT'S FRANCHISE AGREEMENT

In the event of the termination of Tenant's franchise agreement for the Leased Premises as a result of Tenant's breach thereof, Franchisor shall have the right to request Landlord consent to the assumption of the Lease by giving written notice to Landlord and Tenant of its election to so succeed to Tenant's interest under the Lease, within five business days after the date of the termination of such franchise agreement, provided that Franchisor cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease. A party, whether Franchisor or any Franchisor

Party, that assumes the Lease pursuant to Section 1.02(b) above or this Article II is sometimes referred to herein as an "Assuming Franchisor Party".

ARTICLE - III OBTAINING POSSESSION OF THE LEASED PREMISES

Landlord will, at no cost or expense to Landlord, cooperate and reasonably assist with any Assuming Franchisor Party in gaining possession of the Leased Premises if such Assuming Franchisor Party has delivered to Landlord a fully executed assumption of the Lease pursuant to Section 1.02(b) above or Article II above.

ARTICLE - IV ADDITIONAL PROVISIONS

SECTION 4.01. Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to an Assuming Franchisor Party. Such Assuming Franchisor Party shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

SECTION 4.02. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, unless otherwise agreed to in writing, such Assuming Franchisor Party will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant that accrue after such assumption, except that such Assuming Franchisor Party shall not be required to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which approval shall not be unreasonably withheld by Franchisor.

SECTION 4.03. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, Franchisor or such Franchisor Party will not be subject to any provision of the Lease that requires the Tenant to (a) continuously operate a business in the Leased Premises during the fifteen (15) days immediately following the date on which the Assuming Franchisor Party executes the assumption of the Lease if the Leased Premises is closed for remodeling or while Franchisor or the applicable Franchisor Party is seeking to obtain and train a new employees to operate a franchised business in the Leased Premises, or (b) make any payment to Landlord for any excess rent or other consideration that is greater than the rent and other charges payable under the Lease.

SECTION 4.04. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, such Assuming Franchisor Party may, with Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, sublet or assign the Leased Premises to a franchisee of Franchisor who meets Franchisor's financial qualifications and requirements (a "**Replacement Franchisee**"). In the event of such a sublease or assignment, Franchisor shall deliver to Landlord (a) a copy of such Replacement Franchisee's application for the franchise, including but not limited to personal and financial information that Landlord customarily requires from all of its tenants, (b) as applicable, a copy of the sublease or a copy of the assumption agreement pursuant to which such Replacement Franchisee assumes the Lease and agrees to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease (a "**Replacement Franchisee Assumption Agreement**") and (c) a Rider To Lease in the same form as this Rider, to be executed among Landlord, Franchisor and the applicable Replacement Franchisee (a "**New Rider**").

SECTION 4.05. If the Lease is terminated and the Franchisor does not exercise its option to assume the Lease, Tenant agrees, upon receipt of written demand from Franchisor to promptly remove signs decor and other items which Franchisor reasonably requests to be removed as being distinctive and indicative of Franchisor's trademarks and trade dress. Franchisor may enter upon the Leased Premises without being guilty of trespass or tort to affect such de-identification if Tenant fails to do so within ten days after receipt of written demand from Franchisor, provided, however, Franchisor shall promptly, at its sole cost and expense, repair, to Landlord's reasonable satisfaction, all damage caused to the Leased Premises in connection with such de-identification of the Leased Premises. Tenant shall pay Franchisor for its reasonable costs and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor's de-identification of the Leased Premises.

SECTION 4.06. BY EXECUTING THIS RIDER, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE LEASED PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS HEREIN ABOVE DESCRIBED.

SECTION 4.07. All notices hereunder shall be delivered by certified mail or nationally recognized overnight courier to the addresses described in the Lease or to such other addresses as any party hereto may, by written notice, instruct that notices be given. In the case of Franchisor, notices shall be sent to Scenthound Franchising, LLC, 5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418, until further notice.

SECTION 4.08. Landlord and Tenant agree that each of them shall provide written notice to Franchisor in the event of any change in their respective addresses. Franchisor shall provide written notice to Landlord and Tenant in the event of any change in Franchisor's address.

LANDLORD:	TENANT:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FRANCHISOR:

SCENTHOUND FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
ACH PAYMENT AGREEMENT

FRANCHISEE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments

(I/we) do hereby authorize Scenthound Franchising, LLC, hereinafter named the "**Franchisor**", to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of $100.00 per occurrence by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within five days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorney's fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below, and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER: _____
ACCOUNT NUMBER: _____
DEPOSITORY NAME: _____
BRANCH: _____
CITY: _____ STATE: _____ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY_____STATE_____ZIP_____
PHONE NUMBER: _____
CUSTOMER NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

FRANCHISEE:

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

SCHEDULE 6 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OPERATING PRINCIPAL

Operating Principal(s):

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Holders of Legal or Beneficial Interest:

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

FRANCHISEE:

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

SCHEDULE 7 TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Section 16.2 is deleted and in its place are substituted the following:

16.2.1 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.2.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

> **16.2.2 Termination by Us with Opportunity to Cure**. We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

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 with the franchise.

California's Franchise Investment Law (Corporation Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you (ii) your ability to rely on any representation it makes to you, or (iii) any violations of the law.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution

venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

FRANCHISEE:

By: _____

Date: _____

SCENTHOUND FRANCHISING, LLC

By: _____

Date: _____

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. 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.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

5. Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business. The Illinois Attorney General Office has imposed this deferral requirement due to Franchisor's financial condition.

FRANCHISEE:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Based on the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement.

FRANCHISEE: **SCENTHOUND FRANCHISING, LLC**

By: _____ By: _____

Date: _____ Date: _____

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor 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 agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Section 3.1.1 of the Franchise Agreement shall be supplemented to state: In Minnesota, the Initial Franchise Fee will be deferred until we have satisfied our pre-opening obligations and you commence your Franchised Business.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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 with the franchise.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPU OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHSIEE.

FRANCHISEE:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

   "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

   "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

4. North Dakota law governs any cause of action arising out of the franchise agreement.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. The State if North Dakota has determined that requiring a franchisee to content to termination or liquidated damages in a franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination or liquidated damages is deleted.

7. The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

8. The State of North Dakota has determined that requiring franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreements that a franchisee consent to the jurisdiction of courts outside of North Dakota is deleted.

9. The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreement requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise

Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreements that a franchisee waive a jury trial is deleted.

10. The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

11. The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

12. 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 with the franchise.

FRANCHISEE:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE: **SCENTHOUND FRANCHISING, LLC**

By: _____ By: _____

Date: _____ Date: _____

SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

FRANCHISEE:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Section 3.1 of the Franchise Agreement shall be amended to include "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement."

2. Under subsection D of 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of the franchisee to engage in the business of offering, selling or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of 13.1-563 of the Act provides that if the franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two year after such sale.

FRANCHISEE:

By: _____

Date: _____

SCENTHOUND FRANCHISING, LLC

By: _____

Date: _____

WASHINGTON ADDENDUMTO THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise

agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Recital E of the Franchise Agreement does not apply in Washington.

Section 3.1.1 of the Franchise Agreement shall be amended to state: "In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisees has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business."

Sections 7.4 and 16.2.1.8 of the Franchise Agreement are modified to state that the obligations to sign the Nondisclosure and Non-Competition Agreement as holder of a legal or beneficial interest in the franchisee will not apply to immediate families or household members.

Section 17.1.9 of the Franchise Agreement shall be modified to the following: "if this Agreement is terminated by us for cause, we shall be entitled, as stipulated liquidated damages and not as a penalty and solely to compensate us for lost Royalty Fees for the period after termination of this Agreement, to a sum equal to the average Royalty Fees earned by us (even if not paid) per month over the twelve (12) month period preceding the date of termination (or, if the Scenter was not open throughout such 12 month period, then the average Royalty Fees earned by us per month for the period in which your

Scenter was open), multiplied by 24 or the number of months remaining in the then-current term of this Agreement, whichever is less ("**Liquidated Damages**"). In the event a default of this Agreement by you caused the Royalty Fees earned to substantially decline during the period to be used to calculate average Royalty Fees earned, then we may use any other reasonable time period or method to calculate Liquidated Damages."

Section 18.2.10 of the Franchise Agreement does not apply to Washington franchisees.

Section 19.5 of the Franchise Agreement does not apply to Washington franchisees.

Section 21.3 is amended to exclude liabilities cause by Franchisor's gross negligence or willful misconduct.

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 with the franchise.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

SCHEDULE 8 TO THE FRANCHISE AGREEMENT
GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, ("**RELEASOR**") an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by Scenthound Franchising, LLC, a Florida limited liability corporation ("**RELEASEE**"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "**Franchise**") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "**Franchise Agreement**") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE's officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE's successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR's heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

This General Release does not apply to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

Title: _____

(or, if an individual)

Signed: _____

Name printed: _____

SCHEDULE 9 TO THE FRANCHISE AGREEMENT
CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBER

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this "**Assignment**") is effective as of _____, 20__, between Scenthound Franchising, LLC, a Florida limited liability company, having its principal place of business at 5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418 ("**we**," "**us**" or "**our**") and _____ _____, whose current place of business is _____ ("**you**" or "**your**"). You and we are sometimes referred to collectively as the "**parties**" or individually as a "**party.**"

BACKGROUND INFORMATION:

We have simultaneously entered into that certain franchise agreement dated _____ with you (the "**Franchise Agreement**"), pursuant to which you plan to own and operate a Scenthound franchise business (the "**Scenter**"). Scenters use certain proprietary information, knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the "**System**"). We identify various components of our System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the "**Marks**"). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.

2. **Conditional Assignment**: You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Numbers and Listings**") associated with the Marks and used from time to time in connection with the operation of your Scenter. This Assignment is for collateral purposes only. We will have no liability or obligation of any kind arising from or in connection with this Assignment, unless we notify the telephone company, the provider of a voice over Internet phone, and/or the listing agencies with which you have placed telephone directory listings (collectively, the "**Telephone Company**") to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.

3. **Power of Attorney**: You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be

necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification**: You will indemnify and hold us and our affiliates, shareholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action in which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect**: This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control**: This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability**: If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum**: This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Palm Beach County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SCENTHOUND FRANCHISING, LLC

Signature: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE:

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

SCENTHOUND FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement ("**MUDA**") made and entered on _____ (the "**Effective Date**") by and between:

- Scenthound Franchising, LLC, a Florida limited liability company, having its principal place of business at 5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418 ("**Franchisor**," "**we**," "**us**," or "**our**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ _____ ("**Developer**", "**you**," or "**your**").

WHEREAS, we have developed certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**System**").

WHEREAS, by signing below, you understand and acknowledge that it is solely your responsibility to comply with all business, franchise and laws applicable to your Scenthound businesses including the laws set forth in our Franchise Disclosure Document ("**Disclosure Document**").

WHEREAS, by signing below, you understand and acknowledge that each location you open shall be subject to the then-current franchise agreement (the "**Franchise Agreement**") which may have terms that are materially different than the franchise agreement you are signing in conjunction with this MUDA.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

1. GRANT

1.1. We hereby grant to you, pursuant to the terms and conditions of this MUDA, certain development rights ("**Development Rights**") to establish and operate ____ Scenthound franchised businesses (each a "**Scenter**") at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment "D" of this MUDA (hereinafter "**Development Schedule**"). Each Scenter developed hereunder shall be located in the area described in Attachment "E" of this MUDA (hereinafter "**Development Area**").

1.2. This MUDA is not a Franchise Agreement and does not grant to you any right to use our trade names, trademarks, and logos as we may designate from time to time (collectively, the

"**Marks**"). You shall have no right under this MUDA to sub-franchise, sub-license, or sell Scenters to third parties.

2. DEVELOPMENT FEE

2.1. In consideration of the Development Rights granted herein, you shall pay to us an initial payment, or "Development Fee," upon signing this MUDA, in an amount that is determined based upon the number of Scenters you agree to develop and operate. For each additional Scenter purchased after the first, the initial franchise fee will be discounted. The initial franchise fee for the first Franchises Business is $49,900. The initial franchise fee for the second Scenter is $40,000. The initial franchise fee for the third Scenter is $35,000. The initial franchise fee for each of the fourth or more Scenter is $30,000 each. You must pay us the total fee in the chart below based upon the number of Scenters you agree to develop and operate (the "**Development Fee**") upon entering into the MUDA that is calculated as the sum of the discounted initial franchise fee for the Scenters to be developed as follows:

Number of Scenters	Fee Amount Due at Signing
1	$49,900
2	$89,900
3	$124,900
4	$154,900
Additional Scenters	$30,000 each

2.2. You acknowledge and agree that the Development Fee shall be fully earned by us upon execution of this MUDA, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this MUDA or any Franchise Agreement. The Development Fee constitutes 100% of the initial franchise fees for the number of Scenters you must open.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1. You shall assume all responsibility and expense for locating potential sites for your Scenters and shall submit to us for our evaluation and approval, information and documentation we request, which shall include, at minimum, a description of the site, the terms of the lease or purchase, and such other information and materials as we may reasonably require. We will make reasonable efforts to notify you within 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. We shall have no obligation to approve sites which do not meet our criteria for you to meet the Development Schedule.

3.2. Recognizing that time is of the essence, you agree to exercise the Development Rights granted hereunder in the manner specified herein, and in accordance with the Development Schedule. Your failure to adhere to the Development Schedule shall constitute a default under this MUDA as provided in Section 9.1 hereof. Under no circumstances may you or an affiliate (defined herein as a separate corporate entity commonly owned by you) open a Scenter for business unless and until there is a fully executed Franchise Agreement in place for each such Scenter, and we have been paid all amounts due and owing to us upon execution of such Franchise Agreement. Each then-current form of the Franchise Agreement shall be executed prior to our acceptance of a site for each additional Scenter you are required to develop and open.

3.3. You shall exercise your Development Rights granted herein only by executing a Franchise Agreement for each Scenter at a site approved by us in the Development Area as hereinafter provided within 10 days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Scenter shall be executed contemporaneously with this MUDA by you or your affiliate. In the event we do not receive the properly executed Franchise Agreement within 10 days from delivery to you, our approval of the approved site and your development rights may be voided, at our option.

3.4. You acknowledge that neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria, nor the specific location of your Scenter will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Scenter. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise at the approved site.

3.5. You shall be required to execute each Franchise Agreement and own a minimum of 51% of the issued and outstanding stock or membership interests for each Scenter to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over any entity operating each Unit.

3.6 You are required to open the predetermined number of Scenters according to the Development Schedule. Should you request or we deem it necessary to grant you an extension to your Development Schedule, you will pay us $2,500 for each 90-day extension period we grant you (the "**Extension Fee**"). The Extension Fee is nonrefundable. Our granting you an extension to your Development Schedule does not waive any other rights or remedies we have under this MUDA.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1. Subject to the provisions of this MUDA, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this MUDA, Development Rights under this MUDA may or may not, in our sole discretion, include the right to develop Scenthound franchises at "**Non-Traditional Sites**". Non-Traditional Sites include without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums. If a Non-Traditional Site becomes available within the Development Area during the term of this MUDA, we may, in our sole discretion, offer you the opportunity to develop a Scenter at the Non-Traditional Site. You will have 30 days after we notify

you that the site is available to accept this right of first refusal. If you accept the development of the Non-Traditional Site, it will be included in your Development Schedule.

4.2. Provided you are in full compliance with all the terms and conditions of this MUDA, including, without limitation, your development obligations described in Section 3.2, and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this MUDA, then during the term of this MUDA, neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Scenters within the Development Area, except the franchises that are granted to you pursuant to this MUDA and except as otherwise expressly provided in this MUDA. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of this MUDA and all of the Franchise Agreements signed under it.

4.3. Upon the termination or expiration of this MUDA, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Scenters within the Development Area subject only to the territorial rights granted to you with respect to each Scenter operated by you pursuant to the Franchise Agreements signed under this MUDA and subject, further, to the right of first refusal described in Section 6 below.

4.4. We and our affiliates retain all rights with respect to each Scenter, the System, the Marks and the sale of any Scenthound-branded goods and services, anywhere in the world, including, without limitation, the right:

4.4.1. to produce, offer and sell and to grant others the right to produce, offer and sell any of the products or services offered at Scenters and any other goods or services displaying the Marks or other trade and service marks through alternative channels of distribution (including, but not limited to, the Internet, catalog sales, grocery stores, pet stores, telemarketing or other marketing methods) both within and outside your Development Area, and under any terms and conditions we deem appropriate;

4.4.2. to operate and to grant others the right to operate Scenters located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Development Area and Scenters thereunder;

4.4.3. to operate and to grant others the right to operate Scenters at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate; and

4.4.4. the right to acquire and operate a business operating one or more competing businesses located or operating in your Development Area.

4.5. To maintain your rights under the MUDA, you must have open and maintain in operation the cumulative number of Scenters stated on the Development Schedule by the dates agreed upon. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the MUDA.

5. RENEWAL

This MUDA shall not be subject to renewal. However, if you wish to purchase a new Development Area and continue to develop Scenters, we will, in good faith, negotiate a new MUDA with you subject to availability in our discretion and on terms commensurate with our then-current MUDA and Development Fee schedules.

6. TERM AND RIGHT OF FIRST REFUSAL

6.1. Unless sooner terminated in accordance with the terms of this MUDA, the term of this MUDA and all Development Rights granted hereunder shall expire on the date the last Scenter is opened pursuant to the Development Schedule established in Attachment "D".

6.2 If, at any time or from time to time following the opening for business of all the Scenters in accordance with the Development Schedule, we determine that it is desirable to operate one or more additional Scenter in the Development Area, and provided you have timely complied with the Development Schedule and are in compliance with all terms and conditions of all Franchise Agreements signed under the MUDA, you shall have a right of first refusal to obtain the Development Rights to such additional Scenter upon such reasonable terms and conditions as are determined by us including, but not limited to, the imposition of a new Development Fee and payment of the then-current Initial Franchise Fee for each Scenter upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Scenter(s). If you do not exercise this first right of refusal, in whole, we may, following the expiration of the 30-day period, grant the Development Rights to such additional Scenter(s) to any other person or persons on the same terms and conditions or we may elect to develop and construct any such additional Scenter(s).

7. YOUR OBLIGATIONS

7.1. You acknowledge and agree that:

7.1.1. Except as otherwise provided herein, this MUDA includes only the right to select sites for the establishment of Scenters and to submit the same to us for our approval in accordance with the terms of this MUDA. This MUDA does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Scenters within the Development Area. You shall obtain the license to use such additional rights at each Scenter upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2. The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.1.3. Except as provided in Sections 6.1. and 6.2. hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.1.3.1. to continue to construct and operate other Scenters and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.1.3.2. to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.1.3.3. to develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative channels of distribution outside or inside of the Development Area and to use the Marks in connection therewith.

7.1.4. You have sole responsibility for the performance of all obligations arising out of the operation of your development business pursuant to this MUDA, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5. In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your development business and that the operations of said business are separate and distinct from the operation of a Scenter.

7.1.6. You shall, at all times, preserve in confidence any and all materials and information furnished or disclosed to you by us, and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7. You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8. You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9. In no event shall any Scenters be opened for business unless and until a Franchise Agreement for such Scenter has been fully executed and any additional initial fees due to us or our affiliates have been paid.

8. OUR SERVICES

8.1. We will review the information regarding potential sites for your Scenters that you provide to us to determine whether the sites meet our then current standards and criteria, and if the site meets our criteria, accept the site.

8.2. We will assist you in determining the layout and configuration of each Scenter once the location has been approved. After you and we have determined the layout and configuration of each Scenter, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review.

8.3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications.

8.4. We may provide other resources and assistance as may be developed and offered to our developers in our discretion and as we deem appropriate.

9. DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this MUDA upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this MUDA shall be terminated in accordance with the provisions of any such law:

9.1.1. If you shall, in any respect, fail to meet the Development Schedule.

9.1.2. If you shall purport to affect any assignment other than in accordance with Section 11 hereof.

9.1.3. Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this MUDA prior to the time that at least two Scenters have been constructed and opened for business in accordance with the Development Schedule are, in fact, open or under construction.

9.1.4. If you make, or have made, any material misrepresentation to us in connection with obtaining this MUDA, any site approval hereunder, or any Franchise Agreement signed under this MUDA.

9.1.5. If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6. If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of any Scenter under this MUDA, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7. If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one year.

9.1.8. If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9. If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Scenters developed pursuant to the terms of this MUDA.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this MUDA or provided by law or equity, terminate this MUDA. Such termination shall be effective 30 days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1. If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property, except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2. If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products or services similar to those permitted to be sold by you within the Development Area or in any business which looks like, copies or imitates a Scenter or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3. If you shall fail to remit to us any payments pursuant to Section 2 when same are due. Any amounts paid by you toward the Development Fee upon termination shall be non-refundable.

9.2.4. If you shall begin work upon any Scenter at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5. If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this MUDA.

9.2.6. If you default in the performance of any other obligation under this MUDA.

9.2.7. If you open any Scenter for business before a Franchise Agreement for such Scenter has been fully executed by you and us and all initial fees due to us have been paid.

10. OBLIGATIONS FOLLOWING TERMINATION

10.1. Upon termination of this MUDA becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1. to cease immediately any attempts to select sites on which to establish Scenters.

10.1.2. to cease immediately to hold yourself out in any way as a Developer of ours or to do anything which would indicate a relationship between you and us.

10.1.3. to immediately and permanently cease to use the Marks and distinctive forms, slogans, signs, and symbols associated with the Developer program and the System.

10.1.4. to promptly pay all sums owing to us and our affiliates under this MUDA. In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us or our affiliates as a result of the default.

10.1.5. You shall comply with the covenants contained in Section 12 of this MUDA.

10.2. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

11. TRANSFER OF INTEREST

11.1. This MUDA is personal to you, and you shall neither sell, assign, transfer nor encumber this MUDA, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this MUDA may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section 11 shall constitute a material breach of this MUDA.

11.2. In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by

the equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Scenters pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Scenters shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one-time assignment to a corporate entity.

11.3. If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than 51% of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this MUDA. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with Scenthound Franchising, LLC, dated _____. Reference is made to said Multi-Unit Development Agreement and related franchise agreements and to restrictive provisions of the governing documents of this entity."**

11.4. The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded. You are strictly prohibited from offering your securities through a public offering or private placement.

11.5. In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this MUDA was originally executed by more than one party, then to the remaining party(ies) who originally executed this MUDA, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this MUDA.

11.6. You have represented to us that you are entering into this MUDA with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this MUDA, prior to the time that

at least 25% of the Scenters to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7. Except as provided in Section 11.6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this MUDA, including all of the requirements of this Section 11.7 with respect to the proposed transfer.

11.8. You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11.8 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9. Except as provided in Section 11.6. hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1. All of your obligations created by this MUDA, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2. All ascertained or liquidated debts of you to us or our affiliates or are paid.

11.9.3. You are not in default hereunder.

11.9.4. We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5. Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of MUDA, Franchise Agreements for all Scenters open or under

construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.9.6. You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this MUDA or the performance or non-performance thereof by us.

11.9.7. You or transferee pay to us a transfer fee in an amount greater of (i) 50% of then current applicable Initial Franchise Fee, (ii) or $10,000, to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10. Upon the death or mental incapacity of any person with an interest of more than 50% in this MUDA or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within 12 months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed 12 months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this MUDA. It is understood and agreed, however, that notwithstanding the foregoing, the Development Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this MUDA, provided such termination had not previously occurred for failure to perform pursuant to the Development Schedule, upon 90 days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11. Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this MUDA by the transferee.

11.12. We shall have the right to assign this MUDA and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations. You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of

"Scenthound Franchising, LLC" as Franchisor. Nothing contained in this MUDA shall require us to remain in our current industry or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this MUDA.

12. COVENANTS

12.1. You covenant that during the term of this MUDA, except as otherwise approved in writing by us, you (or if Developer is a corporation or partnership, the Operating Principal) or your manager shall devote full time, energy, and best efforts to the management and operation of the Developer's business governed by this MUDA.

12.2. You specifically acknowledge that, pursuant to this MUDA, you will receive confidential information, including without limitation, marketing methods and techniques of us and the System. You covenant that, during the term of this MUDA, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.2.1. Divert or attempt to divert any business or customer of any Scenter operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

12.2.2. Employ or seek to employ any person who is at that time employed by us or any of our franchisees or developers, or directly or indirectly induce such person to leave their employ.

12.2.3. Own, maintain, operate, affiliate with, or have an interest in any business (whether directly operating such a business or as a franchisee, developer, or otherwise) that is competitive with a Scenter.

12.3. You and your owners covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period of two years from the date of: (a) a transfer permitted under Section 11; (b) expiration or termination of this MUDA (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 12.3, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any persons or entity, own, maintain, operate, engage in, develop or acquire any interest in any business that is competitive with a Unit and, and which business is, or is intended to be, located (a) within the Development Area; (b) within a 25 mile radius of the Development Area; or (c) within a 25 mile radius of any Scenthound franchise operating under the System at the time of transfer, expiration or termination.

12.4. Sections 12.2 and 12.3 above shall not apply to ownership by Developer of an interest in any business operated under the System under a franchise granted by us or of less than 5% beneficial interest in the outstanding equity securities of any publicly held entity.

12.5. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this MUDA. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of 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 Section 12.

12.6. You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 12.2 and 12.3 of this MUDA, or any portion thereof, without your consent, effective immediately upon receipt of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

12.7. You expressly agree that the existence of any claims you may have against us, whether or not arising from this MUDA, shall not constitute a defense to the enforcement by us of the covenants in this Section 12. You agree to pay all costs and expenses (including reasonable attorneys' fees and expenses) we incur in connection with the enforcement of this Section 12.

12.8. You shall require and obtain execution of covenants, in a form reasonably acceptable to us, of confidentiality and non-competition similar to those set forth elsewhere in this MUDA (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (a) all managers of Developer; (b) all officers, directors, and holders of a beneficial interest of 5% or more of the securities of Developer, and of any entity directly or indirectly controlling Developer, if Developer is an entity; and (c) the general partners and any limited partners if Developer is a partnership. The covenants required by this Section 12 shall be in a form specified by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

12.9. You and your owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and your owners certify, represent, and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are otherwise in violation of any of the Anti-Terrorism Laws. For the purposes of this Section 12.9, the following terms have the following meanings: (a) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States ("**Executive Order 13224**"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this MUDA and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war; (b) "Owner" means any person, partner, member, or shareholder who owns any direct or indirect interest in Developer. You and your owners certify that none of you,

your respective employees, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "**Annex**"). You agree not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). You also agree not to knowingly: (a) establish a new relationship with a person as an employee, owner, banker, or otherwise who is listed in the Annex (whether or not we have consented to a Transfer involving such new owner); and (b) maintain a business relationship (whether with an employee, an owner, banker, or otherwise) with a person who is added to the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, your employees, or anyone else associated with you to be listed in the Annex to Executive Order 13224. You understand that you are solely responsible for ascertaining what actions you must take to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this MUDA also apply to your obligations under this Section 12.9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, your employees, and/or their respective affiliates shall constitute grounds for immediate termination of this MUDA and any other agreement you have entered into with us or one of our affiliates.

13. NOTICES

Any and all notices required or permitted under this MUDA shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the addresses listed in the opening paragraph unless and until a different address has been designated by written notice to the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1. It is understood and agreed by the parties hereto that this MUDA does not create a fiduciary relationship between them, and that nothing in this MUDA is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this MUDA is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2. You shall hold yourself out to the public to be an independent contractor operating pursuant to this MUDA. You agree to take such actions as shall be necessary to that end.

14.3. You understand and agree that nothing in this MUDA authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

15. APPROVALS

15.1. Whenever this MUDA requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this MUDA, or by reason of any neglect, delay or denial of any request therefor.

16. NON-WAIVER

No failure of ours to exercise any power reserved to us under this MUDA or to insist upon compliance by you with any obligation or condition in this MUDA, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this MUDA. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this MUDA affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

17. SEVERABILITY AND CONSTRUCTION

17.1. Each covenant and provision of this MUDA shall be construed as independent of any other covenant or provision of this MUDA. The provisions of this MUDA shall be deemed severable.

17.2. If all or any portion of a covenant or provision of this MUDA is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this MUDA.

17.3. Nothing in this MUDA shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this MUDA.

17.4. All captions in this MUDA are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this MUDA on your behalf.

17.6. This MUDA may be executed in multiple copies, each of which shall be deemed an original.

18. ENTIRE AGREEMENT; APPLICABLE LAW

18.1. This MUDA, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this MUDA shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2. This MUDA takes effect upon its acceptance and execution by us. Except to the extent this MUDA or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this MUDA and the relationship created hereby are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

18.3. Subject to the Arbitration provision below, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Palm Beach County, Florida, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

19. DISPUTE RESOLUTION

19.1 WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS MUDA OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS MUDA OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A PLACE THAT WE DESIGNATE

WITHIN 25 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR MEDIATION IS FILED. (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THE MEDIATION SHALL BE CONDUCTED BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED 15 DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF FRANCHISE DISPUTES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. NEVERTHELESS, BOTH YOU AND WE HAVE THE RIGHT IN A PROPER CASE TO OBTAIN TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION. THE MEDIATION PROVISIONS OF THIS MUDA ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD-PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES.

19.2. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED WITHIN 50 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA") (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE ARBITRATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO

ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS MUDA. THE PARTY AGAINST WHOM THE ARBITRATOR RENDERS A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD.

19.3. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

19.4. Nothing in this MUDA shall bar our right to obtain specific performance of the provisions of this MUDA and injunctive relief against threatened conduct that will cause us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

19.5. No right or remedy conferred upon or reserved to us or you by this MUDA is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.6. YOU HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, THE RELATIONSHIP CREATED BY THIS MUDA, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

19.7. EXCEPT FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE MARKS OR CONFIDENTIAL INFORMATION, YOU WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST US. YOU ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING THE CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES YOU SUSTAIN.

19.8. ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS MUDA OR THE RELATIONSHIP BETWEEN YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE YEAR FROM THE

OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS MUDA IN ANY WAY.

19.9. You shall pay to us all damages, costs and expenses (including without limitation reasonable attorneys' fees) that we incur subsequent to the termination or expiration of the license granted under this MUDA in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this MUDA; (b) successfully defending a claim that we defrauded you into signing this MUDA, that the provisions of this MUDA are not fair, were not properly entered into, and/or that the terms of this MUDA do not govern the parties' relationship; and/or (c) enforcing any term in this MUDA.

20. TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Scenters in the Development Area in accordance with the Development Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Scenters within the Development Area in accordance with the Development Schedule, to operate such Scenter pursuant to the terms of the Franchise Agreements and to maintain all such Scenters in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Development Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this MUDA shall not be a default hereunder if such failure or delay arises out of or results from a "**Force Majeure**", which for purposes of this MUDA shall be defined as fire, flood, acts of God, global pandemic, government shutdown, earthquake or other natural disasters, or acts of a public enemy, war, act of terrorism, rebellion or sabotage. Force Majeure shall not include your lack of financing.

21. ACKNOWLEDGMENTS

21.1. You acknowledge and agree that we shall have the right to operate the System as we determine is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective franchisee), determining the terms of any agreement that we will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including franchisees), and all other matters whatsoever pertaining to the System. You understand that you shall not have any right whatsoever to enforce or to require us to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

21.2. You acknowledge that you have conducted an independent investigation of the Scenthound development business and recognize that the business venture contemplated by this

MUDA involves business risks and that its success will be largely dependent upon the ability of you as an independent businessperson or business. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, orally or in writing, as to the potential volume, profits, or success of the business venture contemplated by this MUDA.

21.3. You acknowledge that you have read and understood this MUDA, the documents referred to in this MUDA and agreements relating thereto, if any; and that we have accorded you ample time and opportunity to consult with advisors and/or attorneys of your own choosing about the potential benefits and risks of entering into this MUDA.

21.4. You acknowledge and agree that we have in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this MUDA.

21.5. You acknowledge that you received the Disclosure Document required by the Federal Trade Commission Franchise Rule at least 14 calendar days prior to the date on which this MUDA was executed or any consideration was paid to us.

21.6. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this MUDA; (b) exercising its rights under this MUDA; and/or (c) fulfilling its responsibilities under this MUDA.

21.7. You acknowledge that the success of the business venture contemplated under this MUDA is speculative and depends, to a large extent, upon your ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

21.8. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this MUDA.

22. EFFECTIVE DATE

22.1 This MUDA shall be effective as of the date it is executed by us.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

SCENTHOUND FRANCHISING, LLC **DEVELOPER:**

By:_____ By: _____

Name: _____ Name: _____

Title:_____ Title: _____

Date:_____ Date: _____

SCENTHOUND FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "A"

CERTIFICATION BY DEVELOPER

The undersigned, _____, personally, ("**Developer**") do/does hereby certify that they have conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Scenthound Franchising, LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated franchised businesses, except as may be included in the Scenthound Franchise Disclosure Document heretofore provided to Developer. The undersigned further certifies that he/she understands the risks involved in this investment and Scenthound Franchising, LLC makes no representation or guaranty, explicit or implied, that the Developer will be successful or will recoup his/her investment.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Certification has been signed the day and year below.

DEVELOPER'S MEMBERS/STOCKHOLDERS:

_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
_____	_____
Date Signed	Date Signed

SCENTHOUND FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "B"

GUARANTY

In consideration of the execution by Scenthound Franchising, LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, _____, agree(s) to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Guaranty has been signed the day and year below.

GUARANTORS:

_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
_____	_____
Date Signed	Date Signed
HOME ADDRESS	HOME ADDRESS
_____	_____
_____	_____
TELEPHONE NO.: _____	TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____ %

SCENTHOUND FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "C"

TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between _____ ("**Developer**") and Scenthound Franchising, LLC ("**Franchisor**").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding membership interests of the Limited Liability Company set forth below, and the Developer of the Units under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Development Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Developer's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__ between _____ and Scenthound Franchising, LLC"
>
> or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__ between _____ and Scenthound Franchising, LLC".

3. _____ or his/her designee shall devote his best efforts to the day-to-day operation and development of the Units.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Developer and Franchisor, to the same extent as if it were named as the Developer therein.

Date of Multi-Unit Development Agreement: _____

Development Area for Units: _____

As to Paragraph 3:	As to Paragraph 4:
_____	_____
Name	Name
_____	_____
Signature	Signature
_____	_____
Date	Date

In consideration of the execution of the above Agreement, Scenthound Franchising, LLC hereby consents to the above referred to assignment on _____.

SCENTHOUND FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

SCENTHOUND FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "D"

DEVELOPMENT SCHEDULE

The Agreement authorizes and obliges Developer to establish and operate ____ Scenters pursuant to a franchise agreement for each Scenter. The following is Developer's Development Schedule:

Scenter #	Deadline for Opening	Total # of Scenters to be Open and Operating On Deadline	Fee Due to be Paid
			$_____
			$_____
			$_____
			$_____
			$_____
		Total Fees Due at Signing:	

The Development Schedule shall be deemed completed, and this MUDA shall expire, upon the opening of the final Scenter to be developed pursuant to this Agreement.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Development Schedule.

SCENTHOUND FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER:

By: _____

Name: _____

Title: _____

Date: _____

SCENTHOUND FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "E"

"DEVELOPMENT AREA"

The following describes the Development Area within which Developer may locate Scenters under the MUDA:

_____

___ Check if Map attached

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Development Area.

SCENTHOUND FRANCHISING, LLC	**DEVELOPER:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SCENTHOUND FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "F"

STATE ADDENDA TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

CALIFORNIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

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 with the franchise.

California's Franchise Investment Law (Corporation Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you (ii) your ability to rely on any representation it makes to you, or (iii) any violations of the law.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

DEVELOPER:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

ILLINOIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. The Multi-Unit Development Agreement is governed by Illinois law.

3. In conformance with Section 4 of the Illinois Act, any provision in the Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.

4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Act.

5. In conformance with Section 41 of the Illinois Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Act or any other law of Illinois is void.

6. Payment of Initial Franchise Fees/Development Fees shall be deferred until Franchisor has met its initial obligations to area developer and area developer has commenced its Franchised Business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

7. This Addendum is effective as of the Effective Date.

DEVELOPER:

By: _____

Date: _____

SCENTHOUND FRANCHISING, LLC

By: _____

Date: _____

MARYLAND ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

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

2. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.

3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Based on the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments owed by area developers shall be deferred until the first Unit under the Multi-Unit Development Agreement opens.

DEVELOPER:

By: _____

Date: _____

SCENTHOUND FRANCHISING, LLC

By: _____

Date: _____

MINNESOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. **Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. Section 2 of the Multi-Unit Development Agreement shall be supplemented to state: In Minnesota, the Initial Franchise Fee will be deferred until we have satisfied our pre-opening obligations and you commence your Franchised Business.

4. **Effective Date.** This Rider is effective as of the Effective Date.

5. 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 with the franchise.

6. **THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

7. **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPU OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHSIEE.**

DEVELOPER:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

NORTH DAKOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. The multi-unit development agreement is amended to also provide as follows:

   "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

2. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

   "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

3. North Dakota law governs any cause of action arising out of the Multi-Unit Development Agreement.

4. Any requirement in the Multi-Unit Development Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

5. The State if North Dakota has determined that requiring a franchisee to content to termination or liquidated damages in a franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination or liquidated damages is deleted.

6. The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

7. The State of North Dakota has determined that requiring franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Multi-Unit Development Agreement, and/or supplemental agreements that a franchisee consent to the jurisdiction of courts outside of North Dakota is deleted.

8. The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreement requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Multi-

Unit Development Agreement, and/or supplemental agreements that a franchisee waive a jury trial is deleted.

9. The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Multi-Unit Development Agreement, and/or supplemental agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

10. The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

11. The State of North Dakota has determined that requiring a franchisee to sign a general release upon renewal of a franchise agreement if unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any references or requirement that a franchisee sign a general release as a condition of renewing the franchise agreement is deleted.

12. 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 with the franchise.

DEVELOPER:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Section 2 of the Multi-Unit Development Agreement shall be amended to state: "In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisees has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business.

Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Multi-Unit Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until Franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location."

Section 21 of the Multi-Unit Development Agreement shall not apply in Washington.

DEVELOPER:	**SCENTHOUND FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

SCENTHOUND FRANCHISING LLC
OPERATIONS MANUAL TABLE OF CONTENTS

Scenthound

Operations Manual

Version 3.0

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EXHIBIT E TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Scenthound Franchising, LLC

(A Limited Liability Company)

Balance Sheet

JUNE 30, 2026

ASSETS		
Current Assets:		
Cash	$	545,679
Accounts receivable, current		28,835
Prepaid expenses		208,271
Prepaid commissions, current		231,190
Due from affiliates		402,825
Total Current assets		1,416,800
Property and equipment, net		8,163
Other assets:		
Accounts receivable, net of current		420,000
Due from parent		6,773,886
Prepaid commissions, net of current		2,586,229
Intangibles, net		94
Total other assets		9,780,209
TOTAL ASSETS	$	11,205,172
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$	678,369
Deferred revenue, current		1,907,905
Due to affiliates		3,505
Total current liabilities		2,589,779
Long-term liability:		
Deferred revenue, net of current		6,244,675
Total liabilites		8,834,454
Member's equity		2,370,718
TOTAL LIABILITIES AND MEMBER'S EQUITY	$	11,205,172

Scenthound Franchising, LLC

(A Limited Liability Company)

STATEMENT OF INCOME AND MEMBER'S EQUITY

For the Six Months Ended June 30, 2026

Revenues:		
Franchise fees	$	822,035
Royalties		2,206,360
Brand fund		439,882
Conference revenues		160,192
Other income		30,000
Total revenues		3,658,469
Selling, general and administrative expenses		2,935,786
Net income		722,683
Member's equity - beginning		1,648,035
MEMBER'S EQUITY (DEFICIT) - ENDING	$	2,370,718

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

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Citrin Cooperman & Company, LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Scenthound Franchising, LLC

Opinion

We have audited the accompanying financial statements of Scenthound Franchising, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income and member's equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2025 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scenthound Franchising, LLC as of December 31, 2025 and 2024, and the results of operations, and cash flows for each of the years in the three-year period ended December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Scenthound 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 Scenthound 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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scenthound 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 Scenthound 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.

Citrin Cooperman & Company, LLP

New York, New York
April 13, 2026

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SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current assets:		
Cash	$ 158,601	$ 398,548
Accounts receivable - franchise fees and royalties, net of allowances, current	58,969	130,985
Prepaid expenses	168,119	139,634
Prepaid commissions, current	231,190	184,390
Due from affiliates	241,382	-
Total current assets	858,261	853,557
Property and equipment, net	9,363	13,481
Other assets:		
Accounts receivable - franchise fees and royalties, net of allowances, net of current	420,000	482,500
Due from parent	5,946,256	3,833,827
Prepaid commissions, net of current	2,121,042	1,503,806
Intangibles, net	378	7,738
Total other assets	8,487,676	5,827,871
TOTAL ASSETS	$ 9,355,300	$ 6,694,909
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 416,450	$ 316,036
Deferred revenue, current	1,907,905	1,331,480
Due to affiliates	-	146,038
Total current liabilities	2,324,355	1,793,554
Long-term liability:		
Deferred revenue, net of current	5,382,910	5,100,986
Total liabilities	7,707,265	6,894,540
Member's equity (deficit)	1,648,035	(199,631)
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	$ 9,355,300	$ 6,694,909

See accompanying notes to financial statements.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF INCOME AND MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
Revenues:			
Franchise fees	$ 1,655,451	$ 1,898,094	$ 1,265,236
Royalties	3,500,991	2,416,490	1,363,564
Brand fund	698,356	445,449	230,823
Conference revenues	246,850	223,731	152,216
Other income	6,900	10,874	25,010
Total revenues	6,108,548	4,994,638	3,036,849
Selling, general and administrative expenses	4,260,882	3,209,642	2,828,877
Net income	1,847,666	1,784,996	207,972
Member's deficit - beginning	(199,631)	(1,984,627)	(2,192,599)
MEMBER'S EQUITY (DEFICIT) - ENDING	$ 1,648,035	$ (199,631)	$ (1,984,627)

See accompanying notes to financial statements.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 1,847,666	$ 1,784,996	$ 207,972
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,736	17,423	30,855
Provision for credit losses	-	-	170,000
Loss on sale of property and equipment	-	-	750
Changes in assets and liabilities:			
Accounts receivable	134,516	(592,956)	97,882
Prepaid expenses	(28,485)	(27,503)	(268,659)
Prepaid commissions	(664,036)	(54,937)	-
Due from affiliates	(241,382)	-	-
Accounts payable and accrued expenses	115,414	65,761	10,924
Due to affiliates	(146,038)	138,458	2,335
Deferred revenue	843,349	540,786	555,394
Net cash provided by operating activities	1,875,740	1,872,028	807,453
Cash flows from investing activities:			
Purchases of property and equipment	(3,258)	(8,343)	(9,764)
Acquisition of intangible assets	-	-	(1,702)
Net cash used in investing activities	(3,258)	(8,343)	(11,466)
Cash used in financing activities:			
Advances to parent	(2,112,429)	(1,996,855)	(1,833,320)
Net decrease in cash	(239,947)	(133,170)	(1,037,333)
Cash - beginning	398,548	531,718	1,569,051
CASH - ENDING	$ 158,601	$ 398,548	$ 531,718

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Scenthound Franchising, LLC (the "Company"), a wholly-owned subsidiary of Scenthound Holdings LLC (the "Parent") was formed on March 2, 2018, as a Florida limited liability company. The Company is engaged in the sale of franchises throughout the United States in accordance with a license agreement dated January 1, 2024, between the Company and Scenthound IP, LLC (the "Licensor"), an entity related to the Company by common ownership. Pursuant to the Company's standard franchise agreement, franchisees will operate a business that specializes in basic hygiene and routine wellness care for dogs.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and accounts receivable. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2025-05—*Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.*

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable (continued)

The Company has elected the practical expedient, Topic 326 that allows the Company, when developing its reasonable and supportable forecasts for its current expected credit losses, to assume conditions as of the balance sheet date persist throughout the forecast period. As such, no adjustment has been made for a reasonable and supportable forecast. In addition, the Company has made an accounting policy election to consider collection activity after the balance sheet date through January 31 when estimating expected credit losses, and, therefore, the credit loss allowance reflects this activity. Adoption of the practical expedient under Topic 326 did not have a material impact on the financial statements. At December 31, 2025 and 2024, the Company had an allowance for doubtful accounts of $90,000 and $190,000, respectively.

The allowance for doubtful accounts for the years ended December 31, 2025 and 2024, is comprised of the following:

	2025	2024
Beginning balance	$ 190,000	$ 360,000
Provisions	90,000	-
Write-offs	(190,000)	(140,000)
Recoveries	-	(30,000)
Allowance for doubtful accounts	$ 90,000	$ 190,000

Related-party transactions

The Parent is also the sole owner of three other entities. There are related-party transactions between the Company, the Parent, and the other entities. Vendor invoices are either paid directly or funds are transferred between entity bank accounts.

Property and equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements are capitalized. Maintenance and repairs that do not improve or extend the lives of furniture and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss reported in the statements of income and member's equity (deficit).

Property and equipment consist of computers and software. Depreciation and amortization is provided for three years using the straight-line method.

Intangible assets

The Company's intangible assets consists of software and a design and construction manual that have a finite life of greater than one year.

Revenue recognition

The Company derives its revenues from franchise fees and royalties, brand fee revenue, and other fees charged under the terms of the franchise agreements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties

Contract consideration from franchise operations consists primarily of initial and renewal franchise fees, sales-based royalties, and sales-based brand fund fees. The Company may also enter into multi-unit development agreements ("MUDAs") which grant a franchisee the right to develop two or more franchise units. The Company collects the initial franchise fees for all franchise units included in a MUDA. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement or MUDA is signed by the franchisee. Sales-based royalties and brand fund fees are collected weekly. Renewal fees are collected when an existing franchisee renews the franchise agreement for an additional term.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those costs would include training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU No. 2021-02, *Franchisors - Revenue from Contracts with Customers* ("ASU 2021-02"), are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company determines if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The Company has determined that certain of the training and site development assistance provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities, that is not brand specific are deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and therefore accounted for as a separate performance obligation. All other pre-opening activities are determined to be highly interrelated to the use of the Company's intellectual property and therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees, additional territory fees, and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties (continued)

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUDAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties are earned as a percentage of franchisee gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand fund

The Company maintains a brand fund established to collect and administer funds contributed for use in advertising and promotional programs for the benefit of franchise units. Brand fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized, as contractually the Company is obligated to spend all funds, collected, for advertising and related administrative costs solely for the benefit of the franchisees, as these amounts are required to be maintained in a separate account. The Company expenses brand fund expenses as incurred.

The Company collects a brand fund fee from its franchisees of up to 1.5% of its franchisees' gross revenues, with an option to increase the fee up to 1% of gross revenues each year of the agreement, not to exceed 3% of gross revenues, in accordance with the Company's standard franchise agreement.

The brand fund is to be utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs for its administration. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the advertising fund. When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs are accrued up to the amount of brand fund revenues recognized.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Conference revenues
The Company holds an annual conference with required attendance for its franchisees and sponsorship opportunities offered. The Company recognizes conferences revenues at the time the conference is held.

Income taxes

The Company is treated as a single-member limited liability company and therefore a disregarded entity for income tax purposes. The Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions and referral fees, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Variable interest entities

In accordance with the provisions of FASB ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 8, meet the conditions under ASU 2018-17, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expenses are included in selling, general and administrative expenses and aggregated $97,368, $94,010 and $68,644 for the years ended December 31, 2025, 2024 and 2023, respectively.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the Company's previously reported net income or member's deficit.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 13, 2026, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FRANCHISED OUTLETS

The following data reflects the status of the Company's franchises for the years ended December 31:

	2025	2024	2023
Franchises sold	45	43	43
Franchised outlets in operation	148	117	71
Corporate-owned outlets in operation	6	5	5

For the years ended December 31, 2025, 2024 and 2023, the Company entered into 21, 16 and 16 new multi-unit development agreements, for each of the years, respectively. As of December 31, 2025, the Company had entered into 85 multi-unit development agreements. These agreements include a total of 363 locations to be entered into under franchise agreements, of which 156 have been entered into as of December 31, 2025.

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and the Company's ability to collect on its contracts. The Company disaggregates revenues from contracts with customers by geographic region and the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

Revenues by timing of recognition were as follows for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Point in time:			
Franchise fees	$ 789,375	$ 1,257,255	$ 1,036,225
Royalties	3,500,991	2,416,490	1,363,564
Brand fund fees	698,356	445,449	230,823
Conference revenues	246,850	223,731	152,216
Other revenues	6,900	10,874	25,010
Total point in time	5,242,472	4,353,799	2,807,838
Over time:			
Franchise fees	866,076	640,839	229,011
Total revenues	$ 6,108,548	$ 4,994,638	$ 3,036,849

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances

The accounts receivable and franchise fee receivable balance, net of allowance for doubtful accounts as of December 31, 2025, 2024 and 2023, amount to $478,969, $613,485, and $20,529 respectively.

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenue during the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Deferred revenue - beginning of year	$ 6,432,466	$ 5,891,680
Revenue recognized during the year	(1,655,451)	(1,898,094)
Additions for initial franchise fees	2,513,800	2,649,780
Refunds	-	(210,900)
Deferred revenue - end of year	$ 7,290,815	$ 6,432,466

At December 31, 2025, deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Fiscal year ending December 31:	Amount
2026	$ 1,907,905
2027	1,374,996
2028	842,166
2029	679,372
2030	549,699
Thereafter	1,936,677
Total	$ 7,290,815

Deferred franchise revenues consisted of the following at December 31, 2025 and 2024:

	2025	2024
Franchise units not yet opened	$ 5,954,375	$ 5,334,463
Opened franchise units	1,336,440	1,098,003
Total	$ 7,290,815	$ 6,432,466

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

Direct and incremental costs, principally consisting of commissions, are included in "Prepaid commissions" in the accompanying balance sheets. At December 31, 2025, direct and incremental costs over the remaining term of the associated franchise agreements are as follows:

Fiscal year ending December 31:	Amount
2026	$ 231,190
2027	250,476
2028	271,936
2029	280,937
2030	275,739
Thereafter	1,041,954
Total	$ 2,352,232

NOTE 5. CONCENTRATION OF CREDIT RISK

Cash

The Company places its cash and cash equivalents, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts and franchise fee receivable

As of December 31, 2025 and 2024, approximately 70% and 90% of the Company's accounts receivables and franchise fee receivables were derived from two and four third-party franchisees in operation, respectively. As further discussed in Note 8, there were no related party accounts receivables and franchise fee receivables concentrations as of December 31, 2025 and 2024.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2025 and 2024:

	2025	2024
Office and computer equipment	$ 38,719	$ 35,461
Less: accumulated depreciation and amortization	(29,356)	(21,980)
Property and equipment, net	$ 9,363	$ 13,481

Total depreciation expense for the years ended December 31, 2025 and 2024, amounted to $7,376 and $6,398, respectively.

NOTE 7. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2025 and 2024:

	2025	2024
Software	$ 47,017	$ 47,017
Design and construction manual	29,680	29,680
	76,697	76,697
Less: accumulated amortization	(76,319)	(68,959)
Intangible assets, net	$ 378	$ 7,738

Total amortization expenses for the years ended December 31, 2025 and 2024, amounted to $7,360 and $11,025, respectively.

NOTE 8. RELATED-PARTY TRANSACTIONS

There are six corporate owned locations owned by entities affiliated through common control that operate as franchise locations which pay royalties and brand fund fees to the Company. Revenues from these locations amounted to $152,224, $145,788 and $126,112 for the years ended December 31, 2025, 2024 and 2023, respectively.

Due from (to) affiliates

In addition, in the normal course of business, the Company pays certain expenses on the behalf of entities affiliated through common control. No interest is charged on these advances. Advances to and from are unsecured and have no specific repayment terms. Management expects such balances to be settled within the next year. At December 31, 2025, there were no amounts due to affiliates. At December 31, 2024, the net balances due to affiliates amounted to $146,038. At December 31, 2025 the net balances due from affiliates amounted to $241,382. At December 31, 2024 there were no balances due from affiliates.

Due from Parent

In addition, the Company periodically advances funds to and receives funds from the Parent. No interest is charged on these advances. Advances to and from are unsecured and have no specific repayment terms. Management does not expect this balance to be settled within the next year and therefore classified as noncurrent. At December 31, 2025 and 2024, the net balances due from the Parent amounted to $5,946,256 and $3,833,827 respectively.

NOTE 9. LICENSE AGREEMENT

On January 1, 2024, the Company entered into a 99-year non-exclusive, royalty-free license agreement with the Licensor for the use of the trademark "Scenthound" and other related intellectual property (the "License Agreement"). Pursuant to the License Agreement, the Company has acquired the right to sell and operate "Scenthound" franchises and collect franchise fees, royalties, and other fees from franchisees. The License Agreement may be terminated by either party with 30-days' written notice and requires the Company to pay the Licensor an annual license fee of $100.

NOTE 9. LICENSE AGREEMENT (CONTINUED)

On January 1, 2026, the Company entered into a new 99-year non-exclusive license agreement with the Licensor for the use of the trademark "Scenthound" and other related intellectual property (the "License Agreement II"). Pursuant to the License Agreement II, the Company has acquired the right to sell and operate "Scenthound" franchises and collect franchise fees, royalties, and other fees from franchisees. The License Agreement may be terminated by either party with 30-days' written notice and requires the Company to pay the Licensor an annual license fee of equal to two percent of store sales from franchised and company-owned outlets as defined in License Agreement II.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is, from time to time, involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's financial position.

NOTE 11. 401(k) PLAN

The Company participates in a defined contribution retirement plan sponsored by the Parent. On January 1, 2025, the plan was amended to include an employer matching contribution equal to three percent of a participant's compensation, plus a half percent of the amount of a participant's elective deferrals that exceed three percent of the participant's compensation but do not exceed five percent of the participant's compensation. Amounts recognized for employer matching contributions amounted to $68,762 for the year ended December 31, 2025.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Scenthound Franchising, LLC

Opinion

We have audited the accompanying financial statements of Scenthound Franchising, LLC (a limited liability company), which comprise the balance sheets for the years ended December 31, 2024 and 2023, and the related statements of income and member's deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scenthound Franchising, LLC as of December 31, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Scenthound Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Scenthound 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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scenthound 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 Scenthound 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.

Citrin Cooperman & Company, LLP

New York, New York
April 17, 2025

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SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash	$ 398,548	$ 531,718
Accounts receivable - franchise fees and royalties, net	613,485	20,529
Prepaid expenses	139,634	112,131
Prepaid commissions, current	184,390	173,137
Total current assets	1,336,057	837,515
Property and equipment, net	13,481	11,536
Other assets:		
Due from parent	3,833,827	1,836,972
Prepaid commissions, net of current	1,503,806	1,460,122
Intangibles, net	7,738	18,763
Total other assets	5,345,371	3,315,857
TOTAL ASSETS	$ 6,694,909	$ 4,164,908
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 316,036	$ 250,275
Deferred revenue, current	1,331,480	1,561,756
Due to affiliates	146,038	7,580
Total current liabilities	1,793,554	1,819,611
Long-term liability:		
Deferred revenue, net of current	5,100,986	4,329,924
Total liabilities	6,894,540	6,149,535
Member's deficit	(199,631)	(1,984,627)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 6,694,909	$ 4,164,908

See accompanying notes to financial statements.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF INCOME AND MEMBER'S DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenues:		
Franchise fees	$ 1,898,094	$ 1,265,236
Royalties	2,416,490	1,363,564
Brand fund	445,449	230,823
Conference revenues	223,731	152,216
Other income	10,874	25,010
Total revenues	4,994,638	3,036,849
Selling, general and administrative expenses	3,209,642	2,828,877
Net income	1,784,996	207,972
Member's deficit - beginning	(1,984,627)	(2,192,599)
MEMBER'S DEFICIT - ENDING	$ (199,631)	$ (1,984,627)

See accompanying notes to financial statements.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Net income	$ 1,784,996	$ 207,972
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,423	30,855
Provision for credit losses	(170,000)	170,000
Loss on sale of property and equipment	-	750
Changes in assets and liabilities:		
Accounts receivable	(422,956)	97,882
Prepaid expenses	(27,503)	(268,659)
Prepaid commissions	(54,937)	-
Accounts payable and accrued expenses	65,761	10,924
Due to affiliates	138,458	2,335
Deferred revenue	540,786	555,394
Net cash provided by operating activities	1,872,028	807,453
Cash flows from investing activities:		
Purchases of property and equipment	(8,343)	(9,764)
Acquisition of intangible assets	-	(1,702)
Net cash used in investing activities	(8,343)	(11,466)
Cash used in financing activities:		
Advances to parent	(1,996,855)	(1,833,320)
Net decrease in cash	(133,170)	(1,037,333)
Cash - beginning	531,718	1,569,051
CASH - ENDING	$ 398,548	$ 531,718

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Scenthound Franchising, LLC (the "Company"), a wholly-owned subsidiary of Scenthound Holdings LLC (the "Parent") was formed on March 2, 2018, as a Florida limited liability company. The Company is engaged in the sale of franchises throughout the United States in accordance with a license agreement dated January 1, 2024, between the Company and Scenthound IP, LLC (the "Licensor"), an entity related to the Company by common ownership. Pursuant to the Company's standard franchise agreement, franchisees will operate a business that specializes in basic hygiene and routine wellness care for dogs.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and accounts receivable. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted. At December 31, 2024 and 2023, the Company had an allowance for doubtful accounts of $190,000 and $360,000, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable (continued)

The allowance for doubtful accounts for the years ended December 31, 2024 and 2023, is comprised of the following:

	2024	2023
Beginning balance	$ 360,000	$ 190,000
Provisions	-	200,000
Write-offs	(140,000)	(30,000)
Recoveries	(30,000)	-
Allowance for doubtful accounts	$ 190,000	$ 360,000

Related-party transactions

The Parent is also the sole owner of three other entities. There are related-party transactions between the Company, the Parent, and the other entities. Vendor invoices are either paid directly or funds are transferred between entity bank accounts.

A minority unit owner of Scenthound Holdings, LLC is also a minority owner of an entity that operates 5 franchisee locations of the Company.

Property and equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements are capitalized. Maintenance and repairs that do not improve or extend the lives of furniture and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss reported in the statement of income and member's deficit.

Property and equipment consist of computers and software. Depreciation and amortization is provided for three years using the straight-line method.

Intangible assets

The Company's intangible assets consists of software and a design and construction manual that have a finite life of greater than one year.

Revenue recognition

The Company derives its revenues from franchise fees and royalties, brand fee revenue, and other fees charged under the terms of the franchise agreements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties

Contract consideration from franchise operations consists primarily of initial and renewal franchise fees, sales-based royalties, and sales-based brand fund fees. The Company may also enter into multi-unit development agreements ("MUDAs") which grant a franchisee the right to develop two or more franchise units. The Company collects the initial franchise fees for all franchise units included in a MUDA. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement or MUDA is signed by the franchisee. Sales-based royalties and brand fund fees are collected weekly. Renewal fees are collected when an existing franchisee renews the franchise agreement for an additional term.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those costs would include training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under Accounting Standards Update ("ASU") No. 2021-02, Franchisors - Revenue from Contracts with Customers, are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company determines if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The Company has determined that certain of the training and site development assistance provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities, that is not brand specific are deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and therefore accounted for as a separate performance obligation. All other pre-opening activities are determined to be highly interrelated to the use of the Company's intellectual property and therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees, additional territory fees, and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company’s intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties (continued)
Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUDAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties are earned as a percentage of franchisee gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand fund
The Company maintains a brand fund established to collect and administer funds contributed for use in advertising and promotional programs for the benefit of franchise units. Brand fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized, as contractually the Company is obligated to spend all funds, collected, for advertising and related administrative costs solely for the benefit of the franchisees, as these amounts are required to be maintained in a separate account. The Company expenses brand fund expenses as incurred.

The Company collects a brand fund fee from its franchisees of up to 1.5% of its franchisees' gross revenues, with an option to increase the fee up to 1% of gross revenues each year of the agreement, not to exceed 3% of gross revenues, in accordance with the Company's standard franchise agreement.

The brand fund is to be utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs for its administration. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the advertising fund. For the years ended December 31, 2024 and 2023, the Company incurred expenses in the full amount of brand fund fees collected for 2024 and 2023, which are included in "Selling, general, and administrative expenses" in the accompanying statements of income and member's deficit.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Conference revenues
The Company holds an annual conference with required attendance for its franchisees and sponsorship opportunities offered. The Company recognizes conferences revenues at the time the conference is held. Revenues from the conference totaled $223,731 and $152,216 for the years ended December 31, 2024 and 2023, respectively.

Income taxes

The Company is treated as a single-member limited liability company and therefore a disregarded entity for income tax purposes. The Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions and referral fees, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Variable interest entities

In accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 8, meet the conditions under ASU 2018-17, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. Advertising expenses are included in selling, general and administrative expenses and aggregated $94,010 and $68,644 for the years ended December 31, 2024 and 2023, respectively.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the Company's previously reported net income or member's equity.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 17, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FRANCHISED OUTLETS

The following data reflects the status of the Company's franchises for the years ended December 31, 2024 and 2023:

	2024	2023
Franchises sold	43	43
Franchised outlets in operation	117	71
Corporate-owned outlets in operation	5	5

For the years ended December 31, 2024 and 2023, the Company entered into 16 new multi-unit development agreements, for each of the years respectively. As of December 31, 2024, the Company had entered into 66 multi-user development agreements. These agreements include a total of 279 locations to be entered into under franchise agreements, of which 129 have been entered into as of December 31, 2024.

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and the Company's ability to collect on its contracts. The Company disaggregates revenues from contracts with customers by geographic region and the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Revenues by timing of recognition were as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Point in time:		
Franchise fees	$ 1,257,255	$ 1,036,225
Royalties	2,416,490	1,363,564
Brand fund fees	445,449	230,823
Conference revenues	223,731	152,216
Other revenues	10,874	25,010
Total point in time	4,353,799	2,807,838
Over time:		
Franchise fees	640,839	229,011
Total revenues	$ 4,994,638	$ 3,036,849

Contract balances

The accounts receivable and franchise fee receivable balance as of December 31, 2024, 2023 and 2022, amount to $803,485, $380,529, and $288,414 respectively.

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenue during the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Deferred revenue - beginning of year	$ 5,891,680	$ 5,336,306
Revenue recognized during the year	(1,898,094)	(1,265,236)
Additions for initial franchise fees	2,649,780	1,820,610
Refunds	(210,900)	-
Deferred revenue - end of year	$ 6,432,466	$ 5,891,680

At December 31, 2024, deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Fiscal year ending December 31:	Amount
2025	$ 1,331,480
2026	1,425,102
2027	792,687
2028	559,059
2029	507,252
Thereafter	1,816,886
Total	$ 6,432,466

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

Deferred franchise revenues consisted of the following at December 31, 2024 and 2023:

	2024	2023
Franchise units not yet opened	$ 5,334,463	$ 5,174,763
Opened franchise units	1,098,003	716,917
Total	$ 6,432,466	$ 5,891,680

Direct and incremental costs, principally consisting of commissions, are included in "Prepaid commissions" in the accompanying balance sheets. At December 31, 2024, direct and incremental costs over the remaining term of the associated franchise agreements are as follows:

Fiscal year ending December 31:	Amount
2025	$ 184,390
2026	197,739
2027	203,664
2028	206,587
2029	206,982
Thereafter	688,834
Total	$ 1,688,196

NOTE 5. CONCENTRATION OF CREDIT RISK

Cash

The Company places its cash and cash equivalents, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts and franchise fee receivable

As of December 31, 2024, approximately 90% of the Company's accounts receivables and franchise fee receivables were derived from four third-party franchisees in operation. As of December 31, 2023, there were no accounts receivable and franchise fee receivable concentrations. As further discussed in Note 8, there were no related party accounts receivables and franchise fee receivables concentrations as of December 31, 2024 and 2023.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	2024	2023
Office and computer equipment	$ 35,461	$ 28,366
Less: accumulated depreciation and amortization	(21,980)	(16,830)
Property and equipment, net	$ 13,481	$ 11,536

Total depreciation expense for the years ended December 31, 2024 and 2023, amounted to $6,398 and $6,027, respectively.

NOTE 7. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2024 and 2023:

	2024	2023
Software	$ 47,017	$ 47,017
Design and construction manual	29,680	29,680
	76,697	76,697
Less: accumulated amortization	(68,959)	(57,934)
Intangible assets, net	$ 7,738	$ 18,763

Total amortization expenses for the year ended December 31, 2024 and 2023, amounted to $11,025 and $24,828, respectively.

NOTE 8. RELATED-PARTY TRANSACTIONS

There are five corporate owned locations owned by entities affiliated through common control that operate as franchise locations which pay royalties and brand fund fees to the Company. Revenues from these locations amounted to $145,788 and $126,112 for the years ended December 31, 2024 and 2023, respectively.

Due to affiliates

In addition, in the normal course of business, the Company pays certain expenses on the behalf of entities affiliated through common control and these entities will pay expenses on the Company's behalf. No interest is charged on these advances. Advances to and from are unsecured and have no specific repayment terms. Management expects such balances to be settled within the next year. At December 31, 2024 and 2023, the net balances due to affiliates amounted to $146,038 and $7,580, respectively.

Due from Parent

In addition, in the normal course of business, the Company periodically advances funds to and receives funds from the Parent. No interest is charged on these advances. Advances to and from are unsecured and have no specific repayment terms. Management does not expect this balance to be settled within the next year and therefore classified as noncurrent. At December 31, 2024 and 2023, the net balances due from the Parent amounted to $3,833,827 and $1,836,972 respectively.

NOTE 9. LICENSE AGREEMENT

On January 1, 2024, the Company entered into a 99-year non-exclusive, royalty-free with the Licensor for the use of the trademark "Scenthound" and other related intellectual property (the "License Agreement"). Pursuant to the License Agreement, the Company has acquired the right to sell and operate "Scenthound" franchises and collect franchise fees, royalties, and other fees from franchisees. The License Agreement may be terminated by either party with 30-days' written notice and requires the Company to pay the Licensor an annual license fee of $100.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is, from time to time, involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's financial position.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Scenthound Franchising, LLC

Opinion

We have audited the accompanying financial statements of Scenthound Franchising, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2023, and the related statements of income and member's deficit and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scenthound Franchising, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Correction of Errors

As discussed in Note 3 to the financial statements, certain errors resulting in an understatement of prepaid expenses and deferred revenue as of December 31, 2022, were discovered by management of Scenthound Franchising, LLC during the current year. Accordingly, an adjustment has been made to member's deficit as of January 1, 2023, to correct these errors. Our opinion is not modified with respect to this matter.

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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Responsibilities of Management for the Financial Statements (Continued)

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 Scenthound 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scenthound 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 Scenthound Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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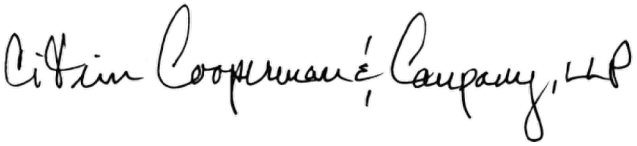
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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.



New York, New York
April 3, 2024

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SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEET
DECEMBER 2023

ASSETS

Current assets:	
Cash	$ 531,718
Accounts receivable - franchise fees and royalties, net	20,529
Prepaid expenses	1,745,390
Total current assets	2,297,637
Property and equipment, net	11,536
Other assets:	
Due from parent	1,836,972
Intangibles, net	18,763
Total other assets	1,855,735
TOTAL ASSETS	$ 4,164,908

LIABILITIES AND MEMBER'S DEFICIT

Current liabilities:	
Accounts payable and accrued expenses	$ 250,275
Deferred revenue - current	1,561,756
Due to related parties	7,580
Total current liabilities	1,819,611
Long-term liability:	
Deferred revenue, net of current	4,329,924
Total liabilities	6,149,535
Member's deficit	(1,984,627)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 4,164,908

See accompanying notes to financial statements.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
STATEMENT OF INCOME AND MEMBER'S DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2023

Franchise revenues:		
Franchise fees		$ 1,265,236
Royalties		1,363,564
Brand fund		230,823
Conference revenues		152,216
Other income		25,010
Total franchise revenues		3,036,849
Operating expenses:		
Franchise expenses		635,594
Selling expenses		572,396
General and administrative		1,620,887
Total operating expenses		2,828,877
Net income		207,972
Member's deficit - beginning, as previously reported	$ (993,595)	
Correction of errors (Note 3)	(1,199,004)	
Member's deficit - beginning, as restated		(2,192,599)
MEMBER'S DEFICIT - ENDING		$ (1,984,627)

See accompanying notes to financial statements.

SCENTHOUND FRANCHISING, LLC
(A Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:	
Net income	$ 207,972
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	30,855
Provision for credit losses	170,000
Loss on sale of fixed assets	750
Changes in assets and liabilities:	
Accounts receivable	97,882
Prepaid expenses	(268,659)
Due from parent	(1,833,320)
Accounts payable and accrued expenses	10,924
Due to related parties	2,335
Deferred revenue	555,394
Net cash used in operating activities	(1,025,867)
Cash flows from investing activities:	
Purchases of property and equipment, net	(9,764)
Acquisition of intangible assets	(1,702)
Net cash used in investing activities	(11,466)
Net decrease in cash	(1,037,333)
Cash - beginning	1,569,051
CASH - ENDING	$ 531,718

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Scenthound Franchising, LLC (the "Company"), a wholly-owned subsidiary of Scenthound Holdings LLC (the "Parent") was formed on March 2, 2018, as a Florida limited liability company. The Company was organized for the purpose of offering franchises that provide routine hygiene and wellness care to dogs.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and accounts receivable. Actual results could differ from those estimates.

Cash

Cash consists primarily of non-interest bearing demand deposit accounts.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted. At December 31, 2022, the Company had receivables of $918,411 with an allowance for doubtful accounts of $190,000. At December 31, 2023, the allowance for credit losses was $360,000.

Related party transactions

The Parent is also the sole owner of three other entities. There are related-party transactions between the Company, the Parent, and the other entities. Vendor invoices are either paid directly or funds are transferred between entity bank accounts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related party transactions (continued)

A minority unit owner of Scenthound Holdings, LLC is also a minority owner of an entity that operates three franchisee locations of the Company.

Property and equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements are capitalized. Maintenance and repairs that do not improve or extend the lives of furniture and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss reported in the statement of income and member's deficit.

Property and equipment consist of computers and software. Depreciation and amortization is provided for three years using the straight-line method.

Revenue recognition

The Company derives its revenues from franchise fees and royalties, brand fee revenue, and other fees charged under the terms of the franchise agreements.

Franchise fees and royalties
Contract consideration from franchise operations consists primarily of initial and renewal franchise fees, sales-based royalties, and sales-based brand fund fees. The Company may also enter into multi-unit development agreements ("MUDAs") which grant a franchisee the right to develop two or more franchise units. The Company collects the initial franchise fees for all franchise units included in a MUDA. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement or MUDA is signed by the franchisee. Sales-based royalties and brand fund fees are collected weekly. Renewal fees are collected when an existing franchisee renews the franchise agreement for an additional term.

The Company's primary performance obligation under the franchise agreement primarily includes granting certain rights to a franchisee enabling it to access the Company's intellectual property, as well as performing a variety of activities relating to opening a franchise unit, including training, site planning and development, and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that certain of the training and site development assistance provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of these services provided that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property and therefore is accounted for as a separate distinct performance obligation. All other pre-opening activities have been determined to be highly interrelated and interdependent to the access to the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties (continued)

The Company estimates the stand-alone selling price of training and site development services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUDAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties are earned as a percentage of franchisee gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand fund

The Company maintains a brand fund established to collect and administer funds contributed for use in advertising and promotional programs for the benefit of franchise units. Brand fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Brand fund (continued)
The Company collects a brand fund fee from its franchisees of up to 1.5% of its franchisees' gross revenues, with an option to increase the fee up to 1% of gross revenues each year of the agreement, in accordance with the Company's standard franchise agreement. The brand fund is to be utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs for its administration. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the advertising fund. For the year ended December 31, 2023, the Company incurred expenses in the full amount of brand fund fees collected for 2023, which are included in "Operating expenses" in the accompanying statement of income and member's deficit.

Conference revenues
The Company holds an annual conference with required attendance for its franchisees and sponsorship opportunities offered. Revenues from the conference totaled $152,216 for the year ended December 31, 2023. The Company's performance obligation is to hold the conference.

Income taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the year ended December 31, 2023.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with Accounting Standards Codification ("ASC") 740-10, Accounting for Uncertainty in Income Taxes. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023.

The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Variable interest entities

In accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* ("ASU 2018-17"), FASB no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has applied these provisions to the accompanying financial statements and has determined that the entities disclosed in Note 2, meet the conditions under ASU 2018-17, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

Recently adopted accounting pronouncement

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), and subsequent amendment to the initial guidance: ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* (collectively, "Topic 326"). Topic 326 introduces a new forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade receivables. The estimate of expected credit losses requires entities to incorporate considerations of historical information, current information, and reasonable and supportable forecasts generally results in earlier recognition of allowances for losses. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Advertising

Advertising costs are expensed as incurred. Advertising expenses are included in selling expenses and aggregated $68,644 for the year ended December 31, 2023.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 3, 2024, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. CORRECTION OF ERRORS

During 2023, it was determined by management that the Company had expensed certain selling, general and administrative expenses in the periods incurred that should have been capitalized as prepaid commissions and amortized over the life of the related franchise agreements. Additionally, the Company had recognized certain revenues for services in the period before the performance obligation was satisfied. As a result, prepaid expenses and deferred revenue as of December 31, 2022, were understated by $881,882 and $2,080,886, respectively, and the member's deficit was understated by $1,199,004, which is the amount by which member's deficit has been adjusted for as of January 1, 2023. Had the errors not been made, the net loss for the year ended December 31, 2022 would have been increased by approximately $600,000.

NOTE 4. FRANCHISED OUTLETS

The following data reflects the status of the Company's franchises for the year ended December 31, 2023:

Franchises sold in 2023	43
Franchised outlets in operation	71
Corporate-owned outlets in operation	5
Franchised outlets that ceased operations	-

For the year ended December 31, 2023, the Company entered into 15 multi-unit development agreements. At December 31, 2023, the Company had entered into 52 multi-user development agreements. These agreements include a total of 231 locations to be entered into under franchise agreements, of which 89 have been entered into as of December 31, 2023.

NOTE 5. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and the Company's ability to collect on its contracts. The Company disaggregates revenues from contracts with customers by geographic region and the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors. Revenues by timing of recognition were as follows:

Point in time:	
Franchise fees and royalties	$ 2,399,789
Brand fund fees	230,823
Conference revenues	152,216
Total	$ 2,782,828
Over time:	
Franchise fees	$ 229,011
Other revenues	25,010
Total	$ 254,021

NOTE 5. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances

Contract assets include accounts receivable - franchise fees and royalties which amounted to $380,529 as of December 31, 2023. Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheet. A summary of significant changes in deferred revenue during the year ended December 31, 2023, is as follows:

Deferred franchise revenues - beginning of year (as restated)	$	5,336,286
Revenue recognized during the year		(1,258,482)
New deferrals due to cash received		1,820,610
Deferred franchise revenues - end of year	$	5,898,414

At December 31, 2023, deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Fiscal year ending December 31:		Amount
2024	$	1,561,756
2025		815,477
2026		891,184
2027		502,730
2028		393,197
Thereafter		1,734,070
Total	$	5,898,414

Deferred franchise revenues consisted of the following at December 31, 2023:

Franchise units not yet opened	$	5,181,497
Opened franchise units		716,917
Total	$	5,898,414

NOTE 6. CONCENTRATION OF CREDIT RISK

The Company places its cash and cash equivalents, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

Office and computer equipment	$ 28,366
Less: accumulated depreciation and amortization	(16,830)
Property and equipment, net	$ 11,536

Total depreciation expense for the year ended December 31, 2023, amounted to $6,027.

NOTE 8. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2023:

Software	$ 47,017
Design and construction manual	29,680
	76,697
Less: accumulated amortization	(57,934)
Intangible assets, net	$ 18,763

Total amortization expenses for the year ended December 31, 2023, amounted to $24,828.

NOTE 9. PREPAID EXPENSES

Prepaid expenses include broker fees, referral fees and sales commissions for individual franchise agreements. Such expenses are recorded as a prepaid expense when paid and expensed over the term of the underlying franchise agreement. The balance of such prepaid expenses totaled $1,633,259 at December 31, 2023.

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of the names of all current Franchisees and the address and telephone number of each of their outlets as of December 31, 2025:

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all Scenthound franchisees as of December 31, 2025 who are operational:

Franchisee	Address	City	State	Zip	Contact
ALABAMA					
DWCSH1, LLC*	1401 Doug Baker Blvd., Suite A-10	Birmingham	AL	35242	(205) 478-6016
DWCSH2, LLC*	354 Hollywood Blvd.	Homewood	AL	35209	(205) 476-4144
DWCSH3, LLC*	5190 Medford Drive, Suite 105	Hoover	AL	35244	(205) 478-6016
DWCSH4, LLC*	442 Main Street, Suite 105	Trussville	AL	35173	(205) 578-1786
ARIZONA					
Cholla Solutions LLC	10749 N. Scottdale Road, Suite 103	Scottsdale	AZ	85254	480) 682-5959
CALIFORNIA					
Joshdog LLC	322 W. El Norte Parkway Suite E	Escondido	CA	92026	(760) 216-5755
Reber Enterprises, LLC*	19073 Beach Blvd.	Huntington Beach	CA	92648	(657) 237-2460
RPW Holdings Inc.	925 Lakeville Street	Petaluma	CA	94952	(707) 737-5127
Barkley Holdings Corporation	3840 Valley Centre Drive, Suite 601	San Diego	CA	92130	(858) 800-3503
COLORADO					
The Shepherds Dog LLC*	4800 Baseline Road, Suite C105	Boulder	CO	80303	(720) 600-0420
Give a Dog a Bath, LLC*	7529 South University Boulevard	Centennial	CO	80122	(720) 823-8180
Give a Dog a Bath, LLC*	20269 E. Smoky Hill Road Unit D	Centennial	CO	80015	(720) 784-3218
KLK Industries LLC*	10355 East MLK Blvd. Suite 120	Denver	CO	80238	(303) 800-2601
Magenta Columbine 1 LLC*	2100 West 16th Street, Suite 140	Denver	CO	80202	(303) 900-8108
AOG Ventures Corporation*	98 Wadsworth Blvd., Suite 121	Lakewood	CO	80226	(720) 358-6037
Give a Dog a Bath, LLC*	7735 W. Long Drive, Unit 16	Littleton	CO	80123	(720) 240-9956
Give a Dog a Bath LLC*	12225 Pardee Street, Suite 150	Parker	CO	80134	(720) 282-4552
FLORIDA					

Clean and Healthy Dog, Happy Life, LLC*	24600 S. Tamiami Trail	Bonita Springs	FL	34134	(239) 776-6976
Akuarela K9Care Inc.*	4583 Ponce de Leon Blvd.	Coral Gables	FL	33146	(786) 865-9950
Lion's Pride Investments, LLC	5940 Coral Ridge Drive	Coral Springs	FL	33076	(561) 251-3109
Prime Grooming LLC	1140 N. University Dr., Bldg. 106730, Suite 00012	Coral Springs	FL	33071	(954) 289-4421
K9 Care of South Florida LLC	1824 SE Cordova Road	Fort Lauderdale	FL	33316	(954) 526-2960
Clean Dogs SWFL, Inc.*	13650 Fiddlesticks Blvd.	Fort Myers	FL	33912	(239)744-2498
Pi Place Gainesville SW, LLC*	2835 SW 91st Street	Gainesville	FL	32608	(901) 351-8973
Pi Place Millhopper, LLC*	4203 NW 16th Blvd.	Gainesville	FL	32605	(352) 316-7334
Coastal Rico's Inc	13820 Old St. Augustine Rd.	Jacksonville	FL	32258	(904) 955-1634
Triple Roman Venture, LLC*	4815 Sweetgrass Place, Unit 103	Jacksonville	FL	32224	(904) 604-9363
SH Lake Mary, LLC	3813 Lake Emma Road	Lake Mary	FL	32746	(321) 888-2527
Clean Healthy Pups Lutz LLC*	17663 N. Dale Mabry Hwy Unit Q	Lutz	FL	33548	(813) 476-4764
Five Star Development Group*	400 North Orlando Avenue	Maitland	FL	32751	(863) 204-1248
KALI K9CARE LLC*	11772 SW 104th Street	Miami	FL	33186	(786) 568-8013
Yber Enterprises LLC*	4100 N. Wickham Road #103	Melbourne	FL	32935	(321) 667-2368
Synergy in Sunshine, LLC	6551 N Orange Blossom Trl Ste 201	Mount Dora	FL	32757	(305) 874-0105
Wags to Wellness LLC*	2316 Pine Ridge Rd. Suite 205	Naples	FL	34109	(239) 799-7700
Wags to Wellness LLC*	12636 Tamiami Trail East	Naples	FL	34113	(239) 799-7700
Pi Place Ocala, LLC*	5400 SW College Road, Suite 111	Ocala	FL	34474	(352) 647-9080
SH SODO Orlando, LLC	2849 South Orange Ave Ste 350	Orlando	FL	32806	(321) 888-2526
JNNB Corporation*	1929 South Alafaya Trail Ste 1929	Orlando	FL	32828	(407) 974-5164
Five Star Development Group*	1121 Alafaya Trail	Oviedo	FL	32765	(863) 204-1248
CMAK Incorporated	2520 PGA Blvd.	Palm Beach Gardens	FL	33410	(561) 222-1155
CMAK Incorporated	4236 Northlake Blvd.	Palm Beach Gardens	FL	33410	(561) 275-2060
Valinor Pets LLC*	16024 Pines Blvd. Suite A112	Pembroke Pines	FL	33027	(954) 361-2622
Kramer K9Care LLC*	8183 SW 117th Street	Pinecrest	FL	33156	(786) 706-5408
Myers Dog 1, LLC*	230 Plaza Blvd., Unit A3	St. Augustine	FL	32086	(904) 494-8783

Coastal Clean Dogs LLC	170 Fountains Wasy, Ste 3	St. Johns	FL	32259	(904) 266-3710
Pet That Dawg Inc.*	3394 SE Federal Hwy	Stuart	FL	34997	(772) 291-9338
Bark & Wellness Inc.*	3830 W. Neptune Street	Tampa	FL	33629	(813) 463-8855
Yber Enterprises LLC*	2105 Viera Blvd., Suite 104	Viera	FL	32955	(321) 341-1238
Five Star Development Group*	4072 N. Goldenrod Road	Winter Park	FL	32792	(407) 439-1666
GEORGIA					
D&A Inc.	9925 Haynes Bridge Road	Alpharetta	GA	30022	(770) 608-5814
D&A Inc.	220 South Main Street	Alpharetta	GA	30009	(770) 608-5814
Healthy Hounds Chastain, LLC*	4279 Roswell Road	Atlanta	GA	30342	(470) 607-5100
Georgia Grooming Association, LLC*	1595 Peachtree Parkway, Suite 107	Cumming	GA	30041	(770) 235-3490
Healthy Hounds Dunwoody, LLC*	5535-B Chamblee Dunwoody Rd	Dunwoody	GA	30338	(678) 990-1900
Georgia Woof Inc.*	5341 Old Hwy 5, Suite 206	Holly Springs	GA	30188	(678) 535-3000
Absolute Bonifay Corp.*	9775 Medlock Bridge Road	Johns Creek	GA	30097	(770) 235-3490
Amazing Pet Services LLC*	3895 Cherokee Street NW, Unit 280	Kennesaw	GA	30144	(404) 902-6025
Dog First Pet Services, LLC*	3162 Johnson Ferry Road	Marietta	GA	30062	(516)405-1551
Amazing Pet Services LLC*	1690 Powder Springs Rd. NW	Marietta	GA	30064	(404) 609-0050
D&A Inc.	885 Woodstock Rd.	Roswell	GA	30075	(678) 880-4145
Ratay Georgia LLC*	3035 Centerville Hwy	Snellville	GA	30039	(770) 370-7595
Healthy Hounds Wellness LLC*	1145 Peachtree Industrial Blvd.	Suwanee	GA	30024	(770) 881-7719
Tucker Puppy Partners, LLC*	4050 Hugh Howell Road #650	Tucker	GA	30084	(770) 538-1790
Woof Pup Two, LLC*	8265 Highway 92, Suite 108	Woodstock	GA	30189	(678) 501-5001
IDAHO					
Watty, Inc.*	6978 W. State Street	Boise	ID	83714	(208) 484-8374
Watty, Inc.*	1511 W. McMillan Road, Suite 120	Meridian	ID	83646	(208) 715-0754
ILLINOIS					
ATP Franchise Holdings LLC*	59 Mchenry Road	Buffalo Grove	IL	60089	(847) 403-3077
Ark Franchise Holdings Corporation*	708 S. Rand Road	Lake Zurich	IL	60047	(847) 773-4243
For All the Dogs Inc.	3108 Illinois Rte 59	Naperville	IL	60564	(630) 415-2007
INDIANA					
Douglas and Sarah Davis	14400 Clay Terrace Blvd.	Carmel	IN	46032	(317) 975-1078
HBN Davis II LLC	61 Boone Village	Zionsville	IN	46077	(317) 559-3556
KANSAS					

KC Balance Lenexa, LLC	14908 W 87th Street	Lenexa	KS	66215	(913) 355-0220
KC Balance LLC	6519 W. 119th Street	Overland Park	KS	66209	(913) 399-4611
KC Balance Two, LLC	11690 W. 135th St.	Overland Park	KS	66209	(913) 210-8883
Just For Your Paws, LLC	10240 W. 29th Street	Wichita	KS	67205	(316) 320-8188
Just For Your Paws, LLC	11310 E 21st Street	Wichita	KS	67206	(316) 320-8188
MARYLAND					
DMV Scent Maryland One, LLC*	22750 Newcut Rd., Suite D3	Clarksburg	MD	20871	(301) 822-2772
DMV Scent Maryland Two, LLC*	78 Market Street	Gaithersburg	MD	20878	(301) 900-3218
MICHIGAN					
A&M Neff 1 LLC	745 E. Maple Rd.	Birmingham	MI	48009	(248) 690-3455
MINNESOTA					
Timothy Huffman	12475 Riverdale Blvd. Suite G	Coon Rapids	MN	55433	(763) 330-2033
Lusaw Group, Inc.*	17640-17748 Kenwood Trail, Suite 11	Lakeville	MN	55044	(651) 707-7622
Lusaw1 LLC*	14885 S. Robert Trail	Rosemount	MN	55068	(651) 842-4371
NEVADA					
Most Valuable Pups LLC*	2659 Windmill Parkway	Henderson	NV	89074	(702) 778-0652
Alfred Piccirillo and Matthew Piccirillo*	7435 A. Durango Drive	Las Vegas	NV	89113	(201) 715-3806
NEW JERSEY					
Dry Bones Enterprises I LLC	3056 NJ-10 W	Denville	NJ	07834	(973) 309-3828
Dry Bones Enterprises II LLC	191 E. Hanover Ave	Morristown	NJ	07960	(973) 221-9678
NORTH CAROLINA					
Triangle Pawlished Pups*	1489 Kelly Road	Apex	NC	27502	(973) 420-6330
TRNC First Capital LLC*	9716 Rea Road	Charlotte	NC	28277	(917) 574-5149
Omar Alaoui	16610 W Catawba Avenue, Suite F	Huntersville	NC	28078	(704) 666-5890
OKLAHOMA					
Two Poodles Inc.	8222 E. 103rd Street, Suite 123	Tulsa	OK	74113	(918) 398-0401
OREGON					
BSue Dogs 02 LLC*	3571 SE Cornelius Pass Road	Hillsboro	OR	97123	(503) 376-1110
BSue Dogs 01 LLC*	13611 NW Cornell Road, Suite 18	Portland	OR	97229	(503) 376-1110
BSue Dogs Corp.*	14350 SW Barrows Road, Ste D	Tigard	OR	97223	(503) 376-1110
PENNSYLVANIA					
Beasley Junior, LLC	3100 Tilghman Street	Allentown	PA	18104	(610) 472-7342

The Aivre Group, Ltd.*	215 Lancaster Avenue, Unit E7	Frazer	PA	19355	(484) 506-8489
Clean Healthy Dogs LLC*	150 Allendale Rd. Suite 1130	King of Prussia	PA	19406	(215) 278-6539
Holden's Heritage, LLC*	1551 S. Valley Forge Rd., Suite F	Lansdale	PA	19446	(267) 817-2843
Clean Healthy Dogs Newtown Square LLC*	3511 West Chester Pike	Newtown Square	PA	19073	(610) 621-4314
Lola's Legacy LLC*	1121 N Bethlehem Pike, Ste 20	Spring House	PA	19477	(215) 376-5750
SOUTH CAROLINA					
Cola Bleu, LLC	250 East Gate Dr., Suite 240	Aiken	SC	29803	(803) 341-1210
Omar Alaoui	1750 Highway 160 W, Suite 105	Fort Mill	SC	29708	(803) 500-9090
Good Boi, LLC*	1200 Queensborough Blvd.	Mount Pleasant	SC	29464	(803) 414-0192
Bella Capital LLC*	520 Folly Beach Rd. #110	Mount Pleasant	SC	29412	(843) 628-4414
Lucca Holdings LLC*	405 Faison Road, Unit A4	Mount Pleasant	SC	29466	(843) 508-8167
Bruno Capital LLC*	2507 N Main Street, Suite F	Summerville	SC	29486	(843) 874-2260
TENNESSEE					
DWCSH8, LLC*	213 Franklin Road, Suite 110	Brentwood	TN	37027	(629) 206-7974
DWCSH5, LLC*	2020 Fieldstone Parkway, Ste 800	Franklin	TN	37069	(615) 909-3735
Healthy Dogs of Tennessee, Inc.*	650 S. My. Juliet Rd.	Mount Juliet	TN	37122	(615) 417-7127
DWCSH6, LLC*	823B Woodland St.	Nashville	TN	37206	(629) 206-7974
DWCSH7, LLC*	2600 8th Avenue S	Nashville	TN	37204	(629) 206-7974
TEXAS					
Laladean Series 3 LLC*	977 State Highway 121, Suite 150	Allen	TX	75013	(972) 905-1598
Laladean Health Partners, LLC*	977 State Highway 121, Suite 150	Allen	TX	75013	(972) 905-1598
Amel Holdings, LLC*	621 Debbie Lane, Suite 121	Arlington	TX	76002	(817) 231-0397
Maddalena Holdings, LLC and Bordes Capital, LLC	4404 W. William Cannon Drive	Austin	TX	78749	(512) 968-2282
Dirty Dogs of Westlake, LLC	6317 Bee Caves Road, Suite 370	Austin	TX	78746	(512) 350-2044
College Station Pet Group LLC*	3525-K Longmire Drive, Suite K	College Station	TX	77845	(979) 999-1860
NTX Hounds II LLC	4906 Colleyville Blvd., Suite #202	Colleyville	TX	76034	(817) 290-2035
Doggos for Life, LLC*	12361 Baker Cypress Road, Ste 400	Cypress	TX	77429	(832) 684-9887

Northern Scent Group, LLC*	2720 State Highway 121, Suite 200	Euless	TX	76039	(817) 438-8107
Scenthound Flower Mound, LLC*	3634 Long Prairie Road, Suite 120	Flower Mound	TX	75022	(817) 349-3041
Katy 1 Hound LLC	7040 Blue Mound Rd.	Fort Worth	TX	76131	(817) 886-8534
Dylan 2 Hound LLC	3548 S. Hills Avenue, Suite 7	Fort Worth	TX	76131	(817) 769-9199
Laladean Health Partners Series 2*	5550 FM 423 Ste 14	Frisco	TX	77096	(972) 905-1598
Laladean Health Partners Series 5*	8155 Custer Rd.	Frisco	TX	75035	(972) 905-1598
Texas Brand Builders LLC* (Meyerland)	4850 Beechnut Street	Houston	TX	77096	(281) 884-9191
Texas Brand Builders LLC*	2621 Shepard Dr., Suite 150	Houston	TX	77098	(281) 884-9191
B & C Productions, LLC*	900 Ranch Road 620 South, A-100	Lakeway	TX	78734	(512) 240-9954
D1, a protected series of Doggy Wellness, LLC*	4899 Highway 6, Unit 105C	Missouri City	TX	77459	(689) 588-6959
Hyland Pet Group LLC*	110 N. IH 35, Suite 325	Round Rock	TX	78681	(512) 254-4771
NTX Hounds LLC	500 W. Southlake Blvd., Suite 129	Southlake	TX	76092	(817) 350-6269
Sammy Skyy Riggs LLC*	25118 Grogans Mill Road, Suite B	Spring	TX	77380	(832) 305-9177
Hyland Pet Group, LLC*	5301 Bosque Blvd.	Waco	TX	76710	(254) 770-0565
Temple Pet Group LLC*	6504 West Adams Avenue, Suite 132	Temple	TX	76633	(254) 242-0404
Doggos for Life, LLC*	10807 Kuykendahl Rd, Suite 400	The Woodlands	TX	77382	(281) 645-0728
UTAH					
Solos Scent Woods Cross LLC*	2196 S. Orchard Drive, Suite 65	Bountiful	UT	84010	(801) 623-6561
SES Ventures II LLC*	2255 N University Parkway, Suite 9	Provo	UT	84064	(801) 616-3774
Scenter 3, LLC*	7695 South 700 East	Sandy	UT	84047	(801) 803-5604
Scenter1, LLC*	5414 W. Daybreak Parkway, Ste C5	South Jordan	UT	84014	(801) 260-2220
Scenter 2, LLC*	10479 S. Redwood Road, Suite B4	South Jordan	UT	84095	(801) 530-5783
Spencer Strong*	31 E 1000 N	Spanish Fork	UT	84660	(801) 754-6509
KJS Florida Holdings, LLC*	817 West Antelope Drive	Syracuse	UT	84075	(801) 784-1155
VIRGINIA					
DMV Scent Virginia Two, LLC*	9948 Main Street	Fairfax	VA	22031	(703) 688-3150
James F Harris & James R Harris*	10921 W. Broad Street, Suite B	Glen Allen	VA	23060	(804) 924-4331

DMV Scent Holdings, LLC*	13340-H Franklin Farms Rd.	Herndon	VA	20171	(571) 500-1297
DMV Scent Virginia One, LLC*	19401 Promenade Drive	Leesburg	VA	20176	(703) 219-8818
DMV Scent Virginia Three, LLC*	1434 North Point Village Center	Reston	VA	20194	(703) 665-6740
WISCONSIN					
Lux Wisconsin LLC	6969 N. Port Washington Rd., Unit B180	Glendale	WI	53217	(262) 208-1576
Kevin Scharnek and Riley Scharnek*	6650 W State St., Suite C	Wauwatosa	WI	53213	(414) 409-7268

(b) **Franchise Agreements Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all Scenthound franchisees as of December 31, 2025 who are not yet operational but have signed a Franchise Agreement:

Franchisee	City	State	Contact
ARIZONA			
Pawfect Care LLC	Phoenix	AZ	sanand@scenthound.com
CALIFORNIA			
Barkley Holdings Corporation	San Diego	CA	(909) 576-3782
RPW Holdings Inc.	Santa Rosa	CA	rwooten@scenthound.com
Reber Enterprises, LLC*	Costa Mesa	CA	areber@scenthound.com
Misty Horizons LLC	Vista	CA	abaker@scenthound.com
Healthy Perros 1, LLC*	Long Beach	CA	kabadilla@scenthound.com
Mark Agosto and The Felder Family Trust*	Mission Village	CA	magosto@scenthound.com
COLORADO			
RSET Dog Wellness 1, LLC*	Colorado Springs	CO	sellis@scenthound.com
KLK Industries LLC*	Denver	CO	(303) 800-2601
I Love My Dog, LLC*	Louisville	CO	ewood@scenthound.com
CONNECTICUT			
Komal Aggarwal and Manish Aggarwal*	Fairfield	CT	kaggarwal@scenthound.com
FLORIDA			
Bryan Cottle & Kiara Kulisic /*AP Plantation LLC*	Plantation	FL	(415) 316-4441
Thomas Richardson Tuttle*	Vero Beach	FL	ttuttle@scenthound.com
Prime Grooming LLC	West Fort Lauderdale	FL	(786) 398-1925
Golden Pride Investments, LLC	Boca Raton East	FL	jklein@scenthound.com
GEORGIA			
Sang (Brian) Kim	Alpharetta	GA	bkim@scenthound.com
ILLINOIS			
For All the Dogs Inc.	Naperville	IL	(630) 415-2007
For All the Dogs Inc.	Naperville	IL	(630) 415-2007
Vasudevan Thangaraju and Thanujja Vasudevan*	Elmhurst	IL	vthangaraju@scenthound.com

KANSAS			
KC Balance Oletha, LLC	Oletha	KS	bmarkus@scenthound.com
MINNESOTA			
Antonyo Gibson and Malia Gibson*	Maple Grove	MN	agibson@scenthound.com
MISSOURI			
Kelly Capital Management, Inc.*	St. Louis	MO	rodneykelly@scenthound.com
NEVADA			
Michelle McClain, John McClain, Sr., John McClain, Jr.	Sparks	NV	smcclain@scenthound.com
Justin Baloun and Susan Baloun*	Henderson	NV	jbaloun@scenthound.com
NEW JERSEY			
Samantha Miller*	East Hanover	NJ	smiller@scenthound.com
937 Buddy LLC	Linden	NJ	jmehta@scenthound.com
NEW YORK			
Carolyn Galasso*	Levittown	NY	cgalasso@scenthound.com
NORTH CAROLINA			
Omar Alaoui	Charlotte	NC	omalaoui@scenthound.com
Hilary Cantalini and Damian Cantalini	Concord	NC	hcantalini@scenthound.com
OHIO			
Ascent Neo Aurora LLC	Aurora	OH	ptrendell@scenthound.com
OREGON			
BSue Dogs 03 04 LLC*	Hillsboro Sherwood	OR	(503) 376-1110
SOUTH CAROLINA			
Scott Sampson*	Clemson	SC	ssampson@scenthound.com
Angela Harrelson and Andrew Harrelson	Irmo	SC	angelaharrelson@scenthound.com
TEXAS			
Laladean Health Partners Series 7 LLC*	Dallas	TX	(817) 899-5110
Laladean Health Partners Series 8 LLC*	Dallas	TX	(817) 899-5110
D2, a protected series of Doggy Wellness, LLC*	Missouri City Richmond	TX	(689) 588-6959
Laladean Health Partners Series 6 LLC*	Prosper	TX	(817) 899-5110
SSWCR Ventures LLC*	Spring	TX	ariggs@scenthound.com
Laladean Health Partners Series 4 LLC*	Wylie	TX	(817) 899-5110
Swapna Jain*	Austin	TX	sjain@scenthound.com
Bark and Woof Co.*	Austin	TX	ewaddington@scenthound.com
John Alday and Rhonda Alday*	Mansfield	TX	jalday@scenthound.com
VIRGINIA			
DMV Scent Holdings, LLC*	Burke	VA	cdixon@scenthound.com
Shitij Sharma and Vandna Sharma*	South Riding	VA	ssharma@scenthound.com
Jaime Pickett*	Midlothian	VA	jpickett@scenthound.com
WASHINGTON			

Eduard Steidl*	Lynnwood	WA	esteidl@scenthound.com
Brad Hummel and Zo Hummel*	University Place	WA	bhummel@scenthound.com
WISCONSIN			
Patrick Birkeland*	Green Bay	WI	(253) 569-1717
Ed Rodriguez and Lupita Bustos*	Middleton	WI	erodriguez@scenthound.com

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Scenthound Franchise Agreement during the most recently completed fiscal year (January 1, 2025 to December 31, 2025) or who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document:

Franchisee	City	State	Contact
DISTRICT OF COLUMBIA			
Phil Kang*	Washington	DC	pkang@vpmgroup.net
FLORIDA			
Andres Alfonso and Jessica Colon	Boca Raton	FL	aalfonso64@gmail.com
GEORGIA			
Chastain Puppy Partners LLC*	Atlanta	GA	bigray@graygs.com
Dunwoody Puppy Partners LLC*	Dunwoody	GA	bigray@graygs.com
ILLINOIS			
TR Enterprises LLC*	Chicago	IL	tommie@trprimedelivery.com
NEW MEXICO			
Healthy Frenchies LLC	Albuquerque	NM	lisa.jaramil@gmail.com

*Indicates Multi-Unit Developers who have entered into a Multi-Unit Development Agreement with Franchisor.

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE QUESTIONNAIRE

This Questionnaire does not apply to franchises who intend to operate the Franchised Business in the State of California. Washington franchisees should not sign this Questionnaire.

As you know, Scenthound Franchising, LLC and you are preparing to enter into a Franchise Agreement for the operation of a franchised business also called a Scenter. In this Franchisee Disclosure Questionnaire, Scenthound Franchising, LLC will be referred to as "**we**" or "**us**." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed Scenthound Franchising, LLC's Franchise Agreement and each exhibit, addendum, and schedule attached to it?

   Yes _____ No _____

2. Have you received and personally reviewed our Disclosure Document we provided to you?

   Yes _____ No _____

3. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

   Yes _____ No _____

4. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a Scenthound business that we or our franchisees operate?

   Yes _____ No _____

5. Has any employee or other person speaking on our behalf made any statement or promise concerning a Scenthound business that is contrary to, or different from, the information contained in the Disclosure Document?

   Yes _____ No _____

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Scenter?

Yes _____ No _____

7. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that we will furnish to you that is contrary to, or different from, the information contained in this Disclosure Document?

   Yes _____ No _____

8. If you have answered "Yes" to any of questions 4 through 7, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

   _____

   _____

   _____

   _____

9. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

   Yes _____ No _____

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of a 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.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions as if you were signing them under oath.

_____	_____
Name of Franchisee/Applicant	Name of Franchisee/Applicant
_____	_____
Date	Date
_____	_____
Signature	Signature

EXHIBIT H TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 6 of the Disclosure Document is amended by adding the following:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

Item 12 of the Disclosure Document is amended by adding the following:

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60-day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

Termination for Failure to Open. Franchisor may, in its sole discretion, terminate the Franchise Agreement if the Franchisee does not open within six months.

Item 19 of the Disclosure Document: The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your franchised business. Franchisees or former Franchisees, listed in the Disclosure Document, may be one source of this information.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur at Palm Beach County, Florida, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT FINANCIAL PROTECTION AND INNOVATIONBEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.scenthound.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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 with the franchise.

California's Franchise Investment Law (Corporation Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific

provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you (ii) your ability to rely on any representation it makes to you, or (iii) any violations of the law.

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEES, OR SUBFRANCHSIOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEES OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

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

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 is amended to include the following:

In Illinois, the Initial Franchise Fee will be deferred until we have satisfied our pre-opening obligations and you commence your Franchised Business.

2. Item 17.w. is modified to provide that Illinois law applies.

3. 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.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

5. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 is modified to include, "Based on the Franchisor's financial condition, the Maryland Securities Commissioner has required assurance. Therefore, all initial fees and payment owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fee and initial payments by Multi-Unit developers shall be deferred until the first franchise under the development agreement opens."

2. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

4. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

5. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor 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 agreements can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that an Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a Franchisee to assent to a general release.

- The Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Item 5 and Item 7 of the Franchise Disclosure Document shall be supplemented to state: In Minnesota, the Initial Franchise Fee will be deferred until we have satisfied our pre-opening obligations and you commence your Franchised Business.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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 with the franchise.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPU OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHSIEE.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

3. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of Franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought

by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. 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.

5. 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.

6. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

7. Franchise Questionnaires and Acknowledgements—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 om any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Receipts—Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 *et. seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the Franchise Agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the Franchise Agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the Franchisee sign a general release upon renewal of the Franchise Agreement does not apply to Franchise Agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the Franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

The State if North Dakota has determined that requiring a franchisee to content to termination or liquidated damages in a franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination or liquidated damages is deleted.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

The State of North Dakota has determined that requiring franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreements that a franchisee consent to the jurisdiction of courts outside of North Dakota is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreement requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or supplemental agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.

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

RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a Franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all Franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 will be amended to include" The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

Under subsection D of 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of the franchisee to engage in the business of offering, selling or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of 13.1-563 of the Act provides that if the franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two year after such sale.

WASHINGTON ADDENDUM
TO THE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Item 5 of the Disclosure Document shall be amended to state: "In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisees has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Multi-Unit Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location."

Item 6 of the Disclosure Document shall be amended as follows to state that the definition of Liquidated Damages shall be "An amount equal to the average Royalty Fees earned by us for the last 12 months (or shorter period, if Scenter has been in operation less than 12 months), multiplied by 24 or the number of months remaining in the term, whichever is less."

Item 14 and Item 17 of the Disclosure Document is modified to state that the obligations to sign the Nondisclosure and Non-Competition Agreement as holder of a legal or beneficial interest in the franchisee will not apply to immediate families or household members.

Item 17(d) shall be amended to state that the franchisee may terminate the Franchise Agreement is applicable pursuant to state law.

Item 17 (o) is amended to be consistent with RCW 19.100.180 including that the Franchisor is required to purchase certain asset at fair market value at the time of expiration or termination of the franchise, offset by any amounts owed by the franchisee to the Franchisor.

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

   If the Franchise Agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, Franchise Agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending
Hawaii	
Illinois	Pending
Indiana	April 30, 2026
Maryland	Pending
Michigan	May 13, 2025
Minnesota	June 15, 2026
New York	Pending
North Dakota	April 29, 2026
Rhode Island	Pending
South Dakota	April 29, 2026
Virginia	May 26, 2026
Washington	August 5, 2026
Wisconsin	May 5, 2026

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

EXHIBIT J TO THE DISCLOSURE DOCUMENT

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Scenthound 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.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Scenthound Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: April 18, 2026 as amended July 31, 2026

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

Name	**Principal Business Address**	**Telephone Number**
Timothy Vogel, Jessica Vogel, Josh Lyon, Hannah Keyser, Alexander Keeler, Alyson Ekmark, Tony Nicholson and Chris Rodgers	5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418	(561) 288-3997

I have received a Disclosure Document dated April 18, 2026 as amended July 31, 2026 including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT

Schedule 1-Franchise Fee, Accepted Location, Territory and Opening Date
Schedule 2-Nondisclosure and Non-Competition
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Conditional Assignment of Telephone Number

C. MULTI-UNIT DEVELOPMENT AGREEMENT
   Attachment A-Certification by Developer
   Attachment B-Guaranty
   Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
   Attachment D-Development Schedule
   Attachment E-Development Area
   Attachment F-State Addendum to Multi-Unit Development Agreement
D. OPERATIONS MANUAL TABLE OF CONTENTS
E. FINANCIAL STATEMENTS
F. LIST OF CURRENT AND FORMER FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
I. STATE EFFECTIVE DATES
J. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to Scenthound Franchising, LLC and keep the other for your records.

_____
Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member, or partner of)

_____
a [STATE of Incorporation]
[Corporation/LLC/Partnership]

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Scenthound 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.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Scenthound Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: April 18, 2026 as amended July 31, 2026

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

Name	**Principal Business Address**	**Telephone Number**
Timothy Vogel, Jessica Vogel, Josh Lyon, Hannah Keyser, Alexander Keeler, Alyson Ekmark, Tony Nicholson and Chris Rodgers	5070 PGA Blvd., Suite 200, Palm Beach Gardens, Florida 33418	(561) 288-3997

I have received a Disclosure Document dated April 18, 2026 as amended July 31, 2026 including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT
    Schedule 1-Franchise Fee, Accepted Location, Territory and Opening Date

Schedule 2-Nondisclosure and Non-Competition
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Conditional Assignment of Telephone Number

C. MULTI-UNIT DEVELOPMENT AGREEMENT
   Attachment A-Certification by Developer
   Attachment B-Guaranty
   Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
   Attachment D-Development Schedule
   Attachment E-Development Area
   Attachment F-State Addendum to Multi-Unit Development Agreement
D. OPERATIONS MANUAL TABLE OF CONTENTS
E. FINANCIAL STATEMENTS
F. LIST OF CURRENT AND FORMER FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
I. STATE EFFECTIVE DATES
J. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to Scenthound Franchising, LLC and keep the other for your records.

_____
Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member, or partner of)

_____
a [STATE of Incorporation]
[Corporation/LLC/Partnership]