FRANCHISE DISCLOSURE DOCUMENT

SIT MEANS SIT
DOG TRAINING

Sit Means Sit Franchise, Inc., a Nevada Corporation
6295 McLeod Drive #12
Las Vegas, Nevada 89120
(702) 877-4581
info@sitmeanssit.com
www.sitmeanssit.com

The franchise offered is for the operation of a dog training business using the "Sit Means Sit" system and standards.

The total investment necessary to begin operation of a Sit Means Sit franchised business if you are a new franchisee is between $40,175 and $137,250. This includes between $33,130 and $36,070 that must be paid to the franchisor or its affiliate(s). You must pay an application fee and deposit of $1,500 at the time you apply to become a franchisee. This fee covers the cost of conducting a credit and criminal background check and evaluating your qualifications as a franchisee candidate. If both parties agree to proceed, the $1,500 will be applied toward your initial franchise fee or your payment under the Trade Area Reservation Agreement. This fee is nonrefundable under all circumstances, including if either party decides not to proceed. The total investment necessary to begin operation of a Sit Means Sit franchised business if you are an existing franchisee who purchased your first franchise before July 1, 2020 or on or after June 1, 2025 is between $35,175 and $132,250. This includes between $28,130 and $31,070 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of a Sit Means Sit franchised business if you are an existing franchisee who purchased your first franchise between July 1, 2020 and May 31, 2025 is between $20,175 and $122,750. This includes between $13,130 and $21,570 that must be paid to the franchisor or its affiliate(s).

You may reserve a Trade Area with us for up to one (1) year by signing a Trade Area Reservation Agreement and paying a deposit of $5,000 per Trade Area.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Alfredo Rivera at 6295 McLeod Drive Suite #2, Las Vegas, Nevada 89120, (702) 877-4581.

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

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

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

Issuance date: June 19, 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 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G 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 Sit Means Sit® 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 Sit Means Sit® franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 and/or litigation only in Nevada. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, or litigate with the franchisor in Nevada than in your own state.

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

3. **Mandatory Minimum Payments**. You must make mandatory minimum royalty payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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

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

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

MICHIGAN SPECIFIC-NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, 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 franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

(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.

At your option, in the event that our most recent financial statements are unaudited and show a net worth of less than $100,000.00 then we will, at your request, arrange for the escrow of your initial investment and other funds paid by you until our obligations to provide real estate, improvements, equipment, inventory, training, or other items included in this franchise offering are fulfilled.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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EXHIBITS:

A. Franchise Agreement
B. General Release
C. Owner Agreement
D. Form of Confidentiality and Non-Competition Agreement
E. Form of Confidentiality Agreement
F. Franchisee Information
G. Financial Statements
H. State Administrators and Agents for Service of Process
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K. Trade Area Reservation Agreement
L. Renewal Addendum
M. State Effective Dates; Receipts

Item 1
The Franchisor and any Parents, Predecessors, and Affiliates

The Sit Means Sit

To simplify the language in this disclosure document, "we", "us," or "our" means Sit Means Sit Franchise, Inc., the franchisor. "You" or "your" means the individual, corporation, partnership, limited liability company, or other entity who buys the franchise, and includes your owners, members, and partners.

We are a Nevada corporation that was organized on January 20, 2009. Our principal business address is 6295 McLeod Drive #12, Las Vegas, Nevada 89120. We conduct business under our corporate name and "Sit Means Sit," as well as the trademarks described in Item 13 of this Disclosure Document (the "Marks"). We have offered franchises to operate "Sit Means Sit" dog training businesses ("Businesses") since February 2009.

We do not operate a Business, although we have an affiliate that has done so. Neither we nor our affiliates currently offer, or have offered, franchises in other lines of business. We do not conduct any business activities other than franchising.

Our agents for service of process are disclosed in Exhibit H to this disclosure document.

Our Affiliates

Sit Means Sit, Inc. ("SMSI"), our affiliate, was incorporated in the State of Nevada on January 20, 2006. Since March 2006, SMSI has operated a Sit Means Sit business that is substantially similar to the franchise being offered in this Disclosure Document. Between March 2006 and November 2008, SMSI licensed third parties to operate Sit Means Sit businesses under a Merchandising and Licensing Agreement ("MLA"), which differed significantly from our current franchise offering. SMSI has never offered franchises in this or any other line of business. However, SMSI does sell inventory items that you, as a franchisee, are required to purchase. SMSI shares the same principal business address as we do.

We do not have any predecessors or parents, or any affiliates other than SMSI that offer franchises or provide goods or services to you.

The Business You Will Conduct

As a franchisee, you will operate a business that provides dog training, behavior modification, and consulting services to dog owners (referred to as your "Business"). You will enter into a Franchise Agreement (attached as Exhibit A) to operate one business under our proprietary trademarks and service marks (the "Marks"). You are required to offer only the Authorized Products and Services (defined in this Disclosure Document) within your designated Trade Area (also defined herein). The Marks, your vehicle(s), any Training Facility, and our proprietary methods of operation are collectively referred to as the "System."

To operate your Business, you must own, lease, or purchase one or more trucks, sport-utility vehicles, or other suitable automobiles ("Vehicles") to deliver and perform the Authorized Products and Services within your Trade Area. You may conduct training sessions in public venues such as parks, gyms, or pet stores, or you may operate from a dedicated Training Facility, which is a space you control for conducting dog training classes.

We may allow you to reserve a specific Trade Area for up to one (1) year under a Trade Area Reservation Agreement ("TARA") (attached as Exhibit K). To reserve a Trade Area, you must pay a deposit of $5,000 per Trade Area. Under the TARA, you are required to begin operating your Business within one (1) year by signing our then-current Franchise Agreement and paying the applicable initial franchise fee (your deposit will be credited toward this fee). The Franchise Agreement you sign under the TARA may differ from the version included in this Disclosure Document. If you do not commence operations by the deadline specified in the TARA (the "Commencement Deadline"), you may extend the deadline once for an additional year by paying an additional deposit equal to 50% of the then-current initial franchise fee for that Trade Area.

The Market and Competition

The market for dog training services is mature, competitive, and continues to grow alongside increasing pet ownership in the United States. As a franchisee, your primary customers will be dog owners seeking professional training, behavior modification, and consulting services. You will compete with a wide range of businesses offering similar services, including: independent dog trainers and obedience schools; national and regional franchised dog training companies; kennel clubs and pet boarding facilities offering training; veterinary clinics that provide basic obedience or behavior services; and online and app-based dog training platforms.

Industry Specific Laws

Operating a dog training business involves compliance with a variety of federal, state, and local laws that apply to different aspects of your operations. Depending on your location, you may be required to obtain an animal handler's permit, dog trainer license, or similar authorization, which may require demonstrating experience, training, or certification. If you operate from a Training Facility, you must ensure that the location complies with all applicable zoning, land use, and occupancy regulations governing commercial or animal-related uses.

Your Business must comply with applicable health, safety, and sanitation laws, including requirements relating to cleanliness, waste disposal, ventilation, and the humane handling and care of animals, particularly if dogs are housed or trained onsite. You may also be required to maintain insurance coverage (such as general liability and animal liability insurance) and to implement safety and operational protocols designed to protect animals, customers, and the public.

You must comply with applicable consumer protection laws, including laws governing advertising, marketing, pricing disclosures, and customer interactions. If you employ workers, you are subject to all applicable employment and labor laws, including those relating to wages, hours, workplace safety, and classification. In addition, if your Business interacts with service animals or their handlers, you must comply with the Americans with Disabilities Act (ADA) and similar state and local laws, including requirements relating to public access and nondiscrimination.

You may also be subject to background check requirements imposed by local jurisdictions as a condition to obtaining or maintaining licenses or permits. We require you, as part of our franchise qualification process, to pass a criminal background check.

Item 2
Business Experience

Chief Executive Officer: Fred Hassen

Mr. Hassen has served as our Chief Executive Officer since our formation on January 20, 2009. He has also been Chief Executive Officer of SMSI since January 2006.

President: Alfredo Rivera

Mr. Rivera has served as our President since our formation on January 20, 2009. He has also been President of SMSI since January 2006.

Office Manager: Ineisha Holiday

Ms. Holiday has served as our and SMSI's Office Manager since March 2016.

Item 3
Litigation

Sit Means Sit Franchise, Inc. v. Oklahoma City Dog Training, LLC and Lukas Miller, in the District Court, Clark County, Nevada (Eighth Judicial District Court), Case No. A-25-921505-B. On or about June 19, 2025, we filed a lawsuit against our former franchisee, Oklahoma City Dog Training, LLC ("ODT") and its owner, Lukas Miller ("Miller") (collectively, "Defendants"). Miller, through ODT, operated a Sit Means Sit franchise in and around Edmond, Oklahoma, under a franchise agreement that expired by its terms on October 27, 2024. Shortly before expiration, Miller formed 5 Star Dog Training OKC, LLC and began operating a competing dog training business within the trade area in violation of the post-termination non-competition covenant in the franchise agreement and the continuing guaranty signed by Miller. In the Complaint, we sought preliminary and permanent injunctive relief, attorneys' fees, and costs, asserting claims against ODT for breach of the franchise agreement and against Miller for breach of the continuing guaranty. On October 30, 2025, the Court entered an order denying Defendants' motion to dismiss and granting our motion for a preliminary injunction against Defendants. On December 8, 2025, Defendants filed an answer and counterclaims against us asserting five counts: two counts of tortious interference with contractual relations, one count of negligence, and two counts of breach of the implied covenant of good faith and fair dealing. On March 16, 2026, the Court entered an order dismissing all five of Defendants' counterclaims. The litigation remains pending as to our affirmative claims, and we intend to continue to vigorously prosecute those claims.

Harold Theodore Wall III, Command Masters Dog Training, LLC, Alex Scofield, K9 Dynamics, LLC, Alan Shade, and Elite Canine Services, LLC v. Sit Means Sit Franchise, Inc., in the Chancery Court of Rutherford County, Tennessee, Case No. 26CV-882. On or about May 15, 2026, three franchisees and their affiliated entities (collectively, the "Plaintiffs") filed a lawsuit against us. The Plaintiffs operate Sit Means Sit franchises in Tennessee, Alabama, and Mississippi. In the Complaint, the Plaintiffs assert claims against us for promissory fraud, breach of contract and breach of the duty of good faith and fair dealing, and negligent misrepresentation. The Plaintiffs generally allege that we failed to provide a consistent and functional dog training system, failed to provide adequate support and services under the franchise agreements, and made alleged misrepresentations in connection with the sale and operation of the franchises. The Plaintiffs seek compensatory damages, attorneys' fees, punitive or statutory damages, interest, and other relief. We have not yet filed a responsive pleading to the Complaint, but we intend to vigorously defend against the claims asserted and deny the material allegations.

Maryland Consent Order (Case No. 2012-0362). On or about September 19, 2012, the Securities Division of the Office of the Attorney General of Maryland entered into a stipulated Consent Order with us and with our affiliate, Sit Means Sit, Inc. ("SMSI") entered into a stipulated Consent Order in which SMSI acknowledged that Merchandising and Licensing Agreements ("MLAs") that it had entered into with two different Maryland residents constituted "franchises" as defined under the Maryland Franchise Law. SMSI also acknowledged that SMSI was not registered to offer and sell franchises under the Maryland Franchise Law at the time SMSI entered into MLAs with the two Maryland residents and that SMSI did not provide those Maryland residents with an FDD registered under the Maryland Franchise Law prior to the sale of the SMSI MLAs. We further admitted that we offered a franchise to a prospective Maryland franchisee at a time that we were not registered to offer franchises under the Maryland Franchise Law.

In the Consent Order, the Maryland Securities Commissioner (the "Securities Commissioner") concluded that SMSI violated §§14-214, 14-216, 14-228, and 14-229 of the Maryland Franchise Law, and that we violated §§14-214, 14-216, 14-228, 14-229, and 14-231 of the Maryland Franchise Law. As part of the Consent Order, we represented to the Securities Commissioner that: (1) we have developed and implemented new written compliance procedures to ensure that, in the future, we comply with the registration, disclosure and antifraud provisions of the Maryland Franchise Law, which compliance procedures we submitted to the Securities Commissioner; (2) we and SMSI would immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; and that (3) the Consent Order is a discloseable order under the Maryland Franchise Law, and Item 3 of the NASAA Franchise Registration and Disclosure Guidelines and Amended FTC Franchise Rule. We also agreed to pay a $2,000 civil penalty to the Office of the Attorney General.

Minnesota Consent Order (Case No. FR2900235/DPK). On or about September 1, 2009, the Minnesota Department of Commerce and our affiliate, Sit Means Sit, Inc. ("SMSI") entered into a stipulated Consent Order in which the state alleged that SMSI sold an unregistered franchise in that state, and SMSI, without admitting or denying any violation of law, agreed to pay a $1,000 civil penalty and comply with Minnesota franchise law.

Other than these actions, 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

Deposit

You must pay us an application fee and deposit of $1,500 at the time you apply to become a franchisee. This fee covers the cost of conducting a credit and criminal background check and evaluating your qualifications as a franchisee candidate. If both parties agree to proceed, the $1,500 will be applied toward your initial franchise fee or your payment under the Trade Area Reservation Agreement ("TARA"), described below. This fee is nonrefundable under all circumstances, including if either party decides not to proceed.

Initial Training and Apprentice Program Fees

We provide the Initial Training Program at no additional cost for one trainee. For each additional trainee, you must pay a $2,500 training fee and a $150 background check fee. If you send individuals to our apprentice program (a five-day segment of the Initial Training Program), you must pay a $1,000 fee per person, plus a $150 background check fee per person. You are responsible for all travel, lodging, and living expenses for yourself and any attendees. These fees are nonrefundable.

Initial Franchise Fee

If this is your first franchise with us, you will pay a nonrefundable initial franchise fee of $30,000 when you sign the Franchise Agreement.

If you are an existing franchisee who purchased your first franchise before July 2020, or if you are purchasing an additional franchise on or after June 1, 2025, you will pay a nonrefundable initial franchise fee of $25,000 for each additional franchise.

If you purchased your first franchise between July 1, 2020, and May 31, 2025, you will pay a reduced initial franchise fee for each additional franchise according to the following schedule:

Franchise Number	Initial Franchise Fee
2	$15,500
3	$13,500
4	$11,500
5 and each additional	$10,000

All initial franchise fees are nonrefundable under any circumstances.

Trade Area Reservation Agreement

If you choose to reserve a Trade Area under a TARA (see Item 12 and Exhibit K), you must pay a $5,000 deposit for each Trade Area reserved. If you do not sign a franchise agreement and begin operations by the Commencement Deadline, you may extend the deadline once for an additional year by paying an additional deposit equal to 50% of the then-current initial franchise fee for that Trade Area. If you do not begin operations before the original or extended deadline, your TARA and rights to the Trade Area will terminate automatically. All deposits paid under the TARA are nonrefundable, but they will be credited toward your initial franchise fee if you sign a Franchise Agreement before the applicable deadline.

CRM Setup Fee

You must pay a one-time, nonrefundable CRM setup fee of $1,000 per Franchised Business. This fee covers the cost of onboarding, implementation, and initial configuration of the required Customer Relationship Management ("CRM") system for your Business. You must pay the CRM setup fee when you are onboarded to the CRM system or at such earlier time as we require. This fee is nonrefundable under all circumstances.

Supply and Equipment Fees

You must purchase an initial inventory of training collars from our affiliate, SMSI. While there is no required quantity, we estimate the cost will range from $630 to $1,570. If we determine that your or your

employees' progress during training is unsatisfactory, we may terminate your Franchise Agreement. In that case, we will refund the cost of the collars if they are returned unused or in "like new" condition.

All initial fees described in this Item 5 are uniform for franchises being offered under this disclosure document, are payable in a lump sum, and, except for the training collars, are not refundable under any circumstances. In 2025, we charged initial fees ranging between $17,500 and $20,000.

Item 6
Other Fees[1]

Type of fee	Amount	Due Date	Remarks
Fees You Will Pay Us Every Month			
Continuing Royalty (for franchisees who purchased their first franchise on or after July 1, 2023)	The greater of 6% of your Gross Sales or $800 per month.	Payable by the 5th day of each calendar month; considered late if not paid by the 10th day of the calendar month.	We may adjust this amount no more frequently than annually based on the Consumer Price Index, U.S. Average, all items, or any replacement index which we select.
Continuing Royalty (for franchisees who purchased their first franchise between July 1, 2020, and June 30, 2023)	$900 per month. If paid on the first day of the calendar month that is not a weekend day or a holiday, the Continuing Royalty will be $800 for that calendar month only.	Payable by the 5th day of each calendar month; considered late if not paid by the 10th day of the calendar month.	We may adjust this amount no more frequently than annually based on the Consumer Price Index, U.S. Average, all items, or any replacement index which we select.
Continuing Royalty (for franchisees who purchased their first franchise before July 1, 2020)	$600 per month. If paid on the first day of the calendar month that is not a weekend day or a holiday, the Continuing Royalty will be $500 for that calendar month only.	Payable by the 5th day of each calendar month; considered late if not paid by the 10th day of the calendar month.	We may adjust this amount no more frequently than annually based on the Consumer Price Index, U.S. Average, all items, or any replacement index which we select.
Customer Relationship Management ("CRM") System Fee	Then-current fee; currently $800 per month (Note 3)	Payable by the 5th day of each calendar month; considered late if not paid by the 10th day of the calendar month.	For access to and use of the required CRM system. We may modify this fee to reflect changes in our costs or the costs charged by third-party providers.
Franchise Financial Database	Cost of a monthly license for the program, currently $14.95/month. (Note 3)	Upon invoice.	You must pay us, or our designated third-party supplier (currently Qvinci), to use this program.

Type of fee	Amount	Due Date	Remarks
Fees Charged Based On Your Request or Need			
Background Checks	Our costs to perform background checks, which are presently $150.00 per background check.	On invoice by us.	You must reimburse us for performing and updating periodic background checks on you and your Authorized Trainers. We reserve the right to update background checks at your cost, typically no more frequently than annually.
Initial Training Fee	After the first trainee, $2,500 per person for each person that attends the Initial Training Program	Before training	We charge a fee for any additional personnel that attend the Initial Training Program.
Apprentice Program	$1,000 per person that attends the apprentice program.	Before training.	The apprentice program takes place for 5 days during our Initial Training Program.
Optional Training Courses	As established by us. Fees will be uniform for all franchisees. Currently $150 per person per day. You must pay for your own travel, food, and incidental expenses. (Note 3)	Prior to beginning of training	We will not charge a fee for any mandatory training courses which you must attend. However, we may charge a fee for any optional training courses we periodically offer, in our sole discretion. In addition to any training fee, you must pay all transportation costs, food, lodging and similar costs incurred in connection with attending any additional training courses.
Further Individualized Training	As established by us. Fees will be uniform for all franchisees. Currently $150 per person per day. You must pay for your own travel, food, and incidental expenses. (Note 3)	Upon demand	Payable only if you request additional training from us or if we determine that your Business is not being operated according to our Policies or the Franchise Agreement.
Continuing Education Fee	$150 - $350 (Note 3)	Before attending program.	We hold two (2) Owners-only meetings annually. If you attend one, we will charge this fee.
Toll-free Telephone Number Fee Charges	You must reimburse us for any telephone charges that we incur to receive and forward to you telephone	On demand	We may charge a reasonable fee designed to reimburse us for costs of establishing and operating the toll free call center. We

Type of fee	Amount	Due Date	Remarks
	calls that we receive at our toll free number.		do not currently operate a call center; as a result, we do not currently charge this fee.
Supplier Approvals	Our costs of inspecting your proposed supplier facility and/or product and equipment and all product testing costs paid by us to third parties (including travel expenses), which we estimate to be between $3,000-$4,000.	On demand	Payable by you or the proposed Supplier only if you ask us to approve a Supplier.
Transfer / Assignment	The greater of (i) our out-of-pocket expenses associated with evaluating and documenting the proposed Assignment, (ii) $5,000, or (iii) 10% of the consideration paid for your Business.	Estimate of transfer fee paid upon submission of request. Transfer fee must be paid before transfer	Applicable only if you choose to transfer your Franchise Agreement. Our consent is required for any transfer.
Fees We Have The Right To Charge Only Under Certain Circumstances			
Non-Compliance Assessment	$100 per occurrence, per week that you are not in compliance. (Note 3)	Upon demand	We have the right to charge this fee (in addition to our other rights and remedies) if you are not in compliance with our System standards.
Failure to Attend Re-Certification Training	$2,500 plus our reasonable attorneys' fees. (Note 3)	Upon demand	You must complete re-certification training once every three (3) years. We will charge you this fee if you do not comply with this requirement.
Late Fee	Interest of 10% per annum, or the highest interest rate allowable by law, whichever is less, on any unpaid amounts (with a minimum fee of $25.00). Interest begins from date of nonpayment or underpayment. (Note 3)	Upon demand	Due only if you are late in paying any amounts owed to us.
Charges for unpaid checks, drafts or electronic payments	Our costs and expenses arising from the non-payment, including bank fees in the amount of at least $50.00 and other related fees we incur. (Note 3)	Upon demand	Payable only if any check, draft, electronic or other payment is unpaid because of insufficient funds or otherwise

Type of fee	Amount	Due Date	Remarks
Default Reimbursement and Legal Fees	You must reimburse our costs and expenses arising from your default under the Franchise Agreement, including reasonable legal fees. We estimate that these fees will be between $500 and $100,000.	Within 5 days after you cure the default	Payable only if you default under your Franchise Agreement. This includes our costs and expenses if you fail to de-identify any permitted Training Facility.
Inspections	You must reimburse us for all of our costs and expenses (including travel expenses) incurred in connection with our inspection of your Business location(s), which we estimate to be between $3,000-$4,000.	On demand	You must reimburse our costs and expenses only if the inspection discloses any material failure to comply with our policies. There are no limitations on the frequency of these inspections.
Indemnification	Will vary under circumstances	As incurred	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Business.
Under-Reporting of Gross Sales	Amount determined to be owed plus interest on the underpayment at the highest rate allowable by law (not to exceed 18%).	Upon demand	Payable only if an audit or other investigation reveals an under-reporting or under-recording error. Interest begins from the date of underpayment.
Liquidated Damages	Greater of (i) your average monthly royalty during the 12 months before termination or (ii) the minimum monthly royalty in Addendum A, multiplied by the lesser of (a) 36 months or (b) the number of months remaining in your term. (Note 4).	Upon Demand	Payable only if we terminate the Franchise Agreement with cause, or if you cancel your Franchise Agreement prior to its expiration.

(1) All fees listed in this Item are uniformly imposed on all franchisees and are payable directly to us, unless otherwise noted. The only exception is the fee for the Franchise Financial Database, which is payable to a third-party provider. Once paid, all fees due to us are nonrefundable under any circumstances. Fees paid to third-party vendors or suppliers may or may not be refundable, depending on the policies of those vendors or suppliers.

(2) "Gross Sales" means all revenue received or receivable by you from any source as payment for goods and services sold or promoted under the Marks, regardless of the form of payment (e.g., cash, credit, debit, barter, or other means of exchange), and regardless of whether payment is actually collected. This includes the full retail value of any gift certificates or coupons sold for use at your Business. However, Gross Sales excludes: (i) sales taxes collected directly from customers and any other taxes, excises, or duties imposed by a governmental authority on specific goods or services, provided such amounts are separately

stated and actually remitted to the appropriate authority; (ii) tips, gratuities, or service charges paid directly to employees; and (iii) proceeds from isolated sales of equipment or trade fixtures not part of your ordinary course of business.

We may require that all amounts you owe us be paid through an electronic depository transfer account ("Electronic Depository Transfer Account"). If so, you must establish and maintain such an account and authorize us to access it for the purpose of collecting royalty fees, advertising contributions, payments for purchases from us, and any other amounts due under your Franchise Agreement.

(3) Unless we have indicated otherwise, for any fee that is listed as our then-current fee in the table above, we have the right to increase fees by a maximum of 10% per year, calculated cumulatively over the term of the Franchise Agreement. Additionally, we may also increase these fees by the amount of any increases in fees from third parties for the underlying products or services which will be added to the capped fee increase (even if it is more than 10%).

(4) *Example 1*: If your average monthly royalty was $1,200 and 24 months remain, liquidated damages would be $1,200 × 24 = $28,800. If you purchased your first franchise between July 1, 2020 and June 30, 2023, your minimum monthly royalty is $900. $900 × 24 = $21,600. Because $28,800 is greater than $21,600, the liquidated damages would be $28,800.

Example 2: If your average monthly royalty was $900 and 40 months remain, you use 36 months (the cap). Calculate both: $900 × 36 = $32,400; $1,000 × 36 = $36,000. Liquidated damages would be $36,000 because it is greater than $32,400.

Item 7
Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Fee (New Franchisee)	$30,000	Lump Sum or As Arranged	When you sign your Franchise Agreement	Us
Initial Fee (Existing Franchisee – First Franchise Before July 1, 2020 or After June 1, 2025) (1)	$25,000	Lump Sum or As Arranged	When you sign your Franchise Agreement	Us
Initial Fee (Existing Franchisee – First Franchise Between July 1, 2020 and May 31, 2025) (1)	$10,000 - $15,500	Lump Sum or As Arranged	When you sign your Franchise Agreement	Us
Real Property & Leasehold Improvements (2)	$0 - $39,000	Lump Sum or As Arranged	Before Opening	Outside Suppliers
Equipment and signs	$300 - $1,000	As Arranged	Before Opening	Outside Suppliers
Sit Means Sit Vehicle(s) (3)	$400 - $23,500	As Arranged	Before Opening	Auto Dealer
Computer Hardware and Software	$0 - $3,000	As Arranged	Before Opening	Outside Suppliers
Initial Training Fee (4)	$0 - $2,500	Lump Sum or As Arranged	Before Opening	Us
CRM Setup Fee	$1,000	As Arranged	Before Opening	Us

Type of expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Wages, Travel, Lodging and Living Expenses During Training (5)	$2,620 - $6,680	As Incurred	Before Opening	Airlines, hotels, Restaurants and employees
Opening Inventory Collars	$630 - $1,570	As Arranged	Before Opening	SMSI
Pre-opening Advertising Includes brochures, business cards, Magnets	$200 - $700	As Incurred	As Incurred	Media and other suppliers
Insurance Deposits and Premiums (6)	$150 - $3,300	As Arranged	As Arranged	Insurance Companies
Licenses and Permits	$25 to $700	As Incurred	Before Opening	Governmental Agencies
Professional Fees	$0 - $3,000	As Incurred	As Incurred	Attorneys, Accountants, etc.
Demonstration Dog (7)	$50 - $7,500	Before Training	Before Training	Suppliers
Additional Funds – 3 Months (8)	$4,800 - $13,800	As Incurred	As Incurred	Us, Employees, suppliers, utilities, landlords, etc.
TOTAL ESTIMATED INITIAL INVESTMENT (NEW FRANCHISEE)	$40,175 - $137,250			
TOTAL ESTIMATED INITIAL INVESTMENT (EXISTING FRANCHISEE – FIRST FRANCHISE BEFORE JULY 1, 2020 OR AFTER JUNE 1, 2025)	$35,175 - $132,250			
TOTAL ESTIMATED INITIAL INVESTMENT (EXISTING FRANCHISEE – FIRST FRANCHISE BETWEEN JULY 1, 2020 AND MAY 31, 2025)	$20,175 - $122,750			

Note: Neither we, nor any of our affiliates, offer direct or indirect financing for any part of the initial investment. We do not know whether any of the money you pay to third parties will be refundable.

1. As described in Item 5, the Initial Franchise Fee varies depending on your franchise history; existing franchisees who purchased their first franchise before July 1, 2020, or who are purchasing an additional franchise on or after June 1, 2025, pay $25,000; and existing franchisees who purchased their first franchise between July 1, 2020, and May 31, 2025, pay a tiered Initial Franchise Fee ranging from $10,000 to $15,500 depending on the number of franchises they have already purchased. We also offer a referral incentive through our Franchisee Lead Referral (FLR) Program, under which existing franchisees who refer a new franchisee to us are eligible to receive a $5,000 referral fee. This referral fee may be applied toward the purchase of an additional Trade Area, and if the referring franchisee subsequently purchases an additional Trade Area, they will receive a $5,000 refund upon signing the Franchise Agreement and paying the applicable Initial Franchise Fee. Please note that this Item 7 does not reflect the $5,000 refund. We reserve the right to modify or discontinue the FLR Program at any time.

2. The low end of the estimated initial investment assumes that you will operate without a formal Training Facility, and therefore will not incur rental or construction costs. If you choose to operate from a facility, suitable locations may include strip malls or light industrial/commercial zones, typically involving the lease of unimproved and unfurnished retail or warehouse space. For a leased facility, you should expect to prepay first and last month's rent (estimated at approximately $6,000) and invest an additional $6,000 to $9,000 in construction and improvements. These figures are reflected in the high estimate and are based on a facility ranging from 1,000 to 3,500 square feet in Las Vegas, Nevada. Actual costs may vary significantly depending on factors such as location, size, market demand, economic conditions, and lease terms. If you choose to purchase a facility or construct a free-standing building, your investment will likely be substantially higher.

3. The low estimate assumes that you already own a suitable Vehicle and will incur only minimal costs for decals. You are required to purchase or lease one or more Vehicles that meet our specifications. After acquiring your vehicle(s), you must promptly complete all required modifications, including the installation of decals, logos, and racks, in accordance with our standards.

4. We provide the Initial Training Program at no additional cost for one trainee (excluding transferees). The low estimate assumes that only one person will attend training. The high estimate includes the Initial Training Fee for a second trainee. You must pay a fee of $2,500 for each additional person attending the Initial Training Program. If you send individuals to our apprentice program (a five-day segment of the Initial Training Program), you must pay a fee of $1,000 per person. For each additional trainee or apprentice, you must also pay a $150 criminal background check fee. You are responsible for all travel, lodging, and living expenses for yourself and any other attendees.

5. You are responsible for all travel-related expenses for attendees of the Initial Training Program. The low estimate assumes one trainee will drive to the training location and incur approximately $200 in fuel costs. The high estimate assumes two trainees will travel by air and incur approximately $1,000 in combined airfare, meals, and wages. Actual costs will vary depending on the number of attendees and the distance traveled.

6. This estimate represents a down payment toward the annual insurance premiums required under the Franchise Agreement and Manual. Your actual insurance costs will depend on the geographic location of your Business and the number of employees you employ.

7. You are required to have a demonstration dog trained using our methods to help market your Business. We do not charge a fee for training the dog. You may train the dog yourself after completing our Initial Training Program. The estimated cost reflects either adopting a dog (typically around $50) or purchasing one (which may cost up to $7,500).

8. These amounts are the minimum recommended levels to cover your operating expenses for three (3) months, assuming no revenue during this period. We have included your first three (3) months of the CRM fee. In compiling this chart, we relied on the experience of our affiliate, SMSI, as the owner and operator of a Business similar to the franchise being offered to you, as well as on our own experience as the franchisor of Businesses.

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Item 8
Restrictions on Sources of Products and Services

Standards and Specifications

You must establish and operate your Business in full compliance with your Franchise Agreement and the standards and specifications set forth in our confidential Manual (the "Manual"), which we will provide to you. We will communicate updates to these standards and specifications in writing through the Manual.

To ensure consistency, quality, brand recognition, and uniformity across all Sit Means Sit® Businesses, you are required to purchase all décor, inventory, equipment, supplies, forms, products, services, and advertising materials used in or sold through your Business in accordance with our specifications. These items must be purchased only from us, our affiliates, or suppliers and distributors that we have approved or designated.

We may periodically require you to purchase, use, offer, promote, and/or maintain in stock certain products and materials, including but not limited to: dog collars, dog care and training products, toys, food and treats, leashes, bite suits, apparel, training and other equipment, uniforms, packaging, business cards, forms, computer hardware and software, modems, and other peripheral equipment. These items may be designated as "Designated Products" or "Sit Means Sit Brand Products" if they are produced in accordance with our proprietary specifications or bear our trademarks. You must purchase these products exclusively from us, our affiliates, or suppliers we designate.

You may not use any product, service, or supplier that we have not authorized. All packaging and similar materials must meet our specifications and, if required, bear our Marks. If you use materials or products not purchased from us or our affiliates, we must approve the manner in which our Marks are used on those items.

Our standards and specifications are developed and updated based on market conditions, competitive factors, and the operational experience of our affiliate and franchisees. We do not disclose our criteria for selecting approved suppliers to franchisees or suppliers. We do not provide or withhold material benefits based on your use of designated or approved suppliers.

Supplier Approvals; Specifications

We may also designate certain products, materials, or equipment as "Ancillary Products," which you may or must use or offer in connection with your Business. You are not required to purchase Ancillary Products from us or our affiliates, but you may only use those we have expressly authorized. You may purchase authorized Ancillary Products from us, our affiliates, or from a supplier we designate or approve.

If you wish to purchase from a supplier not previously approved, you must submit a written request for approval. You or the supplier must reimburse us for all reasonable costs incurred in evaluating the supplier, including travel expenses for inspections and third-party product testing. We will evaluate whether the supplier and its products meet our standards and may revoke approval at any time by written notice or through the Manual. Upon request, we will provide general (but not manufacturing) specifications for Ancillary Products not already included in the Manual. We will notify you of our decision within 60 days of receiving your complete request and supporting documentation.

Approved suppliers must meet our customary requirements regarding insurance, indemnification, and non-disclosure, and must demonstrate: (a) the ability to supply products that meet our specifications;

(b) reliability in delivery and consistent product quality; and (c) the ability to meet other requirements we determine are in the best interest of the franchise system.

Required Purchases Or Leases

Our affiliate, SMSI, is the sole approved supplier for the following required items: franchisee training, training collars, leashes, and training cots. While we or our affiliates may reserve the right to be the exclusive supplier of other items, we currently do not exercise that right for any other categories.

Training and Certification Programs

We and our affiliates are the only approved supplier of training and certification programs that we require you to take and to have for your franchise.

Customer Relationship Management (CRM) Software

You must subscribe to and use the Customer Relationship Management ("CRM") system that we designate. You must obtain the CRM system and related services only from us, our Affiliate, or our designated third-party provider. We may require you to transition to a different CRM system or provider at any time upon reasonable notice. In that event, you must comply with our transition requirements and may incur additional onboarding or conversion costs.

Real Estate

You are not required to operate the Business at a formal Training Facility. If you elect to do so, the Training Facility must be located within your Trade Area, it must meet our standards and specifications and be accepted by us. If the Training Facility is leased or subleased, you must submit a copy of your lease to us for our review and acceptance. We are not an approved supplier of site leases.

Vehicles

A significant portion of your Business will be conducted using a truck, SUV, or other vehicle ("Vehicle") to deliver products and perform services within your Trade Area. You must purchase or lease at least one suitable Vehicle unless you already own one that is in good condition and free from significant damage. We do not require a specific make, model, or year, and we do not issue specifications to vehicle suppliers. We are not an approved supplier of Vehicles.

Insurance

You must maintain insurance coverage in the types and minimum amounts specified in the Franchise Agreement, Manual, or by written notice. This includes workers' compensation insurance as required by law, and comprehensive general liability insurance (including errors and omissions) of at least $1,000,000. For any vehicles used in your Business, you must carry automobile liability insurance of at least $250,000 per person, $500,000 per accident, and $100,000 for property damage. All policies must name us and our designated affiliates as additional insureds. You may purchase insurance from any carrier, subject to our approval, which will not be unreasonably withheld. Proof of insurance must be submitted before opening. We are not an approved supplier of insurance.

Advertising

All advertising and promotional activities you conduct—regardless of the medium—must be carried out in a professional and dignified manner and must comply with our standards and specifications. You are solely responsible for all costs associated with your advertising and promotional efforts. We reserve the right to require you to purchase advertising and promotional materials directly from us, our affiliates, or from suppliers we have approved. While we are not currently the exclusive supplier of advertising materials, we reserve the right to become one in the future.

Computer System and Proprietary Software

You are required to purchase or lease and maintain a personal computer system (the "Computer System") that meets the specifications outlined in the Manual or as otherwise communicated by us in writing. You may obtain the Computer System from any supplier, provided it meets our minimum requirements. You must keep the Computer System in good working order and install all required software updates as specified or supplied by us or by approved vendors. We may also require you to sign a license or sublicense agreement for proprietary software that we own or license ("Proprietary Software"). This includes, but is not limited to, our franchise financial database program. You must also maintain a PC desktop version of QuickBooks that is no more than three years old. If we require you to use Proprietary Software, we or our designee will provide support services at our then-current rates. We are not currently an approved supplier of the Computer System or Proprietary Software, but we reserve the right to become one.

Website Development

You must use our designated third-party vendor for all website development, hosting, and digital marketing services. You are not allowed to register or use any domain names, URLs, or websites that include our trademarks or any similar names. All online marketing must be done through our approved vendor and follow our current policies and guidelines. Our approved vendor currently provides: website creation and hosting; search engine optimization (SEO); online advertising (such as Google Ads and social media ads); and social media content and management. You are responsible for paying the vendor directly for these services under a separate agreement.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that required purchases and leases will account for approximately 55% to 90% of the total cost of establishing your franchise. During ongoing operations, required purchases and leases are expected to represent approximately 5% to 50% of your total operational costs.

Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

As of the date of this Disclosure Document, we have not established any purchasing or distribution cooperatives. However, we may do so in the future. We may also negotiate volume purchasing arrangements, including pricing terms, with suppliers for the benefit of our franchisees. Additionally, we may negotiate alternative purchasing arrangements with approved suppliers and distributors.

We reserve the right to receive rebates, discounts, or other consideration from suppliers based on volume purchases, including purchases of products that we resell to you. We or our affiliates may derive revenue from your required purchases or leases if those purchases are made from us or our affiliates.

In 2025, we did not receive any revenue, rebates, or other material consideration from required franchisee purchases or leases. However, our affiliate, Sit Means Sit, Inc. ("SMSI"), reported unaudited revenue of approximately $4,643,127.62 of its total revenue of $5,052,882.19 from franchisee purchases. SMSI also expects to receive a 5% rebate from its supplier on all purchases of Sit Means Sit training collars.

None of our officers owns an interest in any unaffiliated supplier, but they do own an interest in us and SMSI, and as discussed above we and SMSI are approved suppliers.

Item 9
Franchisee's Obligations

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

Obligation	Section In Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 4.3; Trade Area Reservation Agreement	Items 8 & 11
b. Pre-opening purchases/leases	Section 4.1	Item 8
c. Site development and other pre-opening requirements	Section 4.1	Items 7 & 11
d. Initial and ongoing training	Article 6	Item 11
e. Opening	Section 4.4	None
f. Fees	Article 5; Trade Area Reservation Agreement	Items 5 & 6
g. Compliance with standards and policies/Operating Manual	Article 7	Item 11
h. Trademarks and proprietary information	Article 12	Items 13 & 14
i. Restrictions on products/services offered	Sections 7.3, 7.4, 7.10, 7.12 & 9.2	Item 16
j. Warranty and customer service requirements	Section 10.4.2	Item 8
k. Territorial development and sales quotas	None	Item 12
l. Ongoing product/service purchases	Article 10	Item 8 & 6
m. Maintenance, appearance, and remodeling requirements	Section 4.2	Item 8
n. Insurance	Article 17	Items 8
o. Advertising	Article 8	Items 6 & 11
p. Indemnification	Sections 4.3.1, 14.2.4, 18.1 & 18.2	Item 6
q. Owner's participation/ management/staffing	Section 7.2	Items 11 & 15
r. Records/reports	Sections 11.1 & 11.4	Item 6
s. Inspections/audits	Sections 11.2 & 11.5	Items 6 & 11
t. Transfer	Sections 14.2, 14.3 & 14.4	Item 17
u. Renewal	Sections 3.2, 3.3 & 3.4	Item 17
v. Post-termination obligations	Article 16	Item 17
w. Non-competition covenants	Section 13.1	Item 17
x. Dispute resolution	Article 20	Item 17
y. Liquidated Damages	Section 16.2	Item 6

Item 10
Financing

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

Item 11
Franchisor's Assistance, Advertising, Computer Systems, and Training

Except as listed below, Sit Means Sit Franchise, Inc. is not required to provide you with any assistance.

Pre-Opening Obligations. Before you open your Business, we will:

1. If you choose to operate from a Training Facility, you must find a location within your Trade Area that meets our current standards and specifications, as well as all applicable local laws and building codes. We do not select or lease the site for you. After you submit your proposed site, we will review it and notify you of our approval or rejection—typically within 14 days. We consider factors such as location, neighborhood, demographics, traffic patterns, parking, size, building condition, and lease terms. If we do not approve a site or you choose not to operate from a Training Facility, you may operate without one.

We do not assist with permitting, construction, remodeling, or compliance with local codes. If you do not begin operating your Business within 60 days after completing the Initial Training Program, we may terminate your agreement. (Franchise Agreement § 4.4)

2. Provide you with our guidelines and specifications for required equipment (including computer equipment), inventory, supplies, materials, and signs. You are solely responsible for purchasing those items, which must conform to our standards and specifications. (Franchise Agreement, § 4.1.1)

3. We will provide you with our Vehicle specifications in the Manual and other materials. These may include requirements for make, model, year, color, and branding (e.g., wraps or decals). You must promptly acquire one or more vehicles for use in your Trade Area. You are responsible for all costs. (Franchise Agreement § 4.1.2)

4. We will provide an Initial Training Program. You may send employees to attend the full program or the apprentice portion. We do not assist with hiring or training your employees. (Franchise Agreement § 6.1)

5. We will give you access to our Manual through our corporate resource page. This manual includes our operational procedures, policies, and rules. A copy of the current table of contents is attached as Exhibit I. The Manual currently contains 99 pages. (Franchise Agreement § 7.6.3)

6. SMSI will sell and deliver to you an initial inventory of training collars. (Franchise Agreement, § 10.4)

7. If you purchase a Trade Area Reservation Agreement (TARA), we will reserve each Trade Area you pay for ($5,000 per Trade Area) and will not sell it to another franchisee. (TARA, Section 5).

Time to Open

We estimate that most franchisees open their Business within 1 to 4 months after signing the Franchise Agreement. This timeline may vary based on factors such as your ability to obtain a lease or financing; acquiring a demonstration dog; completing the Initial Training Program; local permitting, zoning, or construction delays (if leasing a Training Facility). Unless we agree otherwise in writing, you must begin operating your Business within 60 days after completing the Initial Training Program. If you do not, we may terminate your Franchise Agreement without refunding any initial fees.

Post-Opening Obligations: During your operation of the Business, we will:

1. At your reasonable request, provide support and advice from our headquarters staff, field representatives, or training team. This support may include technical, sales, or operational guidance by phone, email, or other communication methods. If we provide additional training or support at your request—or if we determine that your Business is not being operated according to our standards—you must reimburse our expenses and pay our then-current training fee. (Franchise Agreement § 6.3)

2. Periodically designate products and services as "Authorized Products and Services" and we will periodically designate certain products as "Designated Products" or "Ancillary Products" which you must stock and provide. (Franchise Agreement, §§ 7.3, 10.2 and 10.3)

3. Review and either approve or disapprove any local advertising, direct mail, promotional materials, or marketing programs you propose. (Franchise Agreement, § 8.1)

4. We will conduct ongoing training programs. You must attend these programs as required. You must also complete re-certification every three (3) years after completing the Initial Training Program. (Franchise Agreement, § 6.4)

Post-Opening Optional Assistance. During your operation of the Business, we may:

5. Establish an Intranet for communication between franchisees and with us. The Intranet may include the Manual, updates, and other confidential materials. We control all aspects of the Intranet and may change or discontinue it at any time.. (Franchise Agreement, § 7.12)

6. Manage the System's presence on the Internet, including websites, e-commerce, and social media. We control the design and content of all websites and online platforms. If we include your Business on our website, we may list your contact information. However, we may remove your listing if you are not in compliance with the Franchise Agreement. We also control how you use social media in connection with the Marks. . We also have the right to control all use of social media sites by you that mentions or uses the Marks. (Franchise Agreement, § 9.1)

7. Designate certain National Accounts. We describe the National Accounts later in this Item. (Franchise Agreement § 7.12).

8. Conduct semi-annual owners only meetings. If you choose to attend one, we will charge you a fee between $150 and $350 per attendee.

9. Operate one or more toll-free telephone numbers (T-1 links) to refer potential clients to you and other franchisees. Details are provided later in this Item. (Franchise Agreement § 8.5).

10. Offer additional optional services, for example accounting support, for which we may charge a separate fee. (Franchise Agreement § 6.3)

11. If we have a Franchise Working Group ("FWG"), we may consult it on issues affecting the System. The FWG is made up of elected franchisees and serves in an advisory role only. We may change or dissolve the FWG at any time.

12. We operate an online store that provides all necessary equipment to franchisees. Franchisees will be provided with access to this online store following completion of their initial training programs. We provide suggestions as to items each franchisee may wish to purchase but only require the purchase of the SMS Collar. All items ordered through our online store will be shipped directly to franchisees by us.

13. We may offer monthly coaching sessions, either directly or through the FWG. These sessions are available through our online portal at no additional cost.

14. Provide you guidance in establishing prices for the products or services you sell. You will, however, be free to determine the price at which you sell products and services.

There is no specified date or period for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Business.

National Accounts

National Accounts include any (i) Any potential or existing commercial customer with multiple locations, including sites inside and outside your Trade Area; or (ii) any pet store, veterinary clinic, service dog training organization, or similar business whose customers may purchase Authorized Products and Services.

To attract and serve National Accounts effectively, we may create policies that govern how these accounts are approached and managed. This may include giving us, our affiliates, or other franchisees the exclusive right to solicit, enter into, and service contracts with National Accounts. You may not contact or solicit National Accounts without our prior written approval. If we choose, we may offer you a subcontract to provide Authorized Products and Services to a National Account located in your Trade Area. This is subject to the customer's approval and our terms. You are not required to accept a subcontract. If you do accept, you must sign our standard subcontract agreement. If you decline the subcontract, or if the National Account is dissatisfied with your performance, or if we believe it is necessary to protect the account or our reputation, we may assign the subcontract to another franchisee or service the account ourselves. (Franchise Agreement § 7.12)

Advertising

We do not operate a central advertising fund and are not obligated to spend any amount on advertising in your Trade Area, or in the trade area of any other franchisee. We do not have an advertising council composed of franchisees, and we do not require participation in local or regional advertising cooperatives.

Local Advertising (Franchise Agreement §§8.2, 8.5)

You must spend at least 1% of your Gross Sales each quarter on local advertising for your Business. You may use your own marketing materials if they: use the Marks correctly; comply with System Standards and Applicable Laws, and are approved by us in writing before use. All advertising must be clear, factual, not misleading, and meet our ethical and brand standards. You must submit all new advertising materials to us or our designated agency for approval. If we do not respond within 15 days, the materials are considered disapproved. You may not use any materials we have not approved.

Unless you are an existing franchisee signing a renewal or purchasing an additional franchise, you may not create or use any independent website, domain name, or online account that includes our Marks or intellectual property. If we allow you to have an online presence, it must follow our policies, and you must give us full administrator-level access.

At our request, your advertising must include a phone number we designate.

Computer System

You must purchase and maintain a Computer System that meets our current specifications, which are outlined in the Manual. The system must include a Macintosh or Windows-based computer (no more than three years old) capable of sending and receiving email and reports. You may purchase the system from any supplier, as long as it meets our requirements. You are not required to use an electronic cash register.

You must also use the CRM system that we designate for your Franchised Business. The CRM system must be used for customer management, lead tracking, scheduling, sales reporting, and other functions that we specify in the Manual. You must pay the fees described in Item 6, including a one-time setup fee (currently $1,000) and a recurring monthly fee (currently $800 per Franchised Business). We may modify the required CRM system, its functionality, or its provider at any time upon reasonable notice.

Your Computer System must be connected to the Internet and include any required software and hardware, such as digital still and video cameras. These tools must allow you to send and receive digital photos, videos, and audio in the format we specify. The system will store your business records, including sales and customer data. We have the right to access all information stored or collected through your Computer System or our Proprietary Software at any time, without notice. There are no contractual limits on our access.

You must purchase any upgrades or replacements we require. There are no limits on how often or how much these upgrades may cost. The estimated initial cost is $0 to $3,000. We estimate annual upgrade costs to be under $500, and full system replacement every three years at a cost of $500 to $4,800. We recommend budgeting for this expense.

We do not currently require you to purchase a maintenance or support contract, but we may in the future. If required, we estimate the annual cost to be about $1,500.

If we require you to use our Proprietary Software, you may need to sign a license agreement. We (or our designee) will provide support for the software at our then-current rates. You must implement any updates we provide within 30 days. (Franchise Agreement § 7.5.2)

Digital Marketing and Online Presence (Franchise Agreement, Article 9)

We provide digital marketing services through a third-party vendor. You must use this vendor for all website and online marketing activities. You may not create or manage your own website, register domain names, or operate any online platforms that use our trademarks or branding. We own and control all digital assets, including: our main website and all subdomains, all social media accounts using our trademarks, and all content, code, and data on our websites.

You must also use our approved SEO provider and follow all instructions we or the provider give you. You are responsible for giving the provider access to necessary information and paying for the services directly. We may require you to submit regular SEO performance reports. We may give you a dedicated page on our website for your Business. You may only customize this page as allowed by our policies and through our approved vendor. We may change or remove your page at any time.

Training (Franchise Agreement, Article 6)

Before you begin operating your Business, we will provide our Initial Training Program to one individual at no charge. (Franchise Agreement § 6.1.1) You must have at least one Authorized Trainer who has successfully completed our Initial Training Program to our satisfaction before you open your Business. This individual must also maintain all required certifications throughout the term of your franchise.

After the first trainee, our current fee is $2,500 per person that attends the Initial Training Program, plus $150 for a criminal background. If you bring people to our apprentice program (5 days during the Initial Training Program), you must pay a fee of $1,000 per person. You must bear all travel, food, lodging, incidental, and other expenses incurred by you and your personnel in connection with the Initial Training Program.

The Initial Training Program is held at a Sit Means Sit® franchisee-owned training facility that we designate. We offer the Initial Training Program twice per year. One training program will occur during the fall (August through November) and the other training program will occur during the spring (March through May).

If we determine that your or your employee's performance during the Initial Training Program is unsatisfactory, we may terminate your Franchise Agreement without refunding any fees. Although you may send employees to the Initial Training Program, you are solely responsible for hiring, training, supervising, and managing your employees and independent contractors in the day-to-day operation of your Business.

We may waive the Initial Training Program if you or your Authorized Trainer has already completed the program for another Sit Means Sit® Business, or you are signing a Successor Franchise Agreement. (Franchise Agreement § 6.1.6)

The Initial Training Program consists of approximately 147 hours of training over roughly a 21-day period. The following table describes our Initial Training Program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Dog Training	48 hrs.	41 hrs.	
Business/Marketing	9 hrs.	3 hrs.	
Business Office	3 hrs.	0	

Miscellaneous Dog Training (specific problem issues)	3 hrs.	0	A Sit Means Sit® franchisee-owned training facility we select
Personal Dog Training	0	40 hrs.	
Total	63 hrs.	84 hrs.	

We will hold training as frequently as we determine necessary, but at least twice a year at the times described above. Training is presently conducted by our Chief Executive Officer, Fred Hassen, our President, Alfredo Rivera, and our Director of Training, Scott Sanchez, who all have more than ten years of experience in the Sit Means Sit System. Training may also be conducted by other instructors who have at least one year experience in the Sit Means Sit System. Training materials will include our Manual.

We require you (or your Authorized Trainer(s)) to be re-certified by us by attending our re-certification training, at our semi-annual training school once every three (3) years during the term of your franchise. We will not require you to pay a fee to attend these re-certification programs, but you will be responsible for paying the travel, lodging, and living expenses of each person who attends on your behalf. Currently, our re-certification training program lasts for ten (10) hours. If you fail to be re-certified within three (3) years of the day you completed the Initial Training Program or the last re-certification course, we will (in addition to all other rights and remedies given to us under the Franchise Agreement) charge you a $2,500 missed recertification fee.

We will not charge a fee for Additional Training that we require you and/or your personnel to attend; however, we may establish charges for optional Additional Training courses that we make available to you. Our current fee for optional Additional Training courses is $150 per attendee, per day. Regardless of whether the Additional Training course is mandatory or optional, you will bear all expenses for you and your personnel while attending Additional Training, regardless of whether the Additional Training is required or optional. If you send a person or people to our apprentice program (which takes place for a 5-day period during our Initial Training Program), you must pay us a fee of $1,000 per person. (Franchise Agreement § 6.4)

We will conduct two (2) owners-only meetings each year. You are not required to attend an owners-only meeting, but if you do we will charge you a fee that will range from $150 to $350 per attendee. You must pay all travel expenses that you incur in connection with attending these meetings. (Franchise Agreement §§ 5.6 and 6.5)

You must train each of your employees who will conduct dog training to our satisfaction in accordance with the Manual. Before you begin operation of your Business, and always during the Term of your license, you must employ the number of trained employees and dog trainers necessary, in our judgment, to adequately operate the Business. (Franchise Agreement § 6.2)

Item 12
Territory

You will receive an exclusive territory (your "Trade Area") in which to operate a single Sit Means Sit® Business. The Trade Area will be a specific geographic region mutually agreed upon by you and us before you sign the Franchise Agreement. It will be described in Exhibit A to your Franchise Agreement and may be defined by reference to streets, natural boundaries, ZIP codes, cities, counties, states, or other geographic markers as they exist on the effective date of the Franchise Agreement. Once established, your Trade Area may not be relocated. If a boundary of your Trade Area is defined by a street (including where a ZIP code boundary is defined by a street), the centerline of that street will serve as the boundary.

Your Trade Area will include a minimum estimated "dog population" of 50,000. We calculate dog population using U.S. Census data for humans, applying the following formula:

(1) Divide the total population by 2.5 to estimate the number of households;

(2) Multiply the household population by 0.372 to estimate the number of dog-owning households;

(3) Multiply the number of dog-owning households by 1.7 to estimate the dog population.

The specific boundaries of your Trade Area will be determined based on factors such as population density, estimated dog population, demand for dog training services, and the territorial rights previously granted to other franchisees.

Except as described below, during the term of your Franchise Agreement, neither we nor our affiliates will operate or license others to operate a Sit Means Sit Business or conduct dog training classes within your Trade Area.

However, we expressly reserve all other rights, including the unrestricted right to engage in the following activities, either directly or through our affiliates or other franchisees:

(a) Operate Sit Means Sit Businesses outside your Trade Area, and operate businesses that are similar to Sit Means Sit but do not use our Marks, within or outside your Trade Area, even if they use elements of the Sit Means Sit System;

(b) Manufacture, license, distribute, and sell products (whether or not under our Marks) that are the same as, similar to, or different from those you are authorized to sell, through any channel of distribution, including retail outlets, specialty stores, online platforms, mail order, and direct marketing;

(c) Acquire or be acquired by, and operate or license others to operate, non-Sit Means Sit businesses that may offer similar or competitive goods and services, at any location;

(d) Solicit, sell to, and service National Accounts, including those located within your Trade Area;

(e) Respond to customer complaints or service issues within your Trade Area, either directly or through third parties; or

(f) Advertise within your Trade Area.

You will not receive any compensation if we exercise any of these reserved rights.

We may terminate or reduce the size of your Trade Area if you materially breach the Franchise Agreement—such as by failing to meet our standards or pay required fees—and fail to cure the breach after notice (if curable). Otherwise, your exclusive rights in the Trade Area are not contingent on achieving specific sales volumes or market penetration, and your Trade Area will not be altered during the term of your Franchise Agreement.

Upon renewal, transfer, or acquisition of a successor franchise, your Trade Area may be modified. If your existing Trade Area exceeds our then-current standard size, we may require you or your transferee to accept a smaller Trade Area.

You are not required to operate from a formal Training Facility. If you choose to do so, the facility must be located within your Trade Area and approved by us in advance. You may not establish, maintain, or operate any physical office, training center, or sales facility outside your Trade Area. Relocation of your Training Facility requires our prior written consent, which we will grant if the new location remains within your Trade Area. If relocation is approved, you must de-identify the former facility in accordance with the Franchise Agreement.

Operating Outside of Your Trade Area

You may not conduct dog training classes, solicit or accept business, or otherwise provide Authorized Products or Services outside your Trade Area without our prior express written consent and, where applicable, the consent of the affected franchisee. Any such consent may be granted, denied, or conditioned in our or the other franchisee's sole discretion, and approval for one customer, location, or circumstance does not apply to any other.

We may, in our discretion, permit you and other franchisees to operate in areas not assigned to another franchisee ("Unassigned Areas") on a limited, non-exclusive basis. Any such permission may be revoked at any time, and you will have no right to establish a physical presence in any Unassigned Area or to acquire any rights in that area. Upon revocation, you may complete previously scheduled appointments for up to 15 days unless we direct otherwise.

Except as expressly permitted by us in writing, you may not use any alternative distribution channels—including the Internet, catalogs, telemarketing, or direct mail—to make sales or provide services within or outside your Trade Area.

Trade Area Reservation Agreement

We do not customarily grant options, rights of first refusal, or similar rights to acquire additional franchises. However, we reserve the right to grant such rights at our sole discretion. At our discretion, we may allow you to reserve a specific Trade Area for a period of one (1) year under a Trade Area Reservation Agreement ("TARA"), attached as Exhibit K to this Disclosure Document. To reserve a Trade Area under a TARA, you must pay a nonrefundable deposit of $5,000 for each Trade Area you wish to reserve.

To activate the reserved Trade Area, you must sign our then-current form of Franchise Agreement and pay our then-current initial franchise fee within one (1) year of executing the TARA. Your $5,000 deposit will be credited toward the initial franchise fee at the time of signing. If you do not begin operating a Business within the reserved Trade Area by the original deadline, you may extend the reservation period once, for an additional one (1) year, by paying an additional deposit equal to 50% of the then-current initial franchise fee applicable to you. If you fail to open a Business within the reserved Trade Area by the original or extended deadline, your rights under the TARA will automatically terminate, and we may offer the Trade Area, or any portion of it, to other prospective franchisees.

As of the date of this Disclosure Document, neither we nor our affiliates operate or franchise any business under a different trademark or service mark, and we have no current plans to do so.

Item 13
Trademarks

We license you the right to operate a Business under the name "Sit Means Sit." You may also use our other designated current or future trademarks to operate your Business. Our affiliate, SMSI, owns the following trademark registrations listed on the Principal Register of the U.S. Patent and Trademark Office:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
SIT MEANS SIT	3076692	4-Apr-06
SIT MEANS SIT	3704665	3-Nov-09
	3852127	28-Sep-10
	4679326	27-Jan-15
	6124267	11-Aug-20
SORRY, WE DON'T TRAIN HUSBANDS, WIVES, OR KIDS!	7474360	13-Aug-24
FASTER. SMARTER. BETTER.	7474362	13-Aug-24
REVOLUTIONIZING THE QUALITY OF LIFE WITH HAPPY, OBEDIENT, AND CONFIDENT DOGS.	7482096	20-Aug-24

SMSI has filed all required affidavits relating to the registered Marks shown above, and all Marks that required renewal have been renewed.

We and SMSI have signed a Trademark and Intellectual Property License Agreement under which SMSI has licensed us to use and sublicense the use of the Marks, for a period of 50 years commencing January 1, 2009 and continuing from year to year after that unless either of us elects not to renew at the end of the initial 50-year term or any 1-year renewal term. There are no circumstances when the agreement may be cancelled or modified. No affidavits have been required to be filed. Other than the license agreement referred to above, no agreements presently limit our right to use or license the use of these trademarks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceeding, or any pending material federal or state court litigation involving the trademarks. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks.

You must notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Franchise Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks, but if we do defend you we will control any litigation or proceeding.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition resulting from that use.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions for such modification, discontinuance, or substitution within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to change your existing branding, and to purchase new Mark-bearing items. We do not have to reimburse you for the costs you incur for making these changes.

Item 14
Patents, Copyrights, and Proprietary Information

Patents and Copyrights

There are no patents material to the operation of your franchise. We and/or our affiliate, Sit Means Sit, Inc. ("SMSI"), own or claim rights in the Manual, related training materials, and certain brand, marketing, advertising, and promotional content. These materials are proprietary and constitute our intellectual property, whether or not registered with the U.S. Copyright Office. You may use these materials only as permitted under the Franchise Agreement.

SMSI has granted us the right to use and sublicense certain copyrighted materials under a Trademark and Intellectual Property License Agreement. We may register our intellectual property at any time.

As of the date of this Disclosure Document, there are no effective determinations by any court or the U.S. Copyright Office materially affecting these materials. There are no agreements that materially limit our ability to use or license them, and we are not aware of any infringing uses that would materially affect your use of them. We are not obligated to protect or defend any patent, trademark, or copyright.

Confidential Information

Our confidential and proprietary information includes, among other things, our policies, the contents of the Manual, marketing strategies, customer lists and data, and operational methods and techniques (collectively, the "Confidential Materials and Practices").

You do not acquire any ownership interest in the Confidential Materials and Practices. Your right to use them is limited to developing and operating your Business during the term of the Franchise Agreement. Any unauthorized use, duplication, or disclosure may constitute unfair competition and a violation of law.

You must take reasonable steps to protect the Confidential Materials and Practices from unauthorized use or disclosure, including informing your personnel of their obligations and, if we require, obtaining signed confidentiality agreements. A current form of confidentiality agreement is attached as Exhibit D-2. You must promptly notify us of any unauthorized use or disclosure. We may, but are not obligated to, take action in response. We are not required to indemnify you for any third-party claims arising from your use of these materials, and we have the right to control any related litigation.

Improvements

If you develop or acquire any enhancements, modifications, derivative works, or other improvements related to the operation of the Business or the System ("Improvements"), you assign to us all rights in those Improvements without additional compensation. We may use, modify, and incorporate Improvements into the System or our intellectual property for use by us, our affiliates, and other franchisees. If we elect to seek intellectual property protection for any Improvement, we will do so at our expense.

Item 15
Obligation to Participate in the Actual Operation of the Franchise Business

You are not required to personally participate in the day-to-day operation of your Business. However, you must designate an individual who is acceptable to us and who will be primarily responsible for supervising the Business and communicating with us on operational and business matters. This individual does not need to have an ownership interest in the Business but must: (a) devote full-time efforts (at least 4 days and 40 hours per week) exclusively to the operation of the Business; (b) meet our reasonable qualifications regarding education, experience, and financial responsibility; and (c) unless we agree otherwise, successfully complete our Initial Training Program.

If you are a business entity, all individuals who directly or indirectly own or control voting rights in the entity—including shareholders, members, partners, or trustees—must sign our Owner Agreement (attached as Exhibit C), agreeing to be bound by the Franchise Agreement. In addition, the spouses of these individuals must also sign the Owner Agreement.

You must inform all employees who have access to our Confidential Materials and Practices of their obligation to maintain confidentiality. We may require such employees to sign a non-disclosure agreement or acknowledgment. A copy of our current form of Employee Confidentiality Agreement is attached as Exhibit D-2.

Item 16
Restrictions on What the Franchisee May Sell

You may sell and offer only those products and services that we approve ("Authorized Products and Services") in connection with your Business. You may not offer for sale any products or services not specifically approved by us in writing, and you may not use your Business Vehicle(s) or premises (if you have a Training Facility) for any other purpose than the operation of a Sit Means Sit Business and the sale of products or services approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Manual (or otherwise in writing). Except for products you sell to National Accounts, you may only sell products at retail, and not for resale. There are no limits on our ability to make changes to the products or services we require you to sell.

We may establish and maintain a warranty program as we deem appropriate. If we establish a warranty program, you must deliver the warranties to your customers on the forms, terms, and conditions we specify. You must perform promptly all required terms and conditions of all warranty programs.

You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. You may not sell products or services, or advertise products or services, within another franchisee's Trade Area. You may not establish an account or participate in any social networking sites or mention or discuss the franchise, us, or any of our affiliates, without our prior written consent and as subject to our on-line policy, which may completely prohibit you from any use of the Marks in online. You may not sell products or services, or conduct training classes, outside of your Trade Area.

Item 17
Renewal, Terminations, Transfer, and Dispute Resolution

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreements	Summary
a. Length of the franchise term	Franchise Agreement § 3.1; TARA § 2.	10 years from the effective date of the Franchise Agreement. 1 year from the effective date of the TARA.
b. Renewal or extension of the term	Franchise Agreement § 3.2; TARA § 6	If you are in good standing, you may enter into 1 successor franchise agreement, with a 10-year term. You have no further right to enter into additional successor franchise agreements, but may apply for the right to operate a Business under a new franchise agreement. You may extend the deadline for opening under the TARA only once, for one (1) year.
c. Requirements for franchisee to renew or extend	Franchise Agreement §§ 3.2 – 3.4; TARA § 6	You must: (i) notify us between 9 and 12 months before your Franchise Agreement expires that you intend to exercise your right to a successor franchise agreement; (ii) have complied with your obligations under your initial franchise agreement, the Manual and all other agreements then in effective between you and us or our affiliates and all agreements between you and Suppliers; must comply with our then-current qualification, certification, and training requirements; (iii) all trainers must possess a valid driver's license for the state in which your Trade Area is located; (iv) not have committed 3 or more material breaches during any 12 month period; (v) sign a general release; (vi) if we permit you to offer boarding services, you must not have received more than 3 complaints relating to the health, safety, care, or welfare of animals in your care; and (vii) sign a new franchise agreement, which may differ from the current form of franchise agreement. Although this table uses the term "renewal," it refers to extending our relationship at the end of your initial term and you must, at our option, sign a new franchise agreement that may have materially different terms and conditions from your original franchise agreement. Under the TARA you may extend the deadline for commencing your Business if you pay us an additional deposit equal to fifty percent (50%) of our then-current initial franchise fee.

Provision	Section in Franchise or Other Agreements	Summary
d. Termination by franchisee	Franchise Agreement § 15.8	Subject to state law, you may terminate if we materially default, and if we do not cure the default within 60 days after our receipt or written notice from you detailing the alleged default.
e. Termination by Sit Means Sit without cause	None	The Franchise Agreement does not provide for termination without cause.
f. Termination by Sit Means Sit with cause	Franchise Agreement §§ 15.1-15.7; TARA § 6 and 9	We can terminate only if you default under your Franchise Agreement. We can terminate the TARA if: (a) any other agreement between you and us is terminated; or (b) if you do not open before the deadline.
g. "Cause" defined – curable defaults	Franchise Agreement § 15.4	You have 5 days to cure non-payment of fees and 10 days to cure defaults not listed in Sections 15.2 and 15.3 of your Franchise Agreement.
h. "Cause" defined – non-curable defaults	Franchise Agreement §§ 15.2 and 15.3; TARA § 9	Non curable defaults are: (i) bankruptcy or insolvency; (ii) a judgment against you remains unsatisfied; (iii) your business or assets are seized, taken over or foreclosed upon; (iv) a levy of execution of attachment up on Franchise Agreement or upon any property used in the Business; (v) if you allow or permit any judgment to be entered against us or any of its our affiliates, arising out of or relating to the operation of the Business; (vi) if you, your Authorized Trainer(s), or any trainer is convicted of or pleads guilty or nolo contendere to a felony or any other crime (including any crime or offense relating to the operation of a motor vehicle) or offense which may adversely affect our reputation and the system; (vii) imminent danger to animals in your care, or public health and safety violations; (viii) failure to comply with your confidentiality or non-competition provisions of your franchise agreement; (ix) abandonment, or failure to open the Business within 60 days after completing the Initial Training Program; (x) Assignment without our consent; (xi) you commit more than two defaults in any twelve-month period, even if you have cured them; (xii) violation of law which is not cured within 10 days; (xiii) trademark and confidential information misuse; (xiv) misrepresentations in connection with the acquisition of the franchise; (xv) you injure, cause injury to, or operate your Business in a way that is (in our sole opinion) reasonably likely to result in injury to any animal that is in your care; (xvi) you fail to communicate with us about a Crisis Management Event or to take such remedial action in response to a Crisis Management Event as we reasonably direct; (xvii) if we have permitted you to offer boarding services, you receive 2 or more complaints within any month regarding the health, welfare, care, or safety of animals in your care; or

Provision	Section in Franchise or Other Agreements	Summary
		(xviii) you fail to obtain re-certification within three (3) years of your completing the Initial Training Program and you: (a) fail to pay the $2,500 fee for missing such training; or (b) have missed more than one (1) consecutive re-certification training program. It is a non-curable default under the TARA for you to: (a) not sign a franchise agreement and begin operating your Business by the deadline; or (b) have another agreement between you and us terminated.
i. Your obligations on termination/non-renewal	Franchise Agreement Article 16	You must stop using our Marks; stop using all photographs, images, videos, testimonials and advertisements; pay all amounts due to us; return the Manual, all training materials, electronic files, records, customer lists, files, advertising and promotional materials and all other written materials incorporating our trade secrets; makes cosmetic changes to your Vehicle(s) so that they no longer resemble our proprietary design; at our direction and election, either refund the pro rata amount remaining on any prepayments you have received or pay that money to us or our designee to fulfill remaining prepaid services; reimburse us for any amounts we have spent on your behalf to protect our relationship with customers of your former Business; upon receiving notice from us, assign to us or our designee (or, at our election, terminate) all voice and data telephone numbers used in connection with your Business; authorize and instruct the telephone company and all listing agencies of the termination of your right to use any telephone number or listing associated with your Business and authorize and instruct the telephone companies and listing agencies to transfer and assign the telephone numbers and directory listing to us, sign and deliver to us all documents that must be filed with any governmental agency indicating that you are no longer licensed to use our Marks. See also "r" below.
j. Assignment of contract by Sit Means Sit	Franchise Agreement § 14;1; TARA § 8	We may transfer the Franchise Agreement or the TARA without your consent. There are no restrictions on our right to assign.
k. "Transfer" by franchisee – defined	Franchise Agreement § 14.2.1 and Appendix 1 (Defined as "Assignment"); TARA § 7.	Includes transfer of the agreement, assets or sale of stock, or change in ownership of a franchisee which is an entity. You may transfer the Franchise Agreement and all rights under the Franchise Agreement subject to certain restrictions. You may not transfer the TARA.
l. Sit Means Sit approval of transfer	Franchise Agreement § 14.2	Transfers require our express written consent. We have the right to approve all transfers, but will not unreasonably withhold approval.

Provision	Section in Franchise or Other Agreements	Summary
		You may not transfer the TARA.
m. Conditions for franchisor approval of transfer	Franchise Agreement §§ 14.2 & 14.4	New franchisee must qualify, assume the Franchise Agreement or sign a new Franchise Agreement, complete training, refurbish or replace, if necessary the Vehicle(s) used in connection the Business to conform to our current specifications. You must not be default under the terms of your Franchise Agreement or any other related agreements with us or under any agreement with our affiliates or the Manual. Your buyer must assume all prepaid service obligations to customers of your Business. You must: provide us with an estoppel agreement and a list of all persons having an interest in the Franchise Agreement or in the Franchisee; pay all amounts then-due to us; sign a general release; sign a guarantee; provide us with all documents relating to the transfer, disclose to us all material information that we request regarding the transferee, the purchase price, and the terms of the transfer, and pay an administrative / transfer fee. If we determine that the assignee must attend the Initial Training Program, you must pay our then current training fee and our travel expenses to provide training. (See also “r” below). If the new franchisee is a business entity, all owners of an interest in the new franchisee must sign a guaranty.
n. Sit Means Sit’s right of first refusal to acquire franchisee’s business	Franchise Agreement § 14.3	We can match any offer for your Business. You must give us written notice of intent to sell or otherwise transfer the Franchise Agreement. We have 60 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We have the right of first refusal to purchase the Business or assets for which you have received a good faith offer to purchase, on the same terms as contained in the offer.
o. Sit Means Sit’s option to purchase franchisee’s business	None	No provision.
p. Death or disability of franchisee	Franchise Agreement § 15.3.2	Same requirements as for transfer in "m" above, however, we will allow up to 6 months after your death or disability for your heirs, personal representatives or conservators (“Heirs”) to (a) assume your Franchise Agreement or enter into a new franchise agreement (for which we will not charge an initial fee or transfer fee) or (b) sell the Business to an assignee approved by us. Upon the death or legal incapacity of one of your owners owning 25% or more of the equity or voting power of a corporate or limited liability company Franchisee, or a general or limited partner owning 25% or more of any of the partnership rights of a Franchisee which is a partnership, we will allow a

Provision	Section in Franchise or Other Agreements	Summary
		period of up to 6 months after the death or legal incapacity for your Heirs to get our consent to the transfer or assignment of the stock, membership interests or partnership rights to the Heirs or to another person we accept. If, within the 6 month period, the Heirs fail either to enter into a new franchise agreement or to sell the Business to a person we approve, or fail either to get our consent to the Assignment of the stock, membership interest or partnership rights to the Heirs or to another person we accept, the Franchise Agreement will automatically terminate.
q. Non-competition covenants during the term of the franchise	Franchise Agreement § 13.1.1; TARA § 7	You cannot engage in "Competitive Activities," defined as: owning, operating, lending, advising, employing or having any financial interest in any business that engages in providing dog training services, or training others who provide dog training (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement § 13.1.2; TARA § 7	Except with our express written consent, you must not have any involvement in any Competitive Activities (defined above), for 2 years at: (i) any site within your Trade Area; (ii) any other geographic areas where you have operated the Business; or (iii) the designated trade area of other Sit Means Sit franchisees. Also, except with our express written consent, you may not solicit business from an individual or business entity that was one of your customers during the 2-year period preceding the termination of your Franchise Agreement (subject to state law).
s. Modification of the agreement	Franchise Agreement § 21.7; TARA § 10	The agreement may be modified only by written agreement between the parties. The Manual are subject to change by us in our sole discretion, and you are required to comply with any such changes made by us.
t. Integration/Merger clause	Franchise Agreement § 22.4; TARA § 10	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Franchise Agreement Article 20; TARA § 7	Subject to applicable state law, both of us agree to attempt to resolve any dispute in a non-binding mediation held in Las Vegas, Nevada before commencing any proceeding.
v. Choice of forum	Franchise Agreement § 20.2; TARA § 7	Subject to applicable state law, all proceedings will be held in Las Vegas, Nevada. Both of us waive the right to a trial by jury. See any state-specific addendum attached to this disclosure document in "Exhibit J."

Provision	Section in Franchise or Other Agreements	Summary
w. Choice of law	Franchise Agreement § 21.6; TARA § 10	Subject to applicable state law, Nevada law applies. See any state-specific addendum attached to this disclosure document in "Exhibit J."

Item 18
Public Figures

We do not use any public figures to promote this 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 license and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Alfredo Rivera, 6295 McLeod Drive #12, Las Vegas, Nevada 89120, (702) 877-4581; the Federal Trade Commission; and the appropriate state regulatory agencies.

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Item 20
Outlets and Franchisee Information

Table No. 1
Systemwide Outlet Summary
For Years 2023 through 2025

Business Type	Year	Businesses at the Start of the Year	Businesses at the End of the Year	Net Change
Franchises	2023	157	159	+2
	2024	159	163	+4
	2025	163	148	-15
Company- and Affiliate-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Businesses	2023	157	159	+2
	2024	159	163	+5
	2025	163	148	-15

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

State	Year	Number of Transfers
Colorado	2023	1
	2024	0
	2025	1
Delaware	2023	3
	2024	0
	2025	2
Florida	2023	0
	2024	1
	2025	1
Maryland	2023	0
	2024	1
	2025	2
Nevada	2023	0
	2024	0
	2025	5
Texas	2023	0
	2024	0
	2025	2
Virginia	2023	0
	2024	4
	2025	0
Totals	2023	4
	2024	5
	2025	13

Table No. 3
Status of Franchised Outlets
For Years 2023 through 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Sit Means Sit	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	1	0	0	0	0	0	1
Arizona	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Arkansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
California	2023	7	1	0	1	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	2	0	0	0	2	7
Colorado	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Connecticut	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Delaware	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Florida	2023	19	0	0	0	0	0	19
	2024	19	3	0	0	0	0	22
	2025	22	1	2	0	0	1	18
Georgia	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Hawaii	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Idaho	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	1	0	0	0	0	0	1
Illinois	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	3	0	0	0	1
Indiana	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	2	0
	2025	0	0	0	0	0	0	0
Iowa	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Sit Means Sit	Ceased Operations – Other Reasons	Outlets at End of the Year
	2024	0	0	0	0	0	0	0
	2025	1	0	0	0	0	0	1
Maine	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
	2025	7	0	1	0	0	0	6
Massachusetts	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Michigan	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Minnesota	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Missouri	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Montana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
New Hampshire	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Jersey	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
New Mexico	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	2	0	0	0	0	0	2
New York	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
North Carolina*	2023	7	0	1	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	11	0	0	0	0	7	4
Ohio	2023	8	1	0	0	0	0	9
	2024	9	0	0	0	0	0	9
	2025	9	0	0	0	0	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Sit Means Sit	Ceased Operations – Other Reasons	Outlets at End of the Year
Oklahoma	2023	3	0	0	0	0	0	3
	2024	3	0	1	1	0	0	1
	2025	1	0	0	1	0	0	0
Oregon	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Pennsylvania	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
South Carolina*	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Tennessee	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Texas	2023	21	1	2	0	0	0	20
	2024	20	2	0	0	0	0	25**
	2025	25	0	0	0	0	0	25
Utah	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Virginia	2023	5	2	0	0	0	0	7
	2024	7**	0	0	0	0	0	3**
	2025	3	0	0	0	0	0	3
Washington	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Wisconsin	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Wyoming	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	2	0	0	0	0	0	2
Total Outlets	2023	157	5	3	0	0	0	159
	2024	159	8	1	1	0	2	163
	2025	163	4	6	1	0	10	148

If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

* A franchisee has a Trade Area that includes ZIP codes in both North and South Carolina. To avoid double-counting, we list that franchise in South Carolina only.

** In 2024, a franchisee who had 3 Trade Areas in Virginia transferred her franchise agreements to Texas. As a result, we reduced the number of franchises in Virginia at the end of 2024 by 3, and added 3 to the number of franchisees in Texas at the end of 2024.

Table No. 4
Status of Company-Owned Outlets
For Years 2023 through 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings for 2026 As of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Colorado	0	1	0
Indiana	0	1	0
Pennsylvania	0	1	0
Total	0	4	0

Attached as **Exhibit F-1** are the names of all current franchisees and the address and telephone number of each of their outlets.

Attached as **Exhibit F-2 is** the name, address and last known telephone number of all franchisees of ours who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during 2025 or who have not communicated with us or our Affiliate 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.

Some of our current and former franchisees have signed confidentiality clauses with us during the last three years limiting their ability to discuss their personal experience as a franchisee in the System. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Sit Means Sit Franchise, Inc. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The following independent franchisee organization has asked to be included in this disclosure document:

Sit Means Sit Franchise Owners (SMSFO) Association
c/o American Association of Franchisees & Dealers
276 Hazard Ave, Suite 11
Enfield, CT 06082
Phone: (619) 860-1682
Email: SMSFO@aafdchapters.org

Item 21
Financial Statements

Our audited financial statements as of December 31, 2023, December 31, 2024, and December 31, 2025, are attached as Exhibit G. We are also attaching unaudited financial statements for the period ending May 31, 2026. Our fiscal year end is December 31.

Item 22
Contracts

Attached are the current forms of the following agreements:

A. Franchise Agreement
Addenda To Franchise Agreement
A: Information Regarding Franchisee and the Business
B: Electronic Funds Transfer Authorization and Auto Debit Form
C: Collateral Assignment of Contact Information and Online Identities
D: Compliance Questionnaire
We will not ask you to complete the Compliance Questionnaire, and we will disregard any answers from you, if you live or plan to operate your franchise in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin.

E: Deposit Acknowledgment

B. General Release
C. Owner Agreement
D. Form of Confidentiality and Non-Competition Agreement
E. Form of Confidentiality Agreement
J. State-Specific Addendum
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A: Description of Reserved Trade Areas
B. Form of Current Franchise Agreement
L. Renewal Addendum

Item 23
Receipts

You will find copies of a detachable receipt in Exhibit M at the end of this disclosure document.

Exhibit A

Franchise Agreement

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Addenda To Franchise Agreement
A: Information Regarding Franchisee and the Business
B: Electronic Funds Transfer Authorization and Auto Debit Form
C: Collateral Assignment of Contact Information and Online Identities
D: Compliance Questionnaire
E: Deposit Acknowledgment

FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** (this "**Agreement**") is made on the Effective Date by and between **SIT MEANS SIT FRANCHISE, INC.,** a Nevada corporation ("**we,**" "**us,**" or "**our**"), and the person or Business Entity identified on Addendum "A" ("**you**" or "**your**").

Introduction: This Franchise Agreement

This franchise agreement ("**Agreement**") is written in a conversational tone for ease of reading. In this Agreement, Sit Means Sit Franchise, Inc. is referred to as "we," "us," or "our," and the person or entity signing this Agreement is referred to as "you" or "your," which includes each of your Owners. Each Owner must sign the Owner Agreement attached as **Exhibit C** to the franchise disclosure document.

Certain words are capitalized to indicate defined terms. These terms are defined where first used or in the **Appendix**, which is included to help you locate definitions.

The Agreement is organized into segments, articles, and sections. The "Recitals" describe its purpose. We will rely on all statements, representations, understandings, and promises you make in this Agreement when deciding whether to countersign it.

RECITALS

A. We own the right to franchise certain proprietary and other property rights and interests in the "Sit Means Sit" trademark and such other trademarks and commercial symbols we may authorize or direct you to use in connection with the operation of the Business ("**Marks**").

B. We have the right to sublicense, a system for the operation of businesses providing dog training services and the sale of dog care products, dog training products, dog toys, leashes, collars, apparel, and other goods and services, which includes various operating methods, techniques, Policies, products, distinctive signs, Trade Secrets, record-keeping and marketing techniques (the "**System**").

C. You want the right to operate a Business in strict accordance with the System and Policies, and we are willing to grant you such right under the terms and conditions of this Agreement.

You and we therefore agree as follows:

ARTICLE 1
DEFINITIONS & APPLICABLE INFORMATION

The terms "**Authorized Trainer**," "**Initial Fee**," and "**Business Address**" are each defined and identified on **Addendum "A"** to this Agreement. All other terms are defined in Appendix 1.

ARTICLE 2
GRANT

2.1 **Grant**. We award, and you accept, the right and obligation during the Term to use and display the Marks, and to use the System to operate one (1) Business solely within the Trade Area, in strict compliance with the terms of this Agreement. You are not permitted to operate the Business anywhere outside of the Trade Area unless you have our written permission for the limited purposes stated in Section 2.4.

2.2 **No Sublicensing Rights**. You do not have the right to subdivide, sublicense, subfranchise, subcontract, or enter into any management agreement providing to a third party the right to operate the Business, or to use the Marks or System.

2.3 **Territorial Rights**.

2.3.1 Except as stated in Section 2.3.2, during the Term neither we nor any of our Affiliates will conduct, franchise, or license others to conduct dog training classes within the Trade Area using the Marks.

2.3.2 You agree that we and/or our Affiliates may engage in any business activity whatsoever in or outside the Trade Area except as we are restricted by Section 2.3.1, and that this Agreement does not give you any right to participate in or benefit from any such other business activity. We reserve all other rights, including, the exclusive, unrestricted rights, to ourselves and through our employees, Affiliates, representatives, franchisees, assigns, agents and others to directly and indirectly:

(a) own or operate: (1) "Sit Means Sit" Businesses at any location outside the Trade Area and without regard to their proximity to the boundaries of the Trade Area; and (2) businesses, including those that may be the same as or similar to a Business, which operate under names other than the Marks, at any location, and of any type whatsoever, without regard to their proximity to the Trade Area and whether or not such businesses use any portion of the System;

(b) offer and sell within and outside your Trade Area, and under the Marks, all products or services and/or their components (including those used or sold by the Business), whether or not a part of the System, through any method of distribution other than a Business situated within the Trade Area. These rights include, without limitation, the right to offer and sell services within such alternative channels of distribution as the Internet; "800" or similar toll-free telephone numbers; supermarkets, specialty stores, pet stores, grocery stores and convenience stores; mail order; catalogs; television sales (including infomercials); direct mail advertising, or any other channel of distribution whatsoever, except for a "Sit Means Sit" Business;

(c) purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network or any other business regardless of the location of that other business's facilities. Following that we may operate, franchise or license those other businesses and/or facilities under any names or marks other than the Marks, regardless of whether those businesses and/or facilities are within or immediately proximate to the Trade Area;

(d) solicit, sell to and service National Accounts wherever located, including in the Trade Area, provided that we may, in our discretion, establish and modify or withdraw, from time to time, the terms and conditions upon which you may solicit or service National Accounts subject to Section 7.12. Only we will have the right to enter into contracts with National Accounts (which may include facilities within the Trade Area);

(e) Service a customer within the Trade Area (either directly or through a third party) in response to a customer complaint or other customer service issue, as discussed below in Section 2.5; and

(f) advertise within the Trade Area.

2.4 **Operation Outside of the Trade Area**.

2.4.1 You will be permitted to operate the Business in areas contiguous to the Trade Area which have not been assigned to any another franchisee (each an "**Unassigned Area**"). You acknowledge that other franchisees in your area will have similar opportunities to provide services within the Unassigned Area. These rights may continue until a franchisee purchases from us the exclusive right to operate in the Unassigned Area. You may not establish, construct, maintain or operate a physical office, training center, or any type of sales or training facility outside of the Trade Area. You will not receive any right of first refusal or any other type of rights to an Unassigned Area because you operate or operated there. We may sell any Unassigned Area territory at any time, without giving you advance notice. After we give you notice to cease operating in the Unassigned Area, you may (for a maximum of 15 days) provide Authorized Products and Services for which appointments or orders were received before we gave you notice to cease operating in the Unassigned Area. You must, if asked to do so (and without compensation), orderly transition your customers in the applicable Unassigned Area to our designee.

2.4.2 You may not serve any customers or operate within any other franchisee's trade area without that franchisee's and our express written permission. That written permission may be conditional, granted, or withheld for any reason or no reason. If you obtain such written permission on a conditional basis, you must comply with all such conditions, and under no circumstances will the permission to serve one customer or operate at any location within that trade area be interpreted, assumed, or treated as permission to serve any other customer or operate at any other location.

2.5 **Customer Service and Complaint Resolution.** If you fail to adequately service a customer, or if a customer complains about your services, to address the customer's complaint and preserve the goodwill of the franchise system, we reserve the right to service the customer directly or engage another party (including another franchisee) to do so, even if the customer is within your Trade Area. You must promptly notify us of any customer complaints and cooperate fully with us in resolving the issue. This includes providing us (or the servicing party) any necessary information and access to facilitate the resolution process. You must reimburse us (or the servicing party) for any costs incurred by us or the third party in servicing the customer. These rights are in addition to all other rights we have under the Agreement, including and up to termination.

ARTICLE 3
TERM

3.1 **Term**. The "**Term**" of this Agreement begins on the Effective Date and will continue for a period of 10 years, unless sooner terminated in accordance with this Agreement.

3.2 **Successor Agreement**. You will have the right at the expiration of the Term (the "**Successor Agreement Right**") to enter into a new franchise agreement in the form we are then generally offering to prospective new franchisees (the "**Successor Franchise Agreement**"). The Successor Franchise Agreement may be substantially different from this Agreement in all material respects, including without limitation a smaller Trade Area, and will be for a 10-year period (the "**Successor Term**"). The term of the Successor Franchise Agreement will commence upon the date of expiration of the Term; provided, however, that: (a) you will not be required to pay an initial fee upon execution of the Successor Franchise Agreement; (b) except for adjustments as set forth in Section 5.12, you will not be required to pay a higher Continuing Royalty than the one you are paying us under this Agreement at the end of the Term; and (c) your available rights to obtain successor terms will be modified to conform to the Successor Agreement Right.

3.3 **Form and Manner of Exercising Successor Agreement Right**. You must exercise the Successor Agreement Right, if at all, strictly in the following manner:

3.3.1 Between 9 months and 12 months before the expiration of the Term, you must notify us in writing ("**Notice of Election**") that you intend to exercise the Successor Agreement Right. No sooner than immediately after the expiration of any waiting period(s) required by Applicable law and no more than 30 days after you receive our franchise disclosure document (if applicable), you must execute the copies of the Successor Franchise Agreement and return them to us.

3.3.2 If you exercise the Successor Agreement Right in accordance with Section 3.3.1 and satisfy all of the conditions contained in Section 3.4, we will execute the Successor Franchise Agreement and deliver one fully executed copy to you. Your failure to timely to perform any of the acts, or timely deliver any of the notices required pursuant to the provisions of Sections 3.3 or 3.4, will automatically cause your Successor Agreement Right to lapse and expire.

3.4 **Conditions Precedent to Entering into a Successor Franchise Agreement**. Your Successor Agreement Right is conditioned upon your fulfilling each of the following conditions:

3.4.1 At the time you deliver your Notice of Election to us, and always until the commencement of the Successor Term, you must have fully performed all of your material obligations under this Agreement, the Manual and all other agreements then in effect between you and us or our Affiliates, and all agreements between you and Suppliers.

3.4.2 You must not have been convicted of any felony or have pled guilty or nolo contendere to any crime or trespass against a human being or an animal.

3.4.3 If we have permitted you to offer boarding services, you must demonstrate to us that you have operated and maintained your boarding facility or area in a clean, sanitary, and safe condition, and that you have not during the Term received more than three complaints within any twelve-month period regarding the safety, welfare, or care of any of the animals being boarded.

3.4.4 The person(s) designated by you as a trainer(s) will each possess a valid driver's license for the state in which the Trade Area is located.

3.4.5 Without limiting the generality of Section 3.4.1, you must not have received from us 3 or more notices of material default of this Agreement during any period of 36 consecutive months during the Term, regardless of whether such defaults were cured.

3.4.6 At the time you sign the Successor Franchise Agreement, you and your Affiliates must execute and deliver to us a general release on the form required by us, of any and all known and unknown claims against us and our Affiliates and our Owners, officers, directors, agents, and employees. Our current required form is attached to the Franchise Disclosure Document as Exhibit B.

3.4.7 You must comply with our then-current qualification, certification, re-certification, and training requirements and pay all Travel Expenses you incur.

3.5 **Holdover Franchise**. If for any reason, you continue to operate the Business beyond the Term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-

month basis under the terms of this Agreement (except that you will no longer have the right to obtain a Successor Franchise Agreement pursuant to Section 3.3) and subject to termination upon 30 days' notice or as required by law. If the hold-over period exceeds 90 days, this Agreement is subject to immediate termination unless Applicable Law requires a longer period. Upon termination after any hold-over period, you and those in active concert with you, including Owners, family members, officers, directors, partners and managing agents, are subject to the terms of Agreement including post-termination obligations contained in this Agreement.

ARTICLE 4
LICENSED BUSINESS

4.1 **Required Equipment; Vehicles**.

4.1.1 We will provide you with copies of the Policies for required equipment (including computer equipment), inventory, supplies, materials, and signs. You must, at your sole expense, promptly obtain those items in accordance with the Policies, unless we otherwise agree in writing.

4.1.2 You must have one or more trucks or sport-utility vehicles (each a "**Vehicle**" and more than one "**Vehicles**") to sell and perform Authorized Products and Services within the Trade Area. Each Vehicle must meet our then-current Policies, including, among other things, specifications relating to the required quantity, make, model, year, color, and body wrap or other advertising. You must, promptly following the purchase or lease of a Vehicle and prior to using a Vehicle for the Business, make such modifications and additions to the Vehicle as we require, including applying and installing all decals, logos, wraps and racks as we specify.

4.2 **Maintaining Vehicles**. You must maintain the condition and appearance of all Vehicles in first class condition and repair and in a level of cosmetic appearance that is consistent with the image of Businesses as clean, efficient and well-operated. If at any time in our reasonable judgment, the state of repair, appearance (including logos, decals and/or signs) or cleanliness your Vehicles fail to meet the Policies, you must immediately upon receiving notice from us correct such deficiency, modify, repair, refurbish, and/ or replace the Vehicles as applicable.

4.3 **Training Facility**. You are not required to operate the Business at a formal training facility (a "**Training Facility**"). If you intend to operate from such a facility, you must obtain our advance consent and approval of any site which you propose to use as your Training Facility. Any Training Facility must be located within the Trade Area and you may not establish, construct, maintain or operate a physical office, or any type of sales or training facility outside of the Trade Area. The location of the Training Facility must meet the Policies. You must always maintain, at your sole expense, the interior and exterior of the Training Facility in first class condition and repair, and in compliance with all Applicable Laws, rules, regulations and the Manual. Prior to purchasing or obtaining a lease for any real property, you must submit to us such information regarding the proposed site(s) and neighboring areas as we require, in the form(s) we prescribe. We may accept or reject a proposed site in our sole discretion.

4.3.1 You may not relocate the Training Facility without our prior written consent. If we consent to any relocation, you must de-identify the former Training Facility in the manner described in this Agreement with respect to your obligations upon termination and expiration, and must reimburse and indemnify us from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out your failure to do so.

4.3.2 If the Training Facility is leased or subleased: (i) the Lease for the Training Facility must name you as the sole lessee and may not be assigned or sublet without our prior written consent; and (ii) we will have the right to review and accept or reject the Lease, a true and correct copy of which shall be delivered to us prior to your signing it. The covenants contained in this Section 4.3.2 survive the termination of this Agreement. Our review and acceptance of the Lease is solely for our benefit and is solely an indication the Lease meets our Policies at the time of acceptance for the Lease (which may be different than the requirements of this Agreement).

4.4 **Commencement of Business and Continuous Operation**. Before you start operating the Business, you must provide photographs, video images, and other information we request by us to confirm that the Vehicle(s) and, if applicable, the Training Facility, conform(s) to the Policies. We may, before you commence operating the Business, inspect the Vehicle(s) and, if applicable, the Training Facility, to ensure that they conform to the Policies. You may not start operating the Business until you have received our written permission, which may be conditional and subject to our receipt of further information and/or inspection. Unless we otherwise agree in writing, you must begin operating the Business within 60 days after you complete the Initial Training Program. You must operate the Business not less than 4 days and 40 hours per week.

ARTICLE 5
PAYMENTS

5.1 **Initial Fee**. Upon execution of this Agreement, you must pay us the nonrefundable Initial Fee in the amount specified in **Addendum A**. The Initial Fee is fully earned by us upon signing this Agreement and is not refundable under any circumstances.

5.2 **Continuing Royalty**. Beginning in the month you complete the Initial Training Program, you must pay us a monthly royalty fee (the "**Continuing Royalty**") in the amount specified in **Addendum A**. The monthly minimum portion of the Continuing Royalty is subject to adjustment as described in Section 5.12.

5.3 **Timing of Payment**. No later than the 5th day of each month, you must calculate and ensure we receive the Continuing Royalty. You must timely pay us all other amounts you owe us and our Affiliates in accordance with the terms, conditions, and Policies in effect from time to time. Any Continuing Royalty payment we do not receive by the 5th day of the month is late.

5.4 **CRM System**. You must subscribe to and use the Customer Relationship Management ("**CRM**") system that we designate for your Franchised Business and use it in accordance with the Manual and our written standards. You must pay (a) a one-time, nonrefundable setup fee (currently $1,000) upon onboarding, and (b) a monthly CRM fee (currently $800), payable in accordance with our payment policies.

5.5 **EFT**. You must instruct your bank to make all payments due under this Agreement directly to us from your account, by electronic funds transfer or such other automatic payment mechanism which we may designate ("**EFT**"). You must execute or re-execute and deliver to us the current form of our EFT authorization form, attached hereto as **Addendum "B**", as well as all pre-authorized check forms and other instruments or drafts required by our bank to enable us to draw all sums payable under the terms of this Agreement. You must also maintain a single bank account for such payments and maintain the minimum balance we reasonably specify. You may not alter or close the account without our prior written approval.

5.6 **Convention Attendance; Fees**. We may require you, and such of your personnel as we designate, to attend certain meetings. We may charge you a reasonable attendance fee per person for each mandatory meeting. You will bear all Travel Expenses and other costs of attendance.

5.7 **Non-Compliance Assessment.** Upon the occurrence of an event of default by you, we have the right, upon written notice to you, to impose a separate default fee equal to one hundred dollars ($100) per breach, per week ("**Default Fee**"). The Default Fee is in addition to any other rights and/or remedies that we may have including, without limitation, our right to terminate this Agreement.

5.8 **Failure to Attend Re-Certification Training.** If it has been three (3) or more years since you completed the Initial Training Program or your last re-certification training and you fail for any reason to attend a scheduled re-certification training, we will charge you a fee of two thousand five hundred dollars ($2,500). If you miss more than one consecutive re-certification training, we will have the right to terminate this Agreement.

5.9 **Other Payments**.

5.9.1 You must pay to us, our Affiliates and designees, as applicable, promptly when due:

(a) Amounts we incur to perform and update periodic background checks on you and your trainers;

(b) All amounts advanced by us or which we have paid, or for which we have become obligated to pay on behalf your for any reason whatsoever;

(c) The amount of all sales, use, personal property and similar taxes, which may be imposed upon you, but required to be collected or paid by us on account of fees that we collect from you (but excluding our ordinary income taxes). We may collect the taxes in the same way we collect Continuing Royalties and promptly pay the tax collections to the appropriate Governmental Authorities; provided, however, that unless we so elect, it is your responsibility to pay all sales, use, income, or other taxes imposed now or in the future by any Governmental Authorities on fees paid by you to us; and

(d) All amounts due for any reason, including on account of purchases of goods, supplies or services relating to the Business.

5.9.2 You must remain current and fully comply and perform each of your obligations to your landlord, vendors and Suppliers.

5.10 **Application of Funds**. If you become delinquent in the payment of any obligation to us or our Affiliate under this Agreement or any other agreement, we will have the absolute right to apply any payments received from you to any obligation you owe us or our Affiliate, notwithstanding any contrary designation by you.

5.11 **Interest and Charges for Late Payments**. If you fail to pay to us all sums owed to us or our Affiliates promptly when due, you must pay interest on the unpaid amounts from the date due, at 10% per annum, or the highest rate allowable under Applicable Law, whichever is less. If any check, draft or electronic transfer is unpaid because of insufficient funds or otherwise, you must pay our expenses arising from such non-payment, including bank fees in the amount of at least $50.00.

5.12 **Annual Increases**. We have the right to increase our flat fees by a maximum of 10% per year, calculated cumulatively over the term of the Franchise Agreement. Additionally, we may also increase these fees by the amount of any increases in fees from third parties for the underlying products or services which will be added to the capped fee increase.

ARTICLE 6
TRAINING

6.1 **Initial Training Program**.

6.1.1 You must employ at least one Authorized Trainer. Your initial Authorized Trainer must successfully complete, to our satisfaction, our "**Initial Training Program**," which covers our System, dog training techniques, operations, Policies, philosophy, culture, marketing, and other topics we deem necessary (excluding topics typically known by a licensed contractor). We may modify the content and delivery of the Initial Training Program at any time. We currently offer the program twice per year—once in the spring and once in the fall—at a Sit Means Sit® franchisee-owned location we designate. The program consists of approximately 150 hours over about 21 days. One individual you select (the "**Initial Attendee**") may attend at no additional charge. You may not begin operating under the Marks or System until the Initial Attendee completes the program to our satisfaction. All attendees must sign our required confidentiality agreement.

6.1.2 If we determine that your Initial Attendee's performance is unsatisfactory, we may terminate this Agreement without refund. We have sole discretion to determine whether the program has been successfully completed.

6.1.3 Upon your reasonable request and payment of the applicable Initial Training Fee, we may allow additional employees to attend the Initial Training Program.

6.1.4 You are responsible for all Travel Expenses for anyone attending the Initial Training Program or any other training we offer.

6.1.5 We will not compensate any trainee for services performed during training, including services provided to us, our Affiliates, or other franchisees.

6.1.6 We may choose not to provide the Initial Training Program if, as of the Effective Date, you or your Authorized Trainer have previously completed it in connection with another Business, or if this Agreement is a Successor Franchise Agreement.

6.1.7 Our acceptance of an Authorized Trainer does not constitute an endorsement or guarantee of performance. We may later disapprove or challenge the qualifications or performance of any Authorized Trainer.

6.2 **Staff**. You must ensure that all employees conducting dog training are trained in accordance with the Manual and to our satisfaction. The Business must be supervised by an Authorized Trainer. We may require any person conducting dog training to complete the Initial Training Program. Before opening, and at all times during the Term, you must employ a sufficient number of trained staff and dog trainers to operate the Business, as we determine. If you send any employee to the Initial Training Program or any other training, you must ensure they sign our required acknowledgment confirming that they are your employee only and not ours.

6.3 **On-going Advice and Assistance**.

6.3.1 You may request technical support, sales support, and general operational advice from us at no additional charge. We will use reasonable efforts to respond promptly. This does not create any obligation for us to pay you or defer your payment obligations. We may offer optional services (such as accounting support) for a separate fee.

6.3.2 If we provide support in your Trade Area at your request or because you are not operating in compliance with this Agreement or our Policies, we may charge you our then-current fees and require reimbursement of our travel and related expenses.

6.4 **Additional Training**. We may require you or your employees to attend additional training programs ("**Additional Training**") during the Term. We may also offer optional Additional Training. These programs may be held nationally or regionally at locations and times we choose and will cover new procedures or programs we consider important. We will not charge a fee for required Additional Training, but we may charge for optional programs. You are responsible for all travel and related expenses for any Additional Training. We will not compensate trainees for services performed during training. If you send anyone to our apprentice program, you must pay a fee of $1,000 per person. You and your Authorized Trainer(s) must maintain all required certifications, including completing our re-certification program at least once every three years during the Term.

6.5 **Periodic Meetings.** We may from time to time schedule a system-wide or regional meeting at a time and location we choose. If we schedule such convention or meeting, you and your personnel we designate must attend such convention or meeting, unless we otherwise excuse you upon a showing of good cause, but we will not require your attendance more than once per calendar year. You must pay all Travel Expenses you and your personnel incur in connection with attending such convention or meeting, and must pay us our then-current fee for conducting the meeting or convention, as published in the Manual. You and your personnel must pay for and stay at the host hotel facility for the convention or meeting.

ARTICLE 7
STANDARDS OF OPERATOR QUALITY AND SERVICE

7.1 **Compliance with Applicable Law**. You represent, warrant, and covenant that you will obtain and maintain all licenses, permits, bonds, and approvals required to operate the Business. You must operate the Business in a clean, lawful, and professional manner, in full compliance with all Applicable Law and our Policies. You must ensure that all Vehicles are operated by properly licensed and insured drivers and that neither the Vehicles nor the Training Facility are used for any illegal or unethical purpose. You must conduct all dealings with customers, suppliers, and public officials with honesty, integrity, and professionalism. You must not engage in any conduct—or fail to act in a way—that, in our sole judgment, could harm the reputation of the Business, the System, the Marks, or the Sit Means Sit® brand. You must take all necessary steps to protect the health and safety of animals in your care and ensure they are not harmed or placed at risk.

7.2 **Responsible Person**. You must designate an individual (which may be you, if you are an individual) who will serve as the primary contact with us and be responsible for the day-to-day operations of the Business. This individual must devote full time and best efforts to the Business, meet our qualifications as outlined in the Manual or otherwise in writing, and complete all required training under Article 6. Our acceptance of this individual does not constitute an endorsement or guarantee of performance.

7.3 **Product Line and Service**.

7.3.1 You must advertise, sell and provide all and only Authorized Products and Services at, from, or in connection with the Business. You acknowledge that Authorized Products and Services may differ at other Businesses, and may vary depending on the geographic location of the Trade Area or other factors. You must not provide, produce, advertise for sale, sell or give away any goods or services unless the product has been approved by us in the Manual as part of the Authorized Products and Services and has not been thereafter disapproved in writing by us. All Authorized Products and Services must be provided and sold under the specific name we designate. You may not cease offering any of the Authorized Products or Services, except as you may be notified or instructed by us in writing. You must, upon receipt of notice from us, sell and provide additional Authorized Products and Services according to the instructions and within the time specified in the notice. You must cease selling and providing any previously approved or discontinued Authorized Product or Service within 30 days after receiving notice from us that the product is no longer approved.

7.3.2 All products, services, and materials you sell or provide you must be of the highest quality, and conform strictly with Applicable Law, the Manual, and with our further requirements as they are communicated to you from time to time.

7.3.3 You will give your best efforts to aggressively market and sell Authorized Products and Services in the Trade Area.

7.3.4 You agree to cooperate with us and our other franchisees by actively participating in all sales, public relations, advertising, cooperative advertising and purchasing programs or promotional programs (including, without limitation, product give-away promotions) which we may develop or implement. Participation may include loyalty programs, prize promotions, and other marketing campaigns and programs.

7.4 **Sale at Retail; Containers Fixtures and Other Goods**. You agree that all packaging and like articles you use in connection with the Business will conform to the Policies, must be imprinted (if required by us) with the Marks and must be purchased by you from us, or a distributor or manufacturer approved in writing by us, as provided in Article 10. No item of merchandise, products, signs, supplies, or equipment may be used in connection with the Business or the sale or provision of Authorized Products and Services unless you have first obtained our written approval.

7.5 **Computer System; Data Privacy.**

7.5.1 You must purchase, use, and maintain a personal computer system that meets our current specifications, as outlined in the Manual or as otherwise provided by us in writing (the "**Computer System**"). Your Computer System must be connected to the Internet at all times through a reliable service provider, include an active email account and any communication tools we specify, and be capable of sending and receiving digital photos, video, and audio files in the format we require. You must obtain and maintain all required hardware and software, including digital still and video cameras, as we may designate, and ensure that only adequately trained personnel use the Computer System to conduct business transactions. You must purchase any upgrades, enhancements, or replacements to the Computer System, hardware, or software that we require. You must also ensure that we and our representatives have full and unrestricted access to your Computer System and its files at all times, including through remote electronic access.

7.5.2 You must subscribe to and use the CRM system that we designate for your Franchised Business. You must use the CRM system in accordance with the Manual and our written standards, including for customer data, scheduling, sales tracking, and reporting. Your use of the CRM system is a material obligation under this Agreement. We may require you to adopt a different CRM system or provider upon reasonable notice, and you must comply with any transition requirements.

7.5.3 At our request, you must license or sublicense from us or our designee any proprietary software we designate ("**Proprietary Software**"), including the CRM system. You must sign our then-current software license agreement and install any updates, enhancements, or modifications we require within 30 days of receiving notice, unless we specify a longer period.

7.5.4 You must maintain relationships with the credit card processors, payment platforms, and other non-cash payment vendors we designate ("**Credit Card Vendors**"), including companies that provide services for electronic payments such as near-field communication (NFC) vendors. You may not use any vendor we have not approved or whose approval we have revoked. You are responsible for acquiring all necessary hardware and software to support these systems. We may change our requirements at any time, including adding or removing approved vendors or payment methods.

7.5.5 You must comply with the current Payment Card Industry Data Security Standards (PCI DSS) as issued by the PCI Security Standards Council (www.pcisecuritystandards.org), or any successor standards we designate. This includes implementing all required security measures and updates, demonstrating compliance upon request (which may include undergoing a third-party audit by a Qualified Security Assessor), and engaging an approved vendor for ongoing compliance support if you are unable to meet PCI DSS requirements. You must also comply with any other data security standards or compliance programs required by the banking or payment processing industry, and you are responsible for all related costs.

7.5.6 You must protect all Customer Information and use it only during the term of your Agreement and solely for operating your Business, subject to Applicable Law.

7.5.7 You must take all necessary actions to independently learn and comply with all applicable Privacy Laws, learn and comply with the Brand Standards as they relate to Privacy Laws and the privacy and security of Customer Information, and learn and comply with any posted privacy policy and other representations made to the individual identified by Customer Information that you process. You must communicate any limitations required by such policies to any authorized receiving party in compliance with all Privacy Laws, and refrain from any action or inaction that could cause us or our affiliates to breach any Privacy Laws. You must maintain, and ensure that your personnel adhere to, all reasonable physical, technical, and administrative safeguards and related policies for Customer Information in your possession or control to protect it from unauthorized processing, destruction, modification, or use that would violate this Agreement, the Brand Standards, or any Privacy Law. You must do and execute, or arrange to be done and executed, each act, document, and thing we deem necessary in our business judgment to keep us and our affiliates in compliance with Privacy Laws.

7.5.8 You must immediately report to us any breach of the requirements in this Agreement or the Brand Standards regarding Customer Information or any Privacy Law, or any theft or loss (or any apparent or alleged theft or loss) of Customer Information, excluding Customer Information of your own officers, directors, shareholders, employees, or service providers. Upon

request, you must provide us with information, reports, and the results of any audits performed regarding your data security policies, procedures, or technical controls related to Customer Information. You must also provide us or our representatives with access to your technology systems, records, processes, and practices that involve processing of Customer Information in order to mitigate a security incident or to allow an audit to be conducted.

7.5.9 You will indemnify, defend, and hold us and our affiliates, and their respective officers, directors, shareholders, members, managers, partners, employees, contractors, attorneys, representatives, agents, and associates harmless in connection with any claim or action arising out of or relating to any theft, loss, or misuse (including any apparent or alleged theft, loss, or misuse) of Customer Information, and any breach of the terms, conditions, or obligations relating to data security, Privacy Laws, or Customer Information set forth in this Agreement.

7.6 **Manual**. You must operate the Business in strict compliance with the Manual and our Policies, as we may amend them from time to time. The Manual is designed to protect the integrity of the System and the goodwill of the Marks, not to control your day-to-day operations.

7.6.1 We may modify the Manual at any time, including by adding, deleting, or revising content. These modifications may include emergency procedures in response to a Crisis Management Event, which may require you to temporarily suspend operations. We are not liable for any losses or damages resulting from such actions. All modifications are effective upon notice to you and do not alter your fundamental rights under this Agreement. We may vary the Manual or Policies for individual franchisees based on unique circumstances, and you agree to implement all modifications as if they were part of the System at the time you signed this Agreement.

7.6.2 We reserve the right and privilege, in our discretion, to vary the Manual and Policies for any franchisee based on the peculiarities of any condition or factors that we consider important to that franchisee's successful operation. You agree to implement any System modifications as if they were part of the System at the time you signed this Agreement.

7.6.3 The Manual and Policies are confidential and contain our trade secrets. You may not copy, reproduce, or share any part of them. Upon expiration or termination of this Agreement, you must return all physical copies and permanently delete all electronic copies.

7.7 **Notification of Legal Proceedings and Crisis Management Events**.You must notify us in writing within five (5) days of receiving notice of: (a) any incident that could negatively affect the Business, the System, the Marks, or your financial condition; (b) any legal action, arrest, or proceeding involving you, your Owners, or trainers; (c) any order, citation, or sanction issued by a Governmental Authority; or (d) any other adverse notice or inquiry related to the Business. You must provide us with all related documentation. You must provide us with copies of all communications and information relating to any such matter. In the event of a Crisis Management Event, you must notify our President by telephone within 24 hours. You must fully cooperate with us in responding to the event. You authorize us to conduct background checks and other investigations on you, your Owners, and your trainers, including criminal, financial, and insurance-related checks. You must ensure that any animal in your care receives prompt medical attention and that you communicate with the customer regarding their preferred veterinarian. You must reimburse us for all direct and indirect costs we incur in responding to a Crisis Management Event, including investigations and remediation.

7.8 **Signs, Designs and Forms of Publicity**. You must maintain, as applicable, suitable signs, logos, vehicle wraps, decals and/or emblems at or on each Vehicle used in connection with the Business, all of which must conform in all respects to the Policies and the layout and design plan we

approve, subject only to restrictions imposed by Applicable Law. You must identify the Business as an independently-owned and operated franchise of Sit Means Sit Franchise, Inc. in the form and manner we specify, including on all invoices, letterhead, order forms, receipts, checks, business cards, on other notices provided by you and in other media and Advertisements we direct.

7.9 **Uniforms and Employee Appearance**. You must wear and must cause each of your employees while working to wear, uniforms of such color, design, and other specifications as we designate in the Manual. You and your employees must present a neat and clean public image and be free from foul odors. You must comply and cause your employees to comply with Policies.

7.10 **Co-Branding**. You may not offer, sell or provide Authorized Products and Services in connection with any trademark, service mark, logo or commercial symbol other than the Marks.

7.11 **Intranet**. We may establish an Intranet (or Extranet) through which we and our franchisees may communicate with each other, and through which we may disseminate the Manual, updates thereto and other confidential information. We will have sole discretion and control over all aspects of the Intranet, including its content and functionality. If we establish such an Intranet (or Extranet), we will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to you. All information, statements, or postings made on the Intranet site are our sole and exclusive property. You have the mere privilege, and not the right, to use the Intranet.

7.12 **National Accounts**. You acknowledge that to competitively attract and effectively service National Accounts, we may establish Policies governing the way National Accounts are solicited and serviced, including reserving to us or our Affiliates, or even other franchisees, the exclusive or non-exclusive right to solicit National Accounts or types and/or categories of National Accounts, and requiring you to obtain our prior consent before soliciting National Accounts. You must comply with all National Account Policies. You acknowledge that we make no promise that any amount of National Account business will be provided within the Trade Area. You expressly acknowledge that we may offer to subcontract you to furnish Authorized Products and Services on our behalf to National Accounts in our sole discretion and subject to the applicable customer's approval and terms and conditions, and your execution of a subcontract in the form we prescribe. If we offer you such a subcontract, you will not be obligated to accept it. However, if you decline, or if you accept but we are advised by the National Account or we believe in good faith that the National Account is dissatisfied with your work, or it is otherwise necessary in our judgment to preserve the National Account or our reputation, we may perform such services or may subcontract such services to an independent subcontractor.

7.13 **Improvements**. If you, your employees, any of your Owners, or any Restricted Person develop any new concept, process, or improvement related to the operation or promotion of a dog training business (an "**Improvement**"), you must promptly notify us and provide all related information. All Improvements will be our sole and exclusive property, including all associated intellectual property rights such as patents, copyrights, and trade secrets. You and your Owners hereby assign to us all rights in and to any such Improvements, including the right to modify and commercialize them, and waive any moral rights or rights of restraint. You and your Owners agree to assist us, at our request, in securing and enforcing intellectual property rights in any country, including executing any documents we deem necessary. You also irrevocably appoint us as your agent and attorney-in-fact to execute and file such documents on your behalf. If any part of this Section is found unenforceable, you and your Owners grant us a worldwide, perpetual, non-exclusive, royalty-free license to use and sublicense the Improvement to the extent necessary to avoid infringement of your rights.

7.14 **Customer Relations**. You must operate the Business in a professional, courteous, and efficient manner, in full compliance with the Manual, to protect and enhance the goodwill of the Marks

and the System. You and your staff, including the Authorized Trainer, must uphold high standards of honesty, integrity, and fair dealing in all interactions with customers, other franchisees, and us. You must return all customer and our calls within one (1) business day and honor all scheduled appointments. If you are unable to keep an appointment due to an emergency or other unforeseen circumstance, you must notify the customer at least three (3) hours in advance to reschedule. You must respond promptly and professionally to all customer complaints. If we direct you to take specific action to resolve a complaint—including issuing a refund or payment—you must comply promptly, even if you disagree with the resolution.

ARTICLE 8
ADVERTISING

8.1 **General Requirements**.

8.1.1 You must only use and display Advertisements provided or approved by us and use and display them in accordance with the Policies. You must obtain our prior written approval to use and/or display Advertisements (including as to the choice of medium) not provided by us. The materials will be deemed disapproved if we have not approved them within 15 days of receiving your submission. All Advertisements that you create or originate must be factual, ethical and in good taste in our judgment. You must refrain from using any Advertisement which, in our opinion, may be injurious to the System, the goodwill associated with the Marks, or other Businesses. We may change our policies relating to Advertisements on any medium at any time, and you must comply with those changes.

8.1.2 Your Advertisements can appear only in media targeted to reach consumers within Trade Area. We may require, among other things, that you submit to us an accurate sample and all relevant details concerning the media in which you propose to place the Advertisement. If approved, we may, but are not obligated to, require that all such Advertisements conspicuously include the addresses of other Businesses located in the geographic area together with any language we prescribe.

8.1.3 All Advertisements and other advertising materials or concepts created by you and approved by us are our sole and exclusive property. We may require you to cease using any advertising materials which we have previously approved, and you must cease using such materials upon written notice.

8.2 **Local Advertising**. During each calendar quarter, you must spend at least 1% of your Gross Sales for the preceding calendar quarter on local advertising and promotion for the Business, which may include SEO as stated in Section 9.4. At our request, you must give us copies of invoices showing your local advertising expenditures. Money used by you for market-wide or other research, seminars, entertainment, fees paid to consultants not approved by us, incentive programs, charitable contributions, press parties, or specialty items (unless part of a market-wide program approved by us and the cost of the same is not recovered by promotion) will not be credited toward the local advertising expenditures required by this Section.

8.3 **Telephone Numbers and Directory Advertising**

8.3.1 You must, at your sole expense, subscribe for and maintain throughout the Term, one or more phone numbers in accordance with our Policies.

8.3.2 We may operate one or more T-1 links, telephone numbers (which may be toll free), or telephone systems, designed to be used in connection with the operation of Businesses; including, to refer potential clients to our franchisees, including you ("**Call Center**"). We reserve the right to modify, cease or outsource the operation of the Call Center. Upon our request, all advertising you conduct must include a toll-free telephone number we designate. You must reimburse us for all telephone and related charges we incur to operate the Call Center and/or to receive and forward to you telephone calls that relate to the Business. We may also impose a reasonable additional charge, which you must promptly pay, and establish other terms and conditions of use. Such charges will be in an amount designed to reimburse us for our direct and indirect costs of establishing and operating the Call Center. You may insert the toll free number (if one is established) in your directory listings, business cards, and stationery, but may not otherwise advertise the telephone number without our prior written consent.

8.4 **Promotional Campaigns**. From time to time during the Term, we will have the right to establish and conduct promotional campaigns that may (by way of illustration) promote products or marketing themes. You agree to participate in such promotional campaigns upon the terms and conditions we establish. You acknowledge and agree that such participation may require you to purchase point of sale advertising material, posters, flyers, product displays and other promotional material.

ARTICLE 9
INTERNET AND INTERNET SALES

9.1 **Internet**.

9.1.1 You may not create, register, own, operate, or contribute to any online platform (including websites, domain names, social media accounts, blogs, or other digital media) that uses or displays the Marks, or any confusingly similar terms, without our prior written approval. All digital marketing and online presence must be managed exclusively through our designated third-party website vendor. Any authorized use must strictly comply with our current policies and guidelines ("**Policies**"). All content must be accurate, professional, and consistent with our brand standards.

9.1.2 You are strictly prohibited from registering any domain name or operating any independent website or digital platform that references the Marks or the System. This prohibition applies to all franchisees, including those entering into renewal, successor, or additional franchise agreements. All online marketing, including websites and social media, must be conducted solely through our approved vendor and platforms. You must provide us with primary ownership and/or full administrative access to all digital accounts associated with the Business. We reserve the right to monitor, review, and require changes to any online content at our sole discretion.

9.1.3 We may operate one or more official websites and digital platforms at our sole discretion, including their design, content, and functionality. We may include a dedicated page for your Business, which may be customized only as permitted by our Policies and through our designated vendor. You are responsible for all costs related to customization, updates, or modifications. We may disable or remove such pages at any time without liability. Our websites may also include pages for franchise sales and marketing.

9.1.4 You acknowledge and agree that we (or our Affiliate) exclusively own and retain all rights, title, and interest in and to: (i) the domain name and URL "sitmeanssit.com"; (ii) all current and future domain names, URLs, landing pages, and social media handles incorporating the Marks; (iii) all software, code, and digital assets used on our websites; (iv) all content, including

text, images, videos, designs, and data displayed or collected through our websites; and (v) all intellectual property rights associated with the above..

9.2 **Internet Sales**. You acknowledge that we have the exclusive right to manufacture, license, distribute, and sell products (including Branded Products and non-branded items such as dog training tools, toys, treats, books, and apparel) via the Internet. You may not engage in online sales of such products without our express written consent.

9.3 **Internet Referral Sources**. To enhance customer acquisition, we may partner with third-party Internet Referral Sources. You may not enter into any agreement or arrangement with such sources without our prior written approval.

9.4 **Search Engine Optimization.** You must use our designated third-party provider for all search engine optimization ("**SEO**") services. You must follow all SEO-related guidelines and recommendations issued by us or the provider to ensure brand consistency and effectiveness. You are responsible for providing access and information necessary for SEO implementation and for covering all associated costs under a separate agreement with the provider. Regular reporting on SEO performance may be required

9.5 **Google Ads Management**. You must use our designated third-party provider for all Google Ads Management services. You must follow all Google Ads-related guidelines and recommendations issued by us or the provider to ensure brand consistency and effectiveness. You may only advertise in your designated zip codes and unclaimed territories. You are responsible for providing access and information necessary for Google Ads implementation and for covering all associated costs under a separate agreement with the provider. Regular reporting on Google Ads performance may be required.

9.6 **Social Media Ads Management.** You must use our designated third-party provider for all social media ads management services. You must follow all social media ads-related guidelines and recommendations issued by us or the provider to ensure brand consistency and effectiveness. You may only advertise in your designated zip codes and unclaimed territories. You are responsible for providing access and information necessary for social media ads implementation and for covering all associated costs under a separate agreement with the provider. We may require you to provide regular reporting on social media ad performance.

ARTICLE 10
DISTRIBUTION AND PURCHASE OF EQUIPMENT, SUPPLIES, AND OTHER PRODUCTS

10.1 **Inventory**. You must purchase and maintain in inventory such types and quantities of Designated Products and Ancillary Products as needed to meet anticipated consumer demand.

10.2 **Designated Products**. We may, in our sole subjective discretion exercised in good faith, require that you purchase, use, offer, promote and/or maintain in stock products, including dog collars, dog care products, dog training products, dog toys, food and treats, leashes, collars, bite suits, apparel, and other goods, training and other equipment, uniforms, supplies, packaging, business cards, forms, computer hardware, software, modems and peripheral equipment and other items, which are produced or manufactured in accordance with our proprietary specifications and/or formulas, and which we select as designated products, and specified "Sit Means Sit" Brand Products ("**Designated Products**"). We will require you to purchase training collars and certain other training items directly from us, our Affiliates, and designees. We have the right to require you to purchase all other Designated Products and "Sit Means Sit" Brand Products only from us, our Affiliates, or designees. We will not be obligated

to reveal Trade Secrets, specifications, designs and/or formulas of Designated Products to you, non-designated suppliers, or any other third parties.

10.3 **Ancillary Products**. We may designate certain products, accessories, equipment, uniforms, packaging, forms, software, hardware, and other items (excluding Designated Products) that you may or must use, offer, or sell in connection with the Business ("**Ancillary Products**"). You may only use or sell Ancillary Products that we have expressly authorized. You are not required to purchase Ancillary Products from us or our Affiliates, but may do so at your discretion.

10.3.1 You may purchase authorized Ancillary Products—and, in some cases, Designated Products—from (i) us or our Affiliates, (ii) suppliers we designate, or (iii) suppliers you propose and we approve in writing (each a "**Supplier**"). Any proposed Supplier must meet our standard requirements, including insurance, indemnification, and confidentiality obligations, and must demonstrate to our reasonable satisfaction: (a) the ability to supply products that meet our specifications and comply with applicable law; (b) reliability in delivery and product consistency; and (c) any other criteria we determine to be in the best interest of the System.

10.3.2 To request approval of a Supplier for Designated or Ancillary Products, you must submit a written request identifying the Supplier and the products involved, along with any information we request, which may include financial and operational details. We may require the Supplier to provide product samples, allow facility inspections, and agree in writing to: (i) comply with our specifications; (ii) sell products bearing the Marks only to our franchisees under a trademark license agreement we provide; (iii) submit duplicate invoices for our records; and (iv) comply with other reasonable requirements.

10.3.3 We will notify you of our decision within 60 days of receiving your complete request. We are not obligated to approve any Supplier and may consider factors such as cost, quality, and distribution efficiency. We may revoke approval if a Supplier fails to meet our standards.

10.3.4 You or the proposed Supplier must reimburse us for all reasonable costs we incur in reviewing the Supplier's application, including travel, inspections, audits, and third-party product testing.

10.4 **Purchases from us or our Affiliates**.

10.4.1 You must purchase all required goods, services, and supplies—including Designated and Ancillary Products ("**Goods and Services**")—from us or our Affiliates in accordance with our ordering procedures and policies. All purchases are subject to our or our Affiliate's then-current pricing, delivery, and terms, which may be changed with at least 15 days' written notice. Prices may include a profit to us or our Affiliate. We may discontinue any Goods and Services at any time and allocate limited supplies as we see fit. All orders are subject to acceptance. We may require financial statements to determine credit terms and may require payment in advance or on delivery.

10.4.2 We (and our Affiliates) reserve the right to establish, amend, modify and terminate in our and our Affiliates' sole and absolute discretion, as applicable, the terms and conditions of product and service warranties to be provided to customers, concerning the products purchased from us or our Affiliates and the related services to be provided by you, including warranty terms and conditions, including the circumstances under which you, we, or our Affiliates must offer customers replacement, re-training or a purchase price refund with respect to such

products and services. You must perform promptly all of the terms and conditions of all such warranties. You have sole responsibility for all such warranties. You must comply with all Policies on warranty programs and keeping records with respect to claims. You acknowledge and agree that all warranty and other services are performed by you as an independent contractor and not as our agent. You have no authority to make, and must not make, any warranty or representation to others on our behalf.

10.4.3 We and our Affiliates are not liable for delays or failures in manufacturing, delivery, or shipment due to Force Majeure or other events beyond our control, including shortages, supply chain disruptions, or regulatory restrictions.

10.4.4 We and our Affiliates may receive rebates, allowances, or other benefits from Suppliers based on your purchases. We may use these funds at our sole discretion, regardless of any Supplier designation.

10.4.5 We or our Affiliates may act as Suppliers and may be designated as the exclusive Suppliers of certain Goods and Services. Upon expiration, termination, or default under this Agreement, we and our Affiliates are not obligated to fulfill or ship any outstanding orders.

10.5 **Customer Information and Feedback**. You must use reasonable efforts to collect and maintain accurate Customer Information as we request. This includes names, addresses, contact details, and other identifying information. All Customer Information you collect or that we obtain from you is our sole and exclusive property and is considered our Confidential Information. You assign and will be deemed to have assigned to us all rights in and to such Customer Information, including any rights you or your Owners may otherwise hold. We may use Customer Information for any lawful purpose, including marketing, customer service, and making financial performance representations in our franchise disclosure documents, without compensation to you.

10.5.1 You may use Customer Information only during the Term and solely in connection with operating the Business, and only to the extent permitted by applicable law. You may not disclose Customer Information to any third party without the customer's prior consent. Upon expiration or termination of this Agreement, you must return all Customer Information to us and permanently delete it from your systems and records. At your sole risk and responsibility, we grant you a limited, non-exclusive right to use Customer Information during the Term solely for the operation of the Business. You must provide us with copies of all Customer Information upon request. You must also ensure that all Customer Information is removed from your Computer System upon expiration or termination of this Agreement.

10.5.2 You must respond promptly and professionally to all customer inquiries and complaints and make a good faith effort to resolve all reasonable complaints to the customer's satisfaction. You must use customer comment cards or other feedback tools as we specify in the Manual. We may contact any customer of your Business at any time for any reason. If a customer contacts us with a complaint, we may address the issue directly to protect the goodwill of the brand and the integrity of the Marks. This may include taking corrective action as described in Section 2.5 of this Agreement.

ARTICLE 11
REPORTS, BOOKS AND RECORDS, INSPECTIONS

11.1 **General Reporting**. You must, in the form and manner we specify (which may include reporting via the Computer System), submit to us financial, operational and statistical information as we

may require, including those to: (i) assist you in the operation of the Business in accordance with the System; (ii) allow us to monitor your Gross Sales, purchases, costs and expenses; (iii) enable us to develop chain-wide statistics which may improve bulk purchasing; (iv) assist us in the development of new Authorized Products and Services; (v) enable us to refine or delete existing Authorized Products and Services; and (vi) generally improve chain-wide understanding of the System (collectively, the "**Information**"). Without limiting the generality of the foregoing:

11.1.1 On or before the 5th day following each month, or at such other interval we establish, you must submit to us a Gross Sales report on our required form reporting all Gross Sales for the preceding month, together with such additional financial information we request.

11.1.2 On or before the 30th day following each calendar month during the Term, you must submit to us financial statements for the preceding month, including a balance sheet, cash flow statement and profit and loss statement prepared in the form and manner we prescribe. You must also provide us with quarterly sales data in the format and manner we prescribe.

11.1.3 Within 60 days following the end of each calendar year, you must submit to us an unaudited annual financial statement, including a balance sheet, cash flow statement and income statement. You acknowledge and agree that we may use this information in any way we see fit, including in our franchise sales and disclosure documents.

11.1.4 We require you to maintain an accounting and record keeping system, in accordance with U.S. generally accepted accounting principles and sound business practices (or, at Licensor's request international financial reporting standards), and to maintain adequate accurate, verifiable books and supporting documentation relating to such accounting information.

11.2 **Under-Reporting**. You must prepare and keep for at least 7 years after the end of each fiscal year (or such longer period required under Applicable Law) adequate books and records showing daily receipts, advertising and other business expenditures, applicable sales tax returns, all pertinent other records, and such other sales records as we require. If we ask for it, you must provide all information we request promptly (not later than 5 days after our request). If any audit we conduct shows that you under-reported fees Gross Sales to us, then upon demand (and in addition to any other remedies we are entitled to under this Agreement or Applicable Law) you must pay the under-paid amount plus interest at the highest compound rate permitted by Applicable Law (not to exceed the rate of 18% percent per annum).

11.3 **Employment Practices**. You acknowledge and agree that you are solely responsible for the operation of the Business, including keeping your accounting system; for all labor relations, including wage and hour regulation compliance, hiring, firing, supervising and disciplining your employees; for setting work schedules; for compensation of such employees and the correct processing thereof; and for obtaining all necessary business licenses and employment insurance. You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, which may include (among other things) a sexual harassment policy. You have sole discretion in whether to adopt any such policies and procedures and their specific terms. Training with respect to all such policies and procedures will be your sole responsibility.

11.4 **Inspections**.

11.4.1 Our authorized representatives have the right, from time to time, to enter all Vehicles (and to require Vehicles to be made available for inspection at a single location), your Training Facility (if you have one), or the location(s) where you provide Authorized Products and

Services, with or without notice, without unreasonably disrupting your business operations, for the purposes of performing evaluations, conferring with your employees, trainers, inspecting and checking inventory and equipment, and determining whether the Business is being conducted in accordance with this Agreement, the System and the Manual. If any such inspection discloses any material failure by you to comply with the Policies, you must promptly reimburse us for our costs and expenses (including, without limitation, Travel Expenses) incurred in connection with all such inspections (and any re-inspections) of the Business. You acknowledge that inspections are not limited as to frequency and may occur as frequently as we deem appropriate in our sole discretion, and in the case of secret shoppers may include numerous visits over several weeks or other period we determine.

11.4.2 At our request and in accordance with our instructions, you must promptly provide us with digital photos and/or video of the goods and services provided by you to a customer, which may include photos or video of animals in your care.

11.4.3 If any inspection indicates any deficiency or unsatisfactory condition and we notify you in writing of such deficiency or unsatisfactory condition, you will have 72 hours after receiving notice (or such other time we determine in our sole discretion) to correct or repair such deficiency or unsatisfactory condition. If the deficiency or unsatisfactory condition cannot be corrected within 72 hours, we will provide you with more time as we deem necessary if you immediately begin to cure and diligently pursue a cure to completion. However, if in our sole discretion we determine that the nature of such condition poses an imminent danger to public health, public safety, or the health or safety of any animal in your care, you must correct or repair it within 24 hours.

ARTICLE 12
MARKS

12.1 **Use of Marks**. Subject to Section 12.6, you must operate the Business under the name "Sit Means Sit", without prefix or suffix. You must use and display our trade dress, Marks and such signs, advertising and slogans only as we may prescribe or approve. You will: (i) maintain the highest standard of quality in the provision, operation, promotion, marketing and advertising of all Approved Products and Services; (ii) provide high quality services to the public similar, and at least equal to, the type, quality, and distinguishing characteristics of the services being offered by us and our Affiliates and franchisees; and (iii) display the Marks in accordance with the Policies. Upon expiration or sooner termination of this Agreement, we may execute in your name and on your behalf, any and all documents necessary or appropriate to end and cause the discontinuance your use of the trade dress and Marks, and you irrevocably appoint and designate us as your attorney-in-fact to do so. You must not use any of the Marks on any product, offering of securities, or request for credit without our prior written approval. We may withhold or condition any approval related to the Marks.

12.2 **Non-Use of Trade Name**. If you are a Business Entity, you must not use the Marks, our trade name, or any confusingly similar words or symbols as all or part your name.

12.3 **Non-ownership of Marks**. You may not assert any right, title or interest in our trade-dress, or to any of the Marks or the goodwill attributable to the Marks. All goodwill accrued by, and due to, your use of the Marks anywhere is our sole and exclusive property.

12.4 **Defense of Marks**. You must promptly notify us if you receive notice or are informed of any claim, suit or demand against you of any alleged infringement, unfair competition, or similar matter on account of your use of the Marks. We will act we deem necessary and appropriate to protect

and defend you against any such claim by any third party, but we are not obligated to take any such action. You must not settle or compromise any such claim by a third party without our prior written consent. We and our Affiliates have the sole right to defend, compromise or settle any such claim in our discretion, and at our cost and expense, using attorneys of our choice, and you must cooperate fully with us and our Affiliates in connection with the defense of any such claim. You may participate at your own expense in such defense or settlement, but our decisions regarding defense and settlement will be final.

12.5 **Prosecution of Infringers**. If you receive notice or learn that any unauthorized third party is using our trade dress or Marks, or something similar, you must promptly notify us. We will then determine whether we will take any action against such third person. You have no right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against any alleged infringer for or on account of such infringement.

12.6 **Modification of Marks**. From time to time, we may add to, delete or modify any or all of the Marks and trade dress. You must use, or cease using the Marks and/or trade dress at your expense, including any modified or additional trade names, trademarks, service marks, logotypes, commercial symbols and trade dress, in accordance with the Manual and Policies. Except as we may otherwise direct, you must implement any change within 60 days after receiving notice.

12.7 **Acts in Derogation of the Marks**. You agree that our trade dress and the Marks are the exclusive property of we and/or our Affiliates. You will never assert any claim to goodwill, reputation or ownership of them. You are familiar with the standards and high quality of the use of the trade dress and Marks in the operation of Businesses, and you agree that you will always maintain this standard in your use of the Marks and trade dress. All use of the Marks and trade dress by you will inure solely to our benefit. You must not contest or assist anyone in contesting at any time, in any manner, the validity of any Mark or its registration, and you must maintain the integrity of the Marks. You must not do or permit any act or thing to be done in derogation of any of the rights we or our Affiliates have in the Marks. You must use the Marks and our trade dress only in the manner permitted in this Agreement. Without limiting the foregoing, you must not: (i) interfere in any manner with, or attempt to prohibit, the use of our trade dress and/or the Marks by any other franchisee of ours; or (ii) divert or attempt to divert any business or any customers of the Business to any other person or Business Entity, 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.

12.8 **Assumed Name Registration**. If you are required to do so by Applicable Law, you must promptly upon execution of this Agreement file with applicable Governmental Authority, a notice of your intent to conduct your business under the name authorized by us under this Agreement. Promptly upon the expiration or termination of this Agreement for any reason, you must take all actions necessary to revoke or terminate such assumed name registration, or any other registrations or filings. If you fail to do so, you irrevocably appoint us as your attorney-in-fact to revoke or terminate them.

ARTICLE 13
COVENANTS REGARDING OTHER BUSINESS INTERESTS

13.1 **Non-Competition**. You acknowledge that the System is distinctive and has been developed by us and/or our Affiliates at great effort, time, and expense, and that you have regular and continuing access to valuable and confidential information, training, and Trade Secrets regarding the System. You recognize your obligations to keep confidential such information as set forth in this Agreement. You therefore agree as follows:

13.1.1 During the Term, no Restricted Person will in any capacity, either directly or indirectly, through one or more affiliated Business Entities engage in any Competitive Activities at any location, whether within or outside the Trade Area.

13.1.2 To the extent permitted by Applicable Law, upon: (i) the expiration or termination of this Agreement; (ii) the occurrence of any Assignment; or (iii) the cession of any Restricted Person's relationship with you, each person who is a Restricted Person before such event will not for a period of two years thereafter:

(a) either directly or indirectly, own, operate, advise, be employed by, or have any financial interest in any business engaged in any Competitive Activities at any location within: (i) the Trade Area; (ii) any other geographic areas wherein you have operated the Business (e.g., an Unassigned Area); or (iii) the designated trade area of other "Sit Means Sit" franchisees;

(b) solicit business of any kind or nature from an individual or Business Entity that was a customer of yours during the 24-month period immediately preceding such event; or

(c) use the Customer Information for any purpose.

13.2 **Trade Secrets**.

13.2.1 Restricted Persons, and any trainer working for you ("**Trainers**"), may have access to proprietary and confidential information, including the Trade Secrets, Policies, specifications, procedures, concepts and methods and techniques of developing and operating a Business and producing and providing Authorized Products and Services. We may disclose certain of its Trade Secrets to Restricted Persons or Trainers in the Manual, bulletins, supplements, confidential correspondence, or other communications, and through our training programs and other guidance and management assistance. "Trade Secrets" will not include information which: (a) has entered the public domain or was known to you prior to our disclosing such information to you, other than by the breach of an obligation of confidentiality owed (by anyone) to us or our Affiliates; (b) becomes known to the Restricted Persons from a source other than us or our Affiliates and other than by the breach of an obligation of confidentiality owed (by anyone) to us or our Affiliates; or (c) was independently developed by you using or benefitting any of our Trade Secrets. The burden of proving that information you received from us does not constitute a Trade Secret will be yours alone.

13.2.2 No Restricted Person or Trainer will acquire any interest in the Trade Secrets or Customer Information other than the right to use them in developing and operating the Business during the Term. A Restricted Person's or Trainer's duplication or use of the Trade Secrets or Customer Information in any other endeavor or business will constitute unfair competition. Each Restricted Person and Trainer will: (i) not use the Trade Secrets or Customer Information in any business or other endeavor other than in connection with the Business; (ii) maintain absolute confidentiality of the Trade Secrets and Customer Information during and after the Term; and (iii) make no unauthorized copy of any portion of the Trade Secrets or Customer Information, including the Manual, bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral. You will operate the Business and implement all reasonable procedures we prescribe to prevent unauthorized use and disclosure of the Trade Secrets. If you have any reason to believe that any Restricted Person or Trainer has violated the provisions of any confidentiality agreement, you must promptly notify us and will cooperate with us to protect us against infringement or other unlawful use as we deem necessary.

13.2.3 In view of the importance of the Marks and the Trade Secrets and the incalculable and irreparable harm that would result to the parties in the event of a default of the covenants and agreements set forth in this Agreement, the parties agree that each party will have the right to obtain specific performance, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction to enforce the covenants and agreements in this Agreement, in addition to any other relief to which such party may be entitled at law or in equity. Each party submits to the exclusive jurisdiction of the courts of the State of Nevada and the U.S. federal courts sitting in Las Vegas, Nevada for these purposes. The parties agree that venue for those proceeding will be the state and federal courts located in Las Vegas, Nevada. You agree that we may obtain temporary or preliminary injunctive relief without bond, but upon due notice, and that your sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing. You expressly waive all claims for damages by reason of the wrongful issuance of any injunction.

13.2.4 You must obtain covenants like those in Sections 13.1 and 13.2 from Restricted Persons and such other personnel we specify. You must obtain covenants like those in Section 13.2 from Trainers and such other personnel we specify. We do not require (but you may in your own discretion require) your Trainers to sign a non-competition agreement with you. We may regulate the form of agreements you use, and we may require that you name us an express third-party beneficiary with the right to enforce such agreements. Our current required form of Confidentiality and Non-Competition Agreement, for use with Restricted Persons, is attached to the Franchise Disclosure Document as Exhibit D. Our current required form of Confidentiality Agreement, for use with Trainers, is attached to the Franchise Disclosure Document as Exhibit E. Promptly upon our request, you must deliver to us executed copies of such agreements.

13.3 **Effect of Applicable Law; Tolling**. The parties agree that each covenant in this Article 13 must be construed to be independent of any other covenant or provision of this Agreement. In the event any portion of the covenants in this Article violates laws affecting you or is held invalid or unenforceable in a final judgment to which we and you are parties, then the maximum legally allowable restriction permitted by law will control and bind you. We may at any time unilaterally reduce the scope of any part of the above covenants, and you must comply with any such reduced covenant upon receipt of written notice. The provisions of this Article shall be in addition to and not in lieu of any other confidentiality obligation your, or any other person, whether pursuant to another agreement or pursuant to Applicable Law. Any period specified in this Article 13 will be tolled and suspended for any period during which any party is in violation of any restrictive covenant.

13.4 **Business Practices**. You represent, warrant and covenant to us that, as of the Effective Date, you and each of your Owners (if you are an Business Entity) will be and will remain in full compliance with all Applicable Laws in each jurisdiction in which you or any of your Owners, conducts business that prohibit unfair, fraudulent or corrupt business practices in the performance of your obligations under this Agreement and related activities. You certify that neither you, nor your Owners, principals, employees or anyone associated with you are listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html.) You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Owners, principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or fully assist us in our efforts to comply with Anti-Terrorism Laws. You certify, represent, and warrant that none your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all Anti-Terrorism Laws.

13.5 **Survival**. This Article 13 will not limit, restrain or otherwise affect any right or cause of action which we may have for any infringement of, violation of, or interference with, this Agreement, or the Marks, System, Trade Secrets, our trade dress, or any other proprietary aspects of our business.

ARTICLE 14
ASSIGNMENT

14.1 **Assignment by us**. You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as our owners, directors, officers, and employees come and go. You represent that you have not signed this Agreement in reliance on any shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. If we do so, we will no longer have any performance or other obligations under this Agreement. Nothing in this Agreement requires Sit Means Sit Franchise, Inc. to remain in the dog training business or to offer the same products and services, whether bearing the Marks, if we exercise our right to assign this Agreement.

14.2 **Assignment by you**.

14.2.1 The rights and duties created by this Agreement are personal to you. We have entered into this Agreement in reliance upon and in consideration of your individual or your Owners' collective character, reputation, skill attitude, business ability, and financial capacity. Neither you nor any Owner (other than us, if applicable) will, without our prior written consent, cause or permit any Assignment. If we grant our consent, we may impose any condition upon our consent, including some or all of the following (any of which may be waived by us):

(a) that you provide a detailed description of the price and all material terms and conditions of the proposed Assignment and the identity of the proposed assignee and such other information as we may reasonably request.

(b) that your right to receive payments in connection with the Assignment is subordinated to our rights to receive any outstanding monetary obligations or other outstanding obligations due from you or your assignee under any agreement with us or any Affiliate, whether arising before or after the Assignment;

(c) that you provide us a list of all Owners having an interest in this Agreement or in you, the percentage interest of Owner, and a list of all officers and directors, in any form we require;

(d) that you comply with Section 14.3 and we have not exercised the ROFR;

(e) that you are not in default under the terms of this Agreement (or any other related agreement), all agreements with our Affiliates, the Manual or any other obligations you owe us;

(f) that all obligations to third parties in connection with the Business (including but not limited to prepaid services) have been satisfied or assumed by the assignee;

(g) that you and your Owners (if you are an Business Entity) execute a general release in a form we prescribe (the current form of which is attached as "Exhibit B" to the Franchise Disclosure Document), of any and all known and unknown claims against us and our Affiliates and our and their owners, officers, directors, agents, and employees;

(h) that your assignee has demonstrated to our satisfaction that it, he or she meets all of our then-current Policies for new Business operators or for holders of an interest in a franchise, including possession of good moral character and reputation, satisfactory credit ratings, acceptable business qualifications, the ability to obtain or acquire the license(s) and permit(s) necessary for the operation of the Business, and the ability to fully comply with the terms of this Agreement;

(i) that the assignee has agreed, under a written assumption agreement approved by us, that at closing, the assignee will, at our option, either (a) assume this Agreement; provided however, that such assumption will not relieve you (as transferor/assignor) of any continuing obligations; or (b) execute a replacement franchise or license agreement on then-current standard form of franchise agreement used by us, provided, however, that the term of the replacement franchise agreement will be, at our option, the remaining term of this Agreement;

(j) that you or your assignee agrees to refurbish or replace, as applicable, all Vehicles and the Training Facility used in the Business as needed (in our discretion) to match our then-current design, trade dress, color scheme and Policies;

(k) that there is not any suit, action, or proceeding pending, or any suit, action, or proceeding threatened, against you with respect to the Business;

(l) that upon submitting your request for our consent to any proposed Assignment, you pay us a non-refundable fee equal to the greater of: (i) the amount of our actual out-of-pocket expenses associated with evaluating and documenting the proposed Assignment; (ii) $5,000; or (iii) 10% of the total consideration received by you and your Owners.

(m) that you (or your assignee) pay our then-current training fees and, if applicable, Travel Expenses, if we determine that your assignee and/or any one or more of its employees must successfully complete the Initial Training Program;

(n) that you and your Owners agree with your assignee not to compete with your assignee after the Assignment in accordance with restrictions acceptable to us and substantially similar to those provided in this Agreement to the maximum extent permitted by Applicable Law, and we will be named as a third party beneficiary of such agreement; and

(o) that your assignee, or its anticipated Authorized Trainer(s), have satisfactorily completed our Initial Training Program.

14.2.2 Any purported Assignment (occurring by operation of law or otherwise) without our prior written consent will constitute your material default of this Agreement, and will be null and void. Except when you advertise to sell the Business and assign this Agreement in accordance with the terms of this Agreement, you must not, without our prior written consent, offer for sale or transfer at public or private auction or advertise publicly for sale or transfer, the supplies, fixtures, or equipment. You may not make any Assignment to a public Business Entity, or to any Business Entity whose direct or indirect parent's securities are publicly traded.

14.2.3 If you are a Business Entity, you must promptly provide us with written notice of each and every issuance of Equity by you and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in you, regardless of whether it constitutes an "Assignment."

14.2.4 Our consent to an Assignment will not: (a) constitute a waiver of any claims we have against you arising out of this Agreement or otherwise, including: (i) any payment or other duty owed by you to us before such Assignment; or (ii) your duty of indemnification and defense, whether before or after such Assignment, or (iii) the obligation to obtain our consent to any subsequent transfer; or (b) be an indication as to the likelihood of success or economic viability of the assignee.

14.3 **Right of First Refusal**. If you or any Owner (other than us, if applicable) want to cause or permit any Assignment, then you and/or such Owner must notify us in writing. You must provide us the information and documentation we require. You grant us a right of first refusal (the "**ROFR**") for 60 days following our receiving your written notice of the proposed Assignment and copies of all required documentation (the "**ROFR Period**") to purchase the interest which you or such Owner proposes to transfer, on the same terms and conditions offered by the third party; provided that we may substitute cash for any non-cash consideration in an amount we determine in good faith as the approximate equivalent value of the non-cash consideration. Notwithstanding the terms and conditions offered by the third party, you must make representations and warranties to us that are customary for transactions of the type proposed, including: (1) your power, authority and legal capacity to sell, transfer and assign the property or interests, (2) valid right, title and interest in the property or interests, (3) the absence of all liens, encumbrances and liabilities on the property or interests, and (4) the absence of any violation, in any material respect, or default under, or acceleration of any material agreement or instrument pursuant to which the property or interests to be transferred are encumbered or bound as the result of the sale. If we elect to exercise the ROFR, we or our nominee will notify you in writing, and the closing of the transaction will occur within 60 days after delivery of our notice, subject to the satisfaction of all conditions to closing. If we do not exercise the ROFR, any material change in the terms of an offer prior to closing, or the failure to close the transaction within 60 days after the ROFR Period, will cause it to be deemed a new offer, subject to the same ROFR as in the case of the initial offer. Our choice not to exercise the ROFR is not consent to the Assignment or a waiver of any other provision of this Agreement.

14.4 **Business Entity**. If you are a Business Entity, the following provisions will apply:

14.4.1 You represent, warrant and covenant that: (a) you have the authority to execute, deliver and perform its obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation; and (b) the information set forth in **Addendum "A"**, is accurate and complete in all material respects. If you wish to make any change to the ownership of your Business Entity, you must first obtain our consent in the manner stated in Section 14.2.

14.4.2 All of your organizational documents (including articles of partnership, partnership agreements, articles of incorporation, articles of organization, bylaws, shareholders agreements, trust instruments, or their equivalent) must provide that the issuance and transfer of any interest in you are restricted by the terms of this Agreement, and that sole purpose for which you are formed (and your sole activity) is the development and operation of the Business. Upon our request, you must submit a resolution of your (or your governing body) confirming that you are following this provision. All certificates and other documents representing Equity in you must bear a legend in a form we prescribe referring to this Agreement's restrictions.

14.4.3 All your present and future Owners must execute a written guaranty in a form we prescribe (currently, **Exhibit C** to our franchise disclosure document), personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance your obligations to us and to our Affiliates. Upon each transfer or assignment of

an interest in you, or other change in ownership interests in you, and at any other time upon our request, said holders must re-execute a written guaranty in a form we prescribe.

14.5 **Non-Waiver of Claims**. Our consent to an Assignment will not constitute a waiver of any claims we may have against the Assigning party and cannot be deemed a waiver of our right to demand strict compliance with any of the terms of this Agreement or any other agreement.

ARTICLE 15
DEFAULT AND TERMINATION

15.1 **General**. We will have the right to terminate this Agreement only for "Cause." "**Cause**" is defined as a default of this Agreement. We may exercise our right to terminate this Agreement upon notice to you upon the circumstances outlined in this Article 15.

15.2 **Automatic Termination Without Notice**. Subject only to Applicable Laws of the jurisdiction in which Trade Area is located, you will be deemed to be in material breach under this Agreement, and all rights granted herein will automatically terminate without notice to you if: (i) you are adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws), admit to an inability to meet your financial obligations as they become due, or make a disposition for the benefit of your creditors; (ii) you allow a judgment against you in the amount of more than $5,000 to remain unsatisfied for a period of more than 30 days (unless a supersedeas or other appeal bond has been filed); (iii) the Business or your assets are seized, taken over or foreclosed by a Governmental Authority, or seized, taken over, or foreclosed by a creditor or lienholder, provided that a final judgment against you remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); (iv) a levy of execution or attachment is made upon this Agreement or upon any property used in connection with the Business, and is not discharged within 5 days of such levy or attachment; (v) you allow or permit any judgment to be entered against us or our Affiliates, arising out of or relating to the operation of the Business; or (vi) you are convicted of any felony, or any criminal misconduct relevant to the operation of the Business.

15.3 **Option to Terminate Immediately With Notice**. You are in default under this Agreement, and we may at our option terminate this Agreement and all of your rights without affording you any opportunity to cure the default upon the occurrence of any of the events listed in this Section 15.3. Such termination will be effective immediately upon your receiving notice from us.

15.3.1 Abandonment. You abandon the Business. For purposes of this Agreement, "abandon" means your failure to: (i) operate the Business for a period of 5 consecutive days, except as provided in the Manual, (ii) keep the Business operating for any period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the franchise, (iii) actively and continuously maintain and answer your telephone; or (iv) open the Business and begin operating it before the deadline stated in Section 4.4.

15.3.2 Assignment, Death or Incapacity. You purport to make any Assignment without our prior written consent; provided, however, that if the Business continues to be operated in conformity with this Agreement: (i) upon prompt written request and upon the death or legal incapacity of you (if you are an individual,) we will allow up to 6 months after such death or legal incapacity for your heirs, personal representatives, or conservators (the "**Heirs**") to either: (i) to assume this Agreement or, at our discretion, execute our then-current form of franchise agreement (except that no initial fee or transfer fee will be charged), if we are subjectively satisfied that the Heirs meet our Policies and qualifications; or (ii) if not so satisfied, to allow the Heirs to sell the Business to a person approved by us; or (iii) upon prompt written request and upon the death or

legal incapacity of an Owner owning 25% or more of your Equity, voting power, or Partnership Rights, we will allow a period of up to 6 months after such death or legal incapacity for the Heirs to seek and obtain our consent to the transfer or Assignment of such stock, membership interests or Partnership Rights to the Heirs or to another person acceptable to us. If, within that 6-month period, the Heirs fail either to enter into a new franchise agreement or to sell the Business to a person approved by us, or fail to receive our consent to the Assignment to another person acceptable by us, this Agreement will automatically terminate;

15.3.3 Repeated Defaults. If you receive from us more than 2 written notices of default stating a material breach within any 12-month period, or more than 3 such notices within any 24-months;

15.3.4 Misrepresentation. If you make any material misrepresentation relating to your acquisition of the Business;

15.3.5 Violation of Law. If you fail, for 10 days after having received notification of noncompliance from us or any Governmental Authority, to comply with any Applicable Law;

15.3.6 Health or Safety Violations. Your conduct of the Business is so contrary to this Agreement, the System and the Manual as to constitute an imminent danger to the health, safety or welfare of your customers or the dogs you train, or you sell recalled or other unauthorized products after notice of default and continue to sell such products whether or not you have cured the default after one or more notices;

15.3.7 Injury or Danger to Animals in Your Care. You injure, cause injury to, or operate your Business in a way that is (in our sole opinion) reasonably likely to result in injury to any animal that is in your care. This provision will not apply if an injury is the result of an accident not caused by your neglect, recklessness, or lack of care on your part and you have promptly communicated with us and your customer about the accident;

15.3.8 Crisis Management Event. You fail to: (a) communicate with us about a Crisis Management Event within the time required by Section 7.7.1; or (b) take such remedial action in response to a Crisis Management Event as we reasonably direct;

15.3.9 Unfair Competition. Any violation by you of Section 13.1; your intentional disclosure or use in violation of this Agreement of the contents of the Manual, Trade Secrets or confidential or proprietary information provided to you by us, excluding independent acts of employees or others if you have exercised your best efforts to prevent such disclosures or use;

15.3.10 Certain Conduct. If you, the Authorized Trainer, or any other trainer is convicted of or pleads guilty or nolo contendere to: a) a felony; b) a crime involving harm done to humans or animals; c) any crime or offense relating to the operation of a motor vehicle that could result in a sentence of incarceration for more than one (1) year; or d) an offense that is reasonably related to the business and is likely to adversely affect our reputation, the System, the Marks, the goodwill associated therewith, or our interest therein;

15.3.11 Care of Animals. If we have permitted you to offer boarding services, you receive: (a) any citation from any Governmental Authority relating to the cleanliness, sanitation, or safety of the boarding area or services you provide; or (b) two or more complaints within any month regarding the safety, welfare, or care of any of the animals being boarded.

15.3.12 Intellectual Property Misuse; Harm to the Marks or System. If you materially misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated with them or our rights in them, or take any action which reflects materially and unfavorably upon the operation and reputation of the Business, or the "Sit Means Sit" franchise generally, or your unauthorized use, disclosure, or duplication of the Trade Secrets or Customer Information, excluding independent acts of employees if you exercised your best efforts to prevent such disclosures or use.

15.3.13 Failure to Attend Consecutive Re-Certification Training. You fail to obtain re-certification within three (3) years of your completing the Initial Training Program and you: (a) fail to pay the $2,500 amount stated in Section 5.7; or (b) have missed more than one (1) consecutive re-certification training program.

15.4 **Termination With Notice and Opportunity To Cure**. Except for any breach or default by you under Sections 15.2 or 15.3, or as otherwise expressly provided in this Agreement, following written notice from us, you will have 10 days (5 days in the case of any default in the timely payment of sums due to us or our Affiliates), within which to completely remedy any default and provide us evidence of such remedy. If any such default is not cured within that time (or such longer period as required by Applicable Law or as we may specify in the notice), than at our option this Agreement and all your rights will terminate without further notice or opportunity to cure. You will be in default under this Article for any failure to comply with any of the requirements imposed by this Agreement. Such defaults include, but are not limited to, the occurrence of any one or more of the following events:

15.4.1 You fail, refuse or neglect to promptly pay any amounts owed to us under any promissory note;

15.4.2 You fail, refuse or neglect to promptly pay when due any monies owed to us, our subsidiaries or Affiliates, or to submit the financial or other information we require;

15.4.3 You fail to maintain the Policies we specify in the Manual or otherwise;

15.4.4 You fail, refuse or neglect to obtain our prior written approval or consent as required by this Agreement;

15.4.5 You commence or conduct any business operation, or market any product or services, under a name or mark which, in our reasonable opinion, is confusingly similar to our Marks;

15.4.6 You fail to cooperate with us in connection with inspections of the Business or its operations;

15.4.7 You fail to procure or maintain the insurance required by this Agreement or in the Manual;

15.4.8 You do not comply with the customer relations requirements stated in Section 7.14, or the requirements stated in the Manual.

15.5 **Reimbursement of our Costs**. In the event of your default, you must reimburse us for all of our costs and expenses arising from such default, including reasonable legal fees and reasonable hourly charges of our administrative employees within 5 days after your cure.

15.6 **Cross-Default**. Any default by you under the terms and conditions of this Agreement or any other agreement between us (or our Affiliate) and you (or any Affiliate of yours), will also be a default of each and every such agreement. Further, in the event we terminate this Agreement or any other such agreement for cause, we may, at our option, terminate any or all said agreements.

15.7 **Notice Required By Law**. In the event Applicable Law limits our rights of termination or requires longer notice periods than those set forth above, this Agreement will be considered amended to conform to the minimum notice periods or restrictions upon termination required by such law. We will not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or dispute relating to this Agreement or its termination.

15.8 **Our Default**. You may terminate this Agreement due to our material default of our obligations under this Agreement, which default is not cured by us within 60 days after our receipt of written notice by you detailing the alleged default with reasonable specificity; provided, that if the default is such that it cannot be reasonably cured within such 60 day period, we will not be in default if we commence a cure for such default within 60 days and diligently continue to prosecute the cure to completion. If you terminate this Agreement pursuant to this Section, you must comply with all of the terms and conditions of Article 16. No court, arbitrator or referee will have the power or authority to modify, change, amend, or waive this Section.

ARTICLE 16
RIGHTS AND OBLIGATIONS UPON TERMINATION

16.1 **General**. Upon the expiration, termination, or your Assignment (as applicable) of this Agreement:

16.1.1 You must immediately cease to use all Trade Secrets, the Marks, the Customer Information, and any confusingly similar trademark, service mark, trade name, logotype or other commercial symbol or insignia, and cease using all photographs, images, videos, testimonials and Advertisements. You must immediately return the Manual, all training materials, video recordings, records, customer lists, files, advertising and promotional materials, and all other written materials incorporating or containing Trade Secrets. You must provide to us all copies of Customer Information in your possession, retaining no copies. You must, at your own cost, make cosmetic changes to the Vehicles and Training Facilities, if applicable, operated in connection with the Business so that they no longer contain or resemble our proprietary designs.

16.1.2 We may retain all fees you have paid us under this Agreement. You must immediately pay us all amounts owing to us and our Affiliates. You will also remain responsible for paying us the Liquidated Damages specified in Section 16.2.

16.1.3 All obligations we have to you under this Agreement will immediately cease and terminate. All rights you have under this Agreement will immediately cease and terminate, and you must immediately cease and refrain from representing yourself as then being, or formerly having been, our franchisee.

16.1.4 You must deliver all goods and materials in your possession that contain the Marks to us, and we will have the sole and exclusive right to use any such items. You are not entitled to any compensation from us if we exercise this option.

16.1.5 If you have collected advance payments for services, including through prepaid packages, you must, at our option: (a) refund all prepaid amounts for any unfulfilled

services to the customers; (b) assign the customers to us or to another franchisee designated by us; or (c) reimburse us for all costs and expenses we incur for either fulfilling the prepaid service obligation or refunding amounts to the customer. Within five (5) days of termination or expiration of this Agreement, you must notify provide us with a detailed list of all customers with outstanding prepaid services, including the amounts prepaid and the services yet to be fulfilled. You must also cooperate with us in communicating with customers regarding the transition of their prepaid services. This provision must not be construed as granting permission to you for collecting advance payment or selling prepaid packages, which we may prohibit completely.

16.1.6 You must, at our option, cancel or assign to us or our designee all your right, title and interest in any telephone numbers (and associated listings); Internet websites or web pages; e-mail addresses; social media identities; domain name listings and registrations which contain the Marks; or any of them, in whole or in part. You must, upon termination or expiration of this Agreement, notify telephone listing agencies, Verisign (Network Solutions), register.com, or other applicable domain name registrar and all listing agencies, of the termination your right to use any domain name, web page and other Internet device associated with us or the Business, and authorize and instruct their cancellation or transfer to us, as we direct. You are not entitled to any compensation from us if we exercise these rights or options. For the avoidance of doubt, nothing in this Section permits you to use any of the Marks in connection with the Internet, except with our prior written consent as provided in this Agreement. You must not use any testimonials, images, video, or photographs on any web site or in any other advertising or promotional materials services performed for customers, or which contain, depict or display any Authorized Product or Service. In connection with your execution of this Agreement, you must execute our current form Collateral Assignment of Contact Information and Online Identities, attached to this Agreement as **Addendum "C."**

16.2 **Liquidated Damages**. The parties agree that, if we or you terminate this Agreement prior to the end of the Term for anything other than our uncured material default per Section 15.8, our damages will be difficult or impossible to ascertain. As a result, the parties agree in such event you must pay us, as liquidated damages and not as a penalty, the greater of: (a) the combined monthly average Continuing Royalty you paid during the previous twelve (12) months; or (b) the minimum Continuing Royalty specified in Section C of **Addendum A** (without any reduction for paying on the first day of the month), multiplied by the lesser of: (y) 36 (the number of months in three full years); or (z) if less than 36 months remain in the Term, the number of months remaining in the Term. You acknowledge and agree our damages and lost opportunities upon termination of the Agreement will be difficult to ascertain, and that the formula in this Section 16.2 is a reasonable estimate of those damages and lost opportunities and does not constitute a penalty or forfeiture.

ARTICLE 17
INSURANCE

17.1 **Insurance**. You must obtain and maintain, at your sole expense, insurance coverage from a carrier approved by us (approval will not be unreasonably withheld). The types, amounts, deductibles, and policy limits of insurance must meet the minimum standards set forth in the Manual, as updated from time to time. Required coverage may include, but is not limited to: workers' compensation (as required by Applicable Law); errors and omissions; automobile liability; comprehensive general liability (including cyber liability coverage). Each insurance policy must:

17.1.1 Name us and our designated Affiliates (including our members, officers, directors, and employees) as additional insureds, using an "Additional Insured – Designated Person or Organization" endorsement (or equivalent), without limiting or qualifying language.

17.1.2 Be primary and non-contributory to any insurance we carry.

17.1.3 Include a waiver of subrogation against us and our designated Affiliates, effective regardless of any act, omission, or negligence by us or them, and include a "Waiver of Transfer Rights of Recovery Against Others" endorsement (or equivalent).

17.1.4 Be issued by an insurer rated at least "A-VII" by A.M. Best or otherwise approved by us.

17.1.5 Provide at least 30 days' prior written notice to us of cancellation, non-renewal, or material modification.

You must provide us with certificates of insurance, all applicable endorsements, and copies of policies upon request, both before opening the Business and at least annually thereafter. Renewal certificates must be submitted at least 30 days before the expiration of each policy. All deductibles must be disclosed in writing and approved by us in advance.If you fail to maintain the required insurance, we may (but are not obligated to) obtain coverage on your behalf and charge you for the cost, plus interest, payable within 10 days of invoicing.

17.2 **Use of Proceeds**. n the event of damage to the Business or its assets, any insurance proceeds must be used to restore the business and its assets to their original condition as soon as reasonably possible, unless such restoration is prohibited by law.

ARTICLE 18
RELATIONSHIP OF PARTIES

18.1 **Your Relationship to Us**. This Agreement creates a franchisor-franchisee relationship only. You are an independent contractor and not our agent, employee, partner, or joint venturer. You may not represent otherwise or bind us in any way. You must clearly identify your Business as independently owned and operated in all public records and communications. All individuals you hire or engage are your sole responsibility. They are not, and will not be considered, our employees under any circumstances. You are solely responsible for all employment decisions and obligations, including hiring, firing, training, compensation, benefits, scheduling, supervision, discipline, and compliance with employment laws. You agree to indemnify us against any claims related to your employment practices.

18.1.1 We do not have the authority to hire, fire, supervise, or control your employees. Any training or certification we provide is for System compliance only and does not create an employment relationship. You are responsible for implementing your own employment policies, and any guidance we provide is non-binding and should be reviewed with your legal counsel.

18.1.2 You must inform your employees that you are their sole employer and explain the franchisor-franchisee relationship. Upon request, you must obtain signed acknowledgments from your employees confirming this understanding.

18.1.3 We and you are not joint employers. We do not share or codetermine any essential terms or conditions of your employees' employment, including wages, benefits, hours, duties, supervision, discipline, hiring, firing, or workplace safety.

18.2 **Indemnity by You**. You and the Owners, jointly and severally, must protect, defend, and indemnify us and our past, present, and future Owners, Affiliates, officers, directors, employees, attorneys, and designees ("**Indemnified Parties**") from any and all losses, liabilities, damages, claims,

demands, costs, and expenses (including attorneys' fees and court costs) arising out of or related to: your operation of the Business; any breach of this Agreement; your marketing, sale, or provision of goods or services; employment-related claims involving your personnel; any torts, negligence, fraud, or omissions by you or your agents; your failure to comply with Applicable Law or maintain required insurance; infringement of third-party intellectual property; defamation of the Indemnified Parties or the System; or any taxes or liabilities imposed on us due to payments under this Agreement. This includes any claim that we are a joint employer of your personnel. You must notify us immediately of any claim subject to indemnification. We may, at your expense, assume control of the defense or settlement of any such claim. We may also take corrective action or settle claims without notice if we believe it necessary to protect persons, property, or our reputation. All losses and expenses will be your responsibility regardless of our involvement in the defense. You and your Owners must indemnify the Indemnified Parties for all acts, errors, or omissions by you, your Affiliates, or third parties you engage, regardless of cause, including negligence or strict liability, in connection with the establishment or operation of the Business.

ARTICLE 19
NOTICES

19.1 **General**. All written notices and reports permitted or required to be delivered will be deemed delivered: (a) at the time delivered by hand or by reputable overnight courier; (b) one business day after transmission by electronic mail (with confirmation copy sent by regular U.S. mail); or (c) 3 business days after being placed in the United States Mail. All notices will be addressed as follows:

If to us:	**6295 McLeod Drive #12** **Las Vegas, Nevada 89120**
If to you:	**The Address Noted on Addendum "A"**

Any party may change its address by giving other parties 10 days prior written notice of such change.

ARTICLE 20
MEDIATION; WAIVER OF JURY TRIAL; VENUE

20.1 **Mediation.** Except to the extent precluded by Applicable Law and Section 20.2, the parties agree that prior to initiating any proceeding as described below, they must first attempt to resolve any dispute pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association. The mediation must be scheduled to last for at least one full day and each party must have present a representative with authority to make settlement decisions on its behalf. The mediation must be conducted in Las Vegas, Nevada, unless we are headquartered in another city or county, in which event the mediation must be conducted there. The mediation must be conducted and completed within 45 days following the date either party first gives notice of mediation. If the parties fail to complete the mediation within the 45-day period, either party may initiate litigation, subject to Section 20.3. The fees and expenses of the mediator must be shared equally by the parties. The mediator will be disqualified as a witness, expert or counsel for any party with respect to any suit and any related matter. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose. However, evidence that is otherwise discoverable or admissible will not be excluded from discovery or admission because of its being used in the mediation.

20.2 **Claims Excluded**. We will not be required to first attempt to mediate a controversy, dispute or claim against you if such controversy, dispute or claim concerns an allegation by us that you have violated (or threaten to violate, or pose an imminent risk of violating): (a) our intellectual property rights in the Marks, the System, or in any of our Trade Secrets; (b) claims pertaining to your non-monetary post-termination obligations; or (c) the restrictive covenants in this Agreement. Nothing in this Agreement bars us or you from seeking preliminary injunctive or declaratory relief against a breach or threatened breach of this Agreement pending mediation (if applicable)

20.3 **Claims Limitation Period**. Unless prohibited by Applicable Law, any legal action or proceeding (including mediation or arbitration) brought or instituted by you with respect to any dispute with us must be brought or instituted within a period of one (1) year from the date you discover the conduct or event that is the basis of the legal action or proceeding, except that the one (1) year period will be tolled only during the pendency of any mediation required by Section 20.1. Any such claim which is not submitted or filed as described above shall be forever barred.

20.4 **Waiver of Jury Trial; Venue**. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES: (1) WAIVE THEIR RIGHT TO JURY TRIAL WITH RESPECT TO ALL CLAIMS AND ISSUES ARISING UNDER, IN CONNECTION WITH, TOUCHING UPON OR RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT OR TORT, AND INCLUDING ANY CLAIM FOR FRAUDULENT INDUCEMENT, AND (2) AGREE THAT LAS VEGAS, NEVADA WILL BE THE EXCLUSIVE VENUE FOR ANY LITIGATION ARISING UNDER THIS AGREEMENT, UNLESS WE HAVE OUR HEADQUARTERS IN A DIFFERENT CITY, IN WHICH CASE THE SOLE AND EXCLUSIVE VENUE FOR LITIGATION WILL BE THAT OTHER CITY. YOU AGREE THAT THE COURTS IN LAS VEGAS, NEVADA HAVE PERSONAL JURISDICTION OVER YOU, AND EACH OF YOUR OWNERS, AS A RESULT OF YOUR ENTERING INTO THIS AGREEMENT.

_____	_____
YOUR INITIALS	**OUR INITIALS**

20.5 **WAIVER OF CLASS OR GROUP ACTION**. ANY DISAGREEMENT BETWEEN YOU (AND YOUR OWNERS) AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION. YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION OR ARBITRATION.

_____	_____
YOUR INITIALS	**OUR INITIALS**

20.6 **WAIVER OF PUNITIVE DAMAGES.** WE AND YOU WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST ONE ANOTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE). THE PARTIES AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH PARTY WILL BE LIMITED TO THE RECOVERY OF ANY: (A) ACTUAL DAMAGES

SUSTAINED BY IT; (B) TRADEMARK LAW TREBLE DAMAGES; AND (C) LIQUIDATED DAMAGES AS STATED IN SECTION 16.2. IF SUCH CLAIMS AND DEMANDS CANNOT BE WAIVED BY LAW, THEN THE PARTIES AGREE THAT ANY RECOVERY WILL NOT EXCEED TWO (2) TIMES ACTUAL DAMAGES.

_____	_____
YOUR INITIALS	**OUR INITIALS**

ARTICLE 21
MISCELLANEOUS PROVISIONS

21.1 **Our Right To Cure Defaults**. In addition to all other remedies herein granted, if you default in the performance of any of your obligations or breach any term or condition of this Agreement or any related agreement, we may, at our election, immediately or at any time thereafter (and without waiving any claim for breach) and without notice to you, cure such default on your behalf. You must immediately reimburse us for our costs of such a cure.

21.2 **Waiver and Delay**. No waiver by us of any default or series of defaults in performance by you, and no failure, refusal or neglect of us to exercise any right, power or option given to us under this or any other agreement between us and you, whether entered into before, after or contemporaneously with the execution of this Agreement (and whether or not related to the Business) or to insist upon strict compliance with or performance your obligations under this Agreement, any other franchise agreement between us and you, whether entered into before, after or contemporaneously with the Effective Date (and whether or not related to the Business), will constitute a waiver of the provisions of this Agreement or the Policies with respect to any subsequent default, or a waiver by us of our right at any time thereafter to require exact and strict compliance. We will consider written requests by you for our consent to a waiver of any obligation imposed by this Agreement. You agree, however, that we are not required to act uniformly with respect to waivers, requests and consents as we will consider each request on a case-by-case basis, and we will not be obligated to grant any such request. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to continuing review by us, and may be revoked, in our discretion, at any time and for any reason, effective upon our giving you 10 days' prior written notice. We make no warranties or guarantees and assume no liability or obligation to you by providing any waiver, approval, acceptance, consent, assistance, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request.

21.3 **Survival of Obligations**. Termination or expiration will be without prejudice to any other rights or remedies that we or you have in law or in equity, including the right to recover benefit of the bargain damages. In no event will a termination or expiration of this Agreement affect your obligations to take or abstain from taking any action in accordance with this Agreement. The provisions of this Agreement which by their nature or expressly constitute post-termination (or post-expiration) covenants and agreements will survive the termination or expiration of this Agreement.

21.4 **Successors and Assigns; Benefit**. This Agreement is binding upon, and will inure to the benefit of, your and our the successors and assigns, subject to the restrictions on Assignment contained in this Agreement. This Agreement is for the benefit of you, us, and our Affiliates only, and, except as expressly provided in this Agreement, is not intended to and will not confer any rights or benefits upon any person who is not a party to this Agreement.

21.5 **Joint and Several Liability**. If you are more than one person and/or Business Entity, such person(s) and/or Business Entities are jointly and severally liable for all "your" obligations and liabilities.

21.6 **Governing Law**. This Agreement is governed by and must be construed in accordance with the laws of the State of Nevada, without giving effect to any conflict of laws principles. By agreeing to the application of Nevada law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or similar statute, rule, or regulation of the State of Nevada to which this Agreement or the parties' relationship would not otherwise be subject. We and you each acknowledge and agree that this choice of applicable state law provides each of the parties with the mutual benefit of uniform interpretation of this Agreement. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid Applicable Laws or regulations.

21.7 **Titles For Convenience**. Article and Section titles used in this Agreement are for convenience only and may not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

21.8 **Gender and Construction**. The terms of the Recitals, Appendixes and all Exhibits to this Agreement are incorporated into and made a part of this Agreement as if set forth in full. All terms used in any one number or gender will extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. When this Agreement refers to an Article, a Section or Exhibit, the reference is to an Article, Section of, or an Exhibit to, this Agreement unless otherwise indicated. Unless otherwise expressly provided in this Agreement to the contrary, any consent, acceptance, approval or authorization of ours which you are required to obtain may be given or withheld by us in our sole discretion. On any occasion where we are required or permitted to make any judgment, determination or use our discretion, including any decision as to whether any condition or circumstance meets the Policies, standards or satisfaction, we may do so in our sole subjective judgment and discretion. No provision in this Agreement expressly identifying any particular breach of this Agreement as material can be construed to imply that any other breach that is not so identified is not material. Neither this Agreement nor any uncertainty or ambiguity in this Agreement can be construed or resolved against the drafter, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and must be construed and interpreted according to the ordinary meaning of the words used. If any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision must be given the meaning that renders it enforceable.

21.9 **Severability**. Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement or the Manual and any Applicable Law, the latter will prevail, but in such event the provisions of this Agreement or the Manual thus affected must be curtailed and limited only to the extent necessary to bring it within the requirements of Applicable Law. If any part, article, section, sentence or clause of this Agreement or the Manual is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed deleted, and the remaining part of this Agreement or the Manual will continue in full force.

21.10 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together are one and the same instrument.

21.11 **Fees and Expenses**. If any party to this Agreement brings any action or proceeding for any relief against the other arising out of this Agreement, the losing party must pay to the prevailing party its reasonable attorney fees and costs incurred in bringing or defending such action or proceeding and/or enforcing any judgment, all of which will be deemed to have accrued upon the commencement of such action or proceeding and must be paid whether or not such action or proceeding is prosecuted to final judgment. Any judgment or order entered in such action or proceeding must contain a specific provision providing for the recovery of attorney fees and costs, separate from the judgment, incurred in enforcing such judgment. The prevailing party will be determined by the referee or Court based upon an assessment of which party's major arguments or positions taken in the proceedings could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues. This Section is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and cannot be merged into the judgment.

ARTICLE 22
ACKNOWLEDGMENTS

22.1 **General**. You and your Owners jointly and severally acknowledge that you and they have carefully read this Agreement and all related documents, and that you and they intend to be bound by this Agreement. You and each of your Owners represents, warrants and acknowledge to us that:

22.1.1 All statements and representations you made to us in this Agreement or in connection with applying for a franchise are true and correct.

22.1.2 The covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on you, since you have other considerable skills, experience and education, giving you the opportunity to derive income elsewhere.

22.2 **Release for Prior Agreements.** If you or any of your Affiliates, Owners, managers, directors, officers, agents, servants, and employees, have before the date of this Agreement signed any other agreement with us or any of our Affiliates, you hereby release, acquit and forever discharge us and our respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to our, or our Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with us to the Effective Date. It your express intention that this release be as broad as permitted by law, but this Release does not apply to claims that arise under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

22.3 **Due Execution**. THIS AGREEMENT IS NOT BINDING ON US UNLESS AND UNTIL IT HAS ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

[Signature Page Follows]

22.4 **Entire Agreement**. This Agreement and the Manual contain all of the terms and conditions agreed upon by the parties with reference to the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, oral or otherwise, may be deemed to exist or to bind any of the parties. All prior or contemporaneous agreements, understandings and representations relating to the subject matter of this Agreement are merged and are expressly and superseded by this Agreement, except nothing in this Agreement or any related agreement is intended to disclaim any representations we made in the franchise disclosure document delivered to you. No officer or employee or agent of ours have any authority to make any representation or promise not contained in this Agreement or any related agreements, or in the franchise disclosure document delivered to you, and you agree that you have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date we execute it (the "**Effective Date**") below.

Sit Means Sit Franchise, Inc.	**FRANCHISEE:_____**
By: _____	**By: _____**
Print Name: _____	**Print Name: _____**
Its: _____	**Its: _____**
Date: _____	**Date: _____**

APPENDIX 1
DEFINITIONS

"**Additional Training**" is defined in Section 6.4.

"**Advertisement**" means any written, visual, audio, or digital communication—regardless of format or medium—that promotes, refers to, or otherwise relates to the Business, other Sit Means Sit® Businesses, or the System. This includes, but is not limited to, materials that contain or reference the Marks. The term encompasses all forms of marketing and promotional content, including but not limited to: directory listings, signage, billboards, press releases, public relations efforts, third-party sponsored promotions, appearances by you or others, flyers, testimonials, coupons, branded merchandise (such as T-shirts, hats, or buttons), and any other form of advertising, whether distributed via print, broadcast, digital, social media, or other channels.

"**Affiliate**," when used in connection with either you or us, means any individual or business entity that directly or indirectly controls, is controlled by, or is under common control with the referenced party. "Control" means the direct or indirect power to direct or cause the direction of the management and policies of an entity, whether through ownership, voting rights, contract, or otherwise. In connection with you, "Affiliate" also includes any entity in which individuals or entities holding 5% or more of your equity or voting control also hold, jointly or severally, 5% or more of the equity or voting control of that entity. Notwithstanding the foregoing, if we or one of our Affiliates holds any ownership interest in you, neither we nor that Affiliate will be considered your "Affiliate" for purposes of this Agreement, and no obligations or restrictions applicable to Affiliates will apply to us or our Affiliates.

"**Agreement**" means this franchise agreement, together with all its exhibits and addenda.

"**Ancillary Products**" is defined in Section 10.3.

"**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future national, provincial, federal, state and local laws, ordinances, regulations, policies, lists, Orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

"**Applicable Law**" means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, including all contractors licensing laws, building codes, immigration and labor laws, as in effect on the Effective Date hereof, and as may be amended, supplemented or enacted from time to time.

"**Assignment**" means any sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance ("transfer"), voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, of any direct or indirect interest in this Agreement or in the Equity or voting rights of you if you are a Business Entity, and the withdrawal, death or legal incapacity of any of your Owners; the admission of any additional general partner or the transfer by any Owner general partner of any of its Partnership Rights in the Partnership; and any merger, stock redemption, consolidation, reorganization, recapitalization involving you, however effected.

"**Authorized Products and Services**" means the dog training services now we authorize, but expressly excludes (except with our prior written consent and on terms and conditions we establish) police, governmental and private security dog training services (such as drug enforcement, airport enforcement,

and grounds security) in accordance with the Policies, as well as dog care products, dog training products, dog toys, food and treats, dog training services, leashes, collars, apparel, and all other products and services produced, organized or distributed, which we now or later approve or designate by Sit Means Sit. When used separately, "Products" means the products and "Services" means the services that, in each case, are included within the definition of Authorized Products and Services.

"**Business**" means a business operated under the Marks and in accordance with the System and in accordance with the System.

"**Business Entity**" means a Partnership, limited liability company, and any association, corporation or other entity which is not an individual.

"**Competitive Activities**" means to, own, operate, lend to, advise, be employed by, or have any financial interest in any business that engages in providing dog training services, or training others who provide dog training of any type or in any medium of communication.

"**Computer System**" is defined in Section 7.5.

"**Continuing Royalty**" is defined in Section 5.2.

"**Credit Card Vendors**" is defined in Section 7.5

"**Crisis Management Event**" means any event that occurs in connection with the operation of the Business that has caused or may cause harm or injury to animals within your care or to customers or employees, such as accidents, contagious diseases, criminal acts, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, Marks, or reputation of Businesses of us or our Affiliates.

"**CRM**" is defined in Section 5.4.

"**Customer Information**" means any information that: (i) can be used, alone or in combination with other data, to identify, locate, or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Customer Information may exist in any form or medium, including electronic, digital, or paper-based records.

"**Designated Products**" is defined in Section 10.2.

"**Effective Date**" the date we sign this Agreement.

"**EFT**" is defined in Section 5.5.

"**Equity**" means capital stock, membership interests, Partnership Rights, or other equity ownership interests of a Business Entity.

"**Force Majeure**" means any event or circumstance beyond your reasonable control that prevents or delays performance under this Agreement, including but not limited to: natural disasters (such as floods, fires, earthquakes, hurricanes, or other acts of God); labor disputes (such as strikes or lockouts); war, terrorism, civil unrest, or riots; epidemics or pandemics; or other similar extraordinary events. However, Force Majeure does not include: (i) actions or inactions by a Governmental Authority; (ii) the performance or non-performance of any third party with whom you have a contractual relationship (including landlords,

lenders, or contractors), unless such non-performance is itself caused by a Force Majeure event; or (iii) your financial inability to perform or insolvency.

"**Governmental Authority**" means and includes all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

"**Gross Sales**" means all revenue you bill or receive (whether or not collected) from any source related to the Franchised Business, whether at or away from your Training Facility or through any channel (including mobile services, events, e-commerce, social, third-party marketplaces, and National Account work we allow), and whether paid by cash, check, credit/debit, ACH, barter, or other means of exchange. You may deduct only the following from Gross Sales (and only to the extent first included in Gross Sales): (1) Sales, use, or similar taxes that are separately stated to the customer and actually remitted to the taxing authority; (2) Documented refunds, chargebacks, credits, and allowances granted to customers in good faith; (3) Tips or gratuities paid or credited to your employees or contractors; and (4) Proceeds from isolated sales of trade fixtures/equipment not constituting part of the Authorized Products and Services and not materially affecting ongoing operations. For clarity, Gross Sales includes: (a) The full retail value of any barter or exchange transactions in which you provide Authorized Products and Services in exchange for goods or services you receive; (b) Any business-interruption insurance proceeds (to the extent they compensate for lost sales); and (c) Gift cards/certificates according to our current policy (counted at sale or redemption as stated in the Manual). Gross Sales excludes properly remitted taxes described above but does not exclude any other taxes, fees, surcharges, or pass-throughs unless we approve in writing. We may publish reasonable administrative guidelines in the Manual to implement this definition.

"**Heirs**" is defined in Section 15.3.2.

"**Indemnified Parties**" is defined in Section 18.

"**Improvement**" is defined in Section 7.13.

"**Initial Attendees**" is defined in Section 6.1.

"**Initial Fee**" is defined in Section 5.1.

"**Initial Training Fee**" means $2,500 per person.

"**Initial Training Program**" is defined in Section 6.1.

"**Internet Referral Sources**" means operators of Internet websites (or similar referral sources) that offer to refer customers to us or franchisee for a fee.

"**Manual**" means our operations manual(s), and all related manual(s) we have now or later create for use in the operation of the Business, as amended and revised from time to time (except that such amendments will not alter your fundamental status and rights under this Agreement), including all bulletins, supplements and ancillary manuals, and reference made to the Manual in this Agreement, or in any amendments, exhibits, appendixes or schedules to them.

"**Marks**" is defined in Recital A.

"**National Accounts**" means any (i) potential or existing commercial customer that has multiple sites, offices, or retail premises located within and outside of the Trade Area, (ii) any pet store, veterinarian, charitable organization which trains seeing-eye or service dogs or similar or related business whose

clientele include potential customers for Authorized Products and Services; (iii) government agencies, branches or facilities (including the military); and (iv) any other customer whose presence is not confined to the Trade Area.

"**Notice of Election**" is defined in Section 3.3.1.

"**Owner**" means (i) any direct or indirect shareholder, member, general or limited partner, trustee, or other equity owner of a Business Entity; and (ii) and any person that controls any of the voting rights of a Business Entity; except that if we have any ownership or voting interest in you, the term "**Owner**" does not include or refer to us or our Affiliates.

"**Partner**" means any partner of a Partnership.

"**Partnership**" means any general partnership, limited partnership or limited liability partnership.

"**Partnership Rights**" means voting power, property, profits or losses, or partnership interests of a Partner.

"**Policies**" means the standards, specifications, policies, rules, regulations, procedures, protocols, restrictions, recommendations and guidelines as we may establish and revise from time to time, whether contained in the Manual or as we may otherwise direct in writing.

"Privacy Laws" means all applicable federal, state, local, and international laws, regulations, and rules relating to the collection, use, storage, sharing, security, and disposal of personal information or data, including but not limited to the General Data Protection Regulation (EU) 2016/679 ("GDPR"), the California Consumer Privacy Act of 2018 ("CCPA"), as amended by the California Privacy Rights Act of 2020 ("CPRA"), and any other similar or successor laws that govern data privacy and protection. Privacy Laws include, without limitation, requirements related to notice, consent, access, correction, deletion, data minimization, purpose limitation, security safeguards, breach notification, and accountability for the handling of personal data.

"**Proprietary Software**" is defined in Section 7.5.2.

"**Restricted Person**" means you, and each of your Owners and Affiliates, the Authorized Trainer, and the respective officers, directors, managers, and Affiliates of each of them, and the spouse and family members who live in the same household of each of the foregoing who are individuals.

"**ROFR**" is defined in Section 14.3.

"**ROFR Period**" is defined in Section 14.3.

"**SEO**" is defined in Section 9.4.

"**Successor Agreement Right**" is defined in Section 3.2.

"**Successor Franchise Agreement**" is defined in Section 3.2.

"**Successor Term**" is defined in Section 3.2.

"**Suppliers**" is defined in Section 10.3.

"**System**" is defined in Recital B.

"**Term**" is defined in Section 3.1.

"**Trade Area**" means the geographic area specifically identified in **Addendum "A."**

"**Trade Secrets**" means proprietary and confidential information, including: Policies, the Manual, specifications; suppliers; customer lists, names, addresses and other Customer Information; procedures; concepts; systems; know-how; plans; strategies; methods and techniques of operating a Business.

"**Trainers**" is defined in Section 13.2.

"Training Facility" is defined in Section 4.3.

"**Travel Expenses**" means costs and expenses incurred by or assessed in connection with travel, including airfare, hotel/lodging, local transportation, meals, and, regarding our employees', salespersons', agents' and/or representatives' expenses, a per diem charge we determine in advance, with respect to other incidental expenses incurred, including laundry and/or telephone expenses.

"**Unassigned Area**" is defined in Section 2.4.1.

"**URL**" means uniform resource locator.

"**Vehicle**" or "**Vehicles**" is defined in Section 4.2.2.

"**We,**" "**us**," or "**our**" are defined in the introductory paragraph of this Agreement.

"**You**" or "**Your**" are defined in the introductory paragraph of this Agreement.

ADDENDUM "A" TO FRANCHISE AGREEMENT

INFORMATION CONCERNING FRANCHISEE AND THE FRANCHISED BUSINESS

A. IDENTITY AND STRUCTURE OF FRANCHISEE

Franchisee's Name: _____

Entity type and jurisdiction of formation: _____

Date of entity formation: _____

Provide name of each Owner who owns a percentage of the legal entity, and show what percentage of stock, partnership interest, or membership interest is owned by each.

_____

_____

Each Owner identified above must also sign the Owner Agreement.

Business Address: As used in the Agreement, your "**Business Address**" means the place where your business records will be kept, and the place at which you want to receive formal notices from us. As of the Effective Date, your Business Address is:

_____

Email Address: _____

Authorized Trainer's Name: As used in the Agreement, "**Authorized Trainer**" means (a) you, if you are an individual, or (b) _____, or such other individual you later designate, and we accept (unless subsequently disapproved by us), who you warrant and covenant has the authority to act on behalf your during the Term.

B. INITIAL FEE (Section 6.1). Your "**Initial Fee**," as that term is used in the Agreement, is payable in full on the Effective Date and is the following amount (check one):

☐ This is your first franchise with us. Your Initial Fee is $30,000.

☐ You purchased your first franchise between July 1, 2020 and May 31, 2025. Your Initial Fee for this additional franchise is:

Check Box	Franchise Number	Initial Fee
	2	$15,500
	3	$13,500
	4	$11,500
	5 or more	$10,000

☐ You purchased your first franchise before July 1, 2020 or on or after June 1, 2025. Your Initial Fee for this additional franchise is $25,000.

☐ This is a renewal franchise agreement. As a result, you do not owe us an Initial Fee.

C. CONTINUING ROYALTY (Section 6.2). The amount of your Continuing Royalty is set forth as follows (check one):

☐ You are a renewing franchisee or purchased your first franchise before July 1, 2020. Your Continuing Royalty is $600 per month. If paid on the first day of the month (not a weekend or holiday), your Continuing Royalty for that month will be $500.

☐ You purchased your first franchise between July 1, 2020 and June 30, 2023. Your Continuing Royalty is $900 per month. If paid on the first day of the month (not a weekend or holiday), your Continuing Royalty for that month will be $800.

☐ This is your first franchise with us, or you purchased your first franchise on or after July 1, 2023. Your Continuing Royalty is the greater of 6% of your Gross Sales or $800 per month.

D. TRADE AREA.

We and you have mutually agreed upon a Trade Area based on the site for your Business which is indicated below. You acknowledge that the Trade Area is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document. The boundaries of your Trade Area, as identified below, will be as they exist on the Effective Date.

_____

_____

By signing below, you acknowledge that the information above is true and correct. Use additional sheets if necessary. All changes to the above information must be reported to us in writing.

SIT MEANS SIT FRANCHISE, INC.	**FRANCHISEE:**
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM "B" TO FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Submit Form

Sit Means Sit Franchise, Inc.
Automatic Credit Card Billing Authorization Form

If you would like to enjoy the convenience of automatic billing, simply complete the Credit Card Information section below and sign the form. All requested information is required. Upon approval, we will automatically bill your credit card for the amount indicated and your total charges will appear on your monthly credit card statement. You may cancel this automatic billing authorization at any time by contacting us.

Customer Information (To be completed by merchant)

Customer name: _____ Customer account number: _____ Phone: ___ - ___ - ____

Payment Information (To be completed by merchant)

I authorize Franchise (Sit Means Sit Franchise, Inc.) to automatically bill the card listed below as specified:

Amount: $ _____ Frequency: ☐ Weekly ☐ Bi-Weekly ☐ Semi-Monthly ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually (Check only one)

Start billing on: ___/___/___ End billing when: ☐ Contract expires: ___/___/___ ☐ Customer provides written cancellation

Credit Card Information (To be completed by customer)

Franchise (Sit Means Sit Franchise, Inc.) accepts the following credit cards: **Visa, MasterCard, American Express, Discover**

Credit card type: _____ Credit card number: _____ Expires: ___/___

Cardholder's name: _____ (as shown on credit card)

Cardholder's Zip code (required): _____ (from credit card billing address)

Customer's signature: _____

Date: _____



ADDENDUM "C" TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF CONTACT INFORMATION AND ONLINE IDENTITIES

Date: _____
Your Name: _____

This Collateral Assignment of Contact Information and Online Identities is part of the Franchise Agreement between the Franchisee named above (referred to as "you" or "your") and Sit Means Sit Franchise, Inc. (referred to as "us" or "we").

1. Assignment Scope

By signing this document, you assign to us all rights, title, and interest in and to any and all:

- Business telephone numbers and directory listings;
- E-mail addresses;
- Internet domain names, website addresses (URLs), and related digital properties; and
- Social media accounts, usernames, handles, or identities,

whether existing now or created in the future, that are used in connection with the Business, or that incorporate, reference, or are associated with all or any part of our Marks, brand, System, dog training, or any other proprietary elements involving us or Sit Means Sit® in general. This assignment applies regardless of whether such assets are explicitly listed or identified at the time of signing.

2. Restrictions and Approvals

You may not create, register, own, or operate any digital platform (including websites, domain names, e-mail addresses, or social media accounts) that uses or displays our Marks or any confusingly similar terms without our prior written approval. All digital marketing must be managed through our designated third-party vendor and comply with our current policies and guidelines.

3. Self-Executing Assignment

This assignment is self-executing and effective immediately upon the termination or expiration of the Franchise Agreement. No further action or documentation from you is required. We may present this document to any telephone company, domain registrar, internet service provider, or social media platform as sufficient authority to transfer control of the assigned assets to us. You appoint us as your true and lawful attorney-in-fact, coupled with an interest, to execute any documents and take any actions necessary to effectuate the transfer of these assets.

4. Cooperation

You agree to cooperate with us and execute any additional documents, if requested, to confirm or complete the transfer of the assigned assets. However, your failure to do so shall not affect the validity or enforceability of this assignment. If any phone company, internet provider, or social media platform needs proof, they can rely on this form and the Franchise Agreement to effectuate and complete the transfer of the assets.

SIT MEANS SIT FRANCHISE, INC.	**FRANCHISEE:**
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM "D" TO FRANCHISE AGREEMENT

COMPLIANCE QUESTIONNAIRE

As you know, Sit Means Sit Franchise, Inc. ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a Sit Means Sit® Business. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below. **If there is not enough room in the space we provide on this questionnaire to give a complete written explanation, please attach additional pages as necessary.**

We will not ask you to complete the Compliance Questionnaire, and we will disregard any answers from you, if you live or plan to operate your franchise in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin. Do not sign this Compliance Questionnaire if you are a resident of Maryland of the business is to be operated in Maryland."

l.	Yes__	No__	Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2.	Yes__	No__	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes__	No__	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes__	No__	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes__	No__	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes__	No__	Have you had the opportunity to discuss the benefits and risks of developing and operating a Sit Means Sit® Business with an existing Sit Means Sit® franchisee?
7.	Yes__	No__	Do you understand the risks of developing and operating a Sit Means Sit® Business?
8.	Yes__	No__	Do you understand the success or failure of your Sit Means Sit® Business will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9.	Yes__	No__	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated in Nevada, if not resolved informally or by mediation?

10. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your Sit Means Sit® Business to open or consent to a transfer of the Sit Means Sit® Business to you?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Sit Means Sit® Business that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Sit Means Sit® Business will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes__ No__ Do you understand that the Franchise Agreement including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Sit Means Sit® Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?

16. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

17. Yes__ No_ _ Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the Sit Means Sit® brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters?

[Signature Page Follows]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant	Signature of Franchise Applicant
Name (please print)	Name (please print)
Date	Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

ADDENDUM "E" TO FRANCHISE AGREEMENT

FRANCHISE DEPOSIT ACKNOWLEDGMENT

TO Sit Means Sit Franchise, Inc.:

I am applying for the grant of a franchise to operate a Sit Means Sit® Business in the general area of_____. I understand that Sit Means Sit Franchise, Inc. ("**you**") have indicated that you are able to grant a franchise in that area.

To continue the process of obtaining a license to operate a Sit Means Sit® Business, I am submitting this Franchise Deposit Acknowledgement (this "**Acknowledgement**") and my deposit and application fee of $1,500 to you.

In connection with my deposit and application fee, I understand and acknowledge the following:

- My entire deposit and application fee of $1,500 will be applied toward the initial franchise fee payable under your franchise agreement (the "**Franchise Agreement**").
- Upon my submission of this Acknowledgement and my deposit to you, my deposit will be immediately non-refundable. This amount will be deemed earned by you for processing of my Application and for services performed following approval of my Application.
- If you elect to offer me a Sit Means Sit ® franchise, the entire amount of the deposit and application fee will be applied towards the initial franchise fee that I pay to you.
- You will have no obligation to return any portion of the deposit and application fee, regardless of whether you or I perform any services or obligations following submission of my deposit and application fee.
- Your obligations with respect to my deposit and application fee are those of a debtor and not a trustee and you may maintain my deposit and application fee separate and apart from your general funds, or you may commingle it with your general funds. You will not be obligated to pay (or give me any credit for) interest on my deposit and application fee.
- I received your Franchise Disclosure Document and all of its exhibits, including this Franchise Deposit Acknowledgment, more than fourteen (14) calendar days before I signed this Franchise Deposit Acknowledgment or paid you my deposit and application fee.

FRANCHISE APPLICANT

By: _____

Print Name: _____

Its: _____

Date: _____

Exhibit B

General Release

GENERAL RELEASE

THIS GENERAL RELEASE ("**Release Agreement**") is effective as of _____ ("**Effective Date**") by and among Sit Means Sit Franchise, Inc., a Nevada corporation ("**Sit Means Sit**"), _____ ("**Franchisee**"), _____ ("**Affiliate[s]**") and _____ ("**Owner**" and together with Franchisee and Affiliate**[s]**, jointly and severally, "**Releasor**").

RECITALS

A. Sit Means Sit and Franchisee are parties to **[that][those]** certain Franchise Agreement**[s]**, dated _____ (the "**Transaction Document[s]**");

B. **[Franchisee] [Franchisee's Affiliate[s]]** desires to **[assign the Transaction Document[s]] [enter into a successor, renewal Franchise Agreement with Sit Means Sit] [purchase an additional Sit Means Sit® franchise]**; and

C. Sit Means Sit is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Sit Means Sit is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a "clean slate" and that there are no outstanding grievances or Claims against it. Releasor, therefore, gives this Release Agreement as consideration for receiving the agreement of Sit Means Sit to an anticipated change or expansion of the relationship between the parties. This Release Agreement is intended to wipe the slate clean.

AGREEMENT

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Releasor and Sit Means Sit hereby agree as follows:

1. Definitions. As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them.

1.1 "**Claims**" means all actual and alleged claims, demands, Losses, charges, covenants, responsibilities, warranties, obligations, oral and written agreements, debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys' fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature, which in any way relate to or arise from or in connection with the Transaction Documents.

1.2 "**Constituents**" means past, present and future affiliates, parents, subsidiaries, divisions, partners, owners, shareholders, members, trustees, receivers, executors, representatives, administrators, and the respective officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of them.

1.3 "**Excluded Matters**" means **[(i)]** Sit Means Sit's continuing contractual obligations which arise or continue under and pursuant to the Transaction Document**[s]** on and after the date of this Release Agreement **[; and (ii) this Release Agreement is not intended to release or waive the provisions of any applicable franchise registration or disclosure law applicable to the grant of that franchise or license.]**

1.4 "**Sit Means Sit Released Parties**" means Sit Means Sit and each of its Constituents.

1.5 "**Losses**" means all damages, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, including interest, costs and expenses of investigating and prosecuting any Claim, reference proceeding, lawsuit, arbitration or any appeal; all associated actual attorneys' fees, whether or not the Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid to compromise or settle of any Claim, reference proceeding, lawsuit or arbitration.

2. General Release. Releasor for itself and its Constituents, hereby releases and forever discharges the Sit Means Sit Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, except for the Excluded Matters and the obligations under this Release Agreement.

3. Waiver of California Civil Code Section 1542.

3.1 Releasor, for itself and its Constituents, acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

3.2 With respect to those Claims being released pursuant to Section 2, Releasor, for itself and its Constituents, acknowledges that it is releasing unknown claims and waives all rights it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. For purposes of this Section 3, Releasor shall be considered to be a creditor of the Sit Means Sit Released Parties, and each of them.

3.3 Releasor acknowledges that this general release extends to claims which Releasor does not know or suspect to exist in favor of Releasor at the time of executing this Release Agreement, which if known by Releasor may have materially affected its decision to enter into this Release Agreement. It is understood by Releasor that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. Releasor therefore, expressly assumes the risk of the facts turning out to be so different and agrees that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

4. Representations and Warranties. Releasor represents and warrants to Sit Means Sit that, in entering into this Release Agreement, it (i) is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud); (ii) has read and fully understands the terms and scope of this Release Agreement; (iii) realizes that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) has not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this Release Agreement, that it is aware of no third party who contends or claims otherwise, and that it shall not purport to assign, transfer, or convey any such claim in the future.

5. Covenants Not to Sue. Releasor irrevocably covenants to refrain and cause each of its Constituents to refrain from asserting any Claim, or commencing, initiating or causing to be commenced, any proceeding

of any kind against any Sit Means Sit Released Party, based upon any matter purported to be released pursuant to this Release Agreement.

6. Indemnity. Without in any way limiting any of the rights and remedies otherwise available to any Sit Means Sit Released Party, Releasor shall defend, indemnify and hold harmless each Sit Means Sit Released Party from and against all Claims whether or not involving third party Claims, arising directly or indirectly from or in connection with (i) the assertion by or on behalf of Releasor or its Constituents of any Claim or other matter purported to be released pursuant to this Release Agreement, (ii) the assertion by any third party of any Claim against any Sit Means Sit Released Party which Claim arises from, or in connection with, any Claim or other matter purported to be released pursuant to this Release Agreement; and (iii) any breach of representations, warranties or covenants by Releasor.

7. Miscellaneous.

7.1 This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto.

7.2 This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the parties with respect to the subject matter of this Release Agreement. This Release Agreement supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. No representations, warranties, agreements or covenants have been made with respect to this Release Agreement, and in executing this Release Agreement, none of the parties is relying upon any representation, warranty, agreement or covenant not set forth in this Release Agreement.

7.3 This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

7.4 This Release Agreement shall be binding upon and inure to the benefit of the parties to this Release Agreement and their respective successors and permitted assigns.

7.5 All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Release Agreement may require. Neither this Release Agreement nor any uncertainty or ambiguity in this Release Agreement shall be construed or resolved against the drafter, whether under any rule of construction or otherwise. On the contrary, this Release Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties. If any provision of this Release Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

7.6 Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

7.7 Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Release Agreement, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

7.8 This Release Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada, without reference to conflict of law principles.

7.9 This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

8. Dispute Resolution. Each controversy, dispute or claim between the parties arising out of or relating to this Release Agreement or the breach, termination, enforcement, interpretation or validity of this Release Agreement, will be resolved in accordance with Article 20 of the Franchise Agreement.

_____	_____
RELEASOR INITIALS	**FRANCHISOR INITIALS**

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth above.

"Sit Means Sit": SIT MEANS SIT FRANCHISE, INC.

By: _____
Name: _____
Title: _____

"Releasor": "Franchisee"

_____

By: _____
Name: _____
Title: _____

"Releasor": "Affiliate"

_____

By: _____
Name: _____
Title: _____

"Owner":

_____**, an individual**

[Others:]

_____**, an individual**

Exhibit C

Owner Agreement

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "**Agreement**") is entered into by: (i) each of the undersigned Owners of Franchisee (defined below); and (ii) the spouse of each such Owner, in favor of Sit Means Sit Franchise, Inc., and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you."

1. **Acknowledgments.**

a. Franchise Agreement; Franchisee. The term "**Franchisee**," as used in this Agreement, is the party that entered, or is entering, into a Franchise Agreement with effective as of _____ ("**Franchise Agreement**"). Capitalized words not defined in this Agreement will have the same meanings given to them in the Franchise Agreement.

b. Owners' Role. Owners are the beneficial Owners of all of the equity interest in Franchisee. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's Owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Agreement.

c. Your Access to Our Trade Secrets. In your capacity as an Owner of the Business, or the spouse of an Owner of the Business, you may gain knowledge of our System and Trade Secrets (collectively, the "**Know-how**"). You understand that protecting the Trade Secrets is vital to our success and that of our Businesses and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "Owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to Owners.

2. **System Protection Covenants**. In light of your above acknowledgements, you covenant and agree to the following:

a. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than operating the Business; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you or your spouse are no longer an Owner of Franchisee, as applicable. You further agree that you will not use the Know-how for any purpose other than the development and operation of Franchisee's Sit Means Sit® Business under the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvements developed by you, including the right to grant sublicenses. If any Legal Requirement precludes you from assigning ownership of any Improvement to us, then you covenant, promise and agree that you will perpetually license that Improvement to us free of charge, with full rights to use, commercialize, and sublicense the Improvement.

b. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an Owner of the Business, or while your spouse is an Owner of the Business, as applicable, by engaging in any of the following (collectively, the "**Prohibited Activities**"): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee,

manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our Affiliates or other Sit Means Sit® franchisees); and/or (iii) inducing (a) any of our employees or managers (or one of our Affiliates or other Sit Means Sit® franchisees) to leave their position or (b) any customer of ours (or one of our Affiliates or other Sit Means Sit® franchisees) to transfer their business to you or to any other person that is not then a Franchisee of ours.

c. Unfair Competition After Relationship. You agree that, for a period of two (2) years after the termination of the Franchise Agreement or any successor to it (the "**Restricted Period**") not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within: (i) the Trade Area; (ii) any other geographic areas wherein Franchisee has operated the Business (e.g., an Unassigned Area); or (iii) the designated trade area of other "Sit Means Sit" franchisees (the "**Restricted Territory**"). If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

d. Immediate Family Members. You acknowledge that your disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) could potentially circumvent the purpose of this Agreement. You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

e. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE. Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 2 of this Agreement upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 2 of this Agreement to ensure that the terms and covenants are enforceable under Applicable Law.

f. Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Businesses for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

3. Transfer Restrictions. If you are an Owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect Ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect Ownership interest in Franchisee except in accordance with the terms and conditions set forth in Article 15 of the Franchise Agreement. You acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Agreement and the Franchise Agreement.

4. Personal Guarantee. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an Affiliate of ours and any promissory note related to payments owed to us (collectively, the "**Secured Agreements**"), you agree to personally guarantee all of Franchisee's financial obligations under the Secured Agreements.

a. Payment. Each of you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee will punctually fulfill all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements.

b. Waiver of Notice. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

c. Liability is Joint and Several. You agree that: (1) your direct and immediate liability under this guarantee will be joint and several with Franchisee and all other persons who sign this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guarantee, which will be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer.

d. Bankruptcy Filing. This guarantee will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

e. Indemnification. You agree to indemnify, defend and hold harmless us, all of our Affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

f. No Exhaustion of Remedies. You acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

g. Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations that exist under this Agreement or the Business Agreement at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement must be brought in accordance with the dispute resolution procedures stated in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures stated in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement will prevail. You acknowledge and agree that a breach of this Agreement by you will constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.

6. Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce your obligations under this Agreement. You acknowledge and agree that there is no adequate remedy at law for your failure to fully comply with the requirements of this Agreement. You further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper.

7. Miscellaneous.

a. Attorney Fees. If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

b. Defenses. Any claim, defense or cause of action that you may have against us, our Affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

c. Severability. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. Notice. You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery will be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice must be delivered in the manner and to the address listed in the Franchise Agreement.

e. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns and our Affiliates) any rights or remedies under or by reason of this Agreement.

f. Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

g. Binding Effect. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

IN WITNESS WHEREOF, each of **Owner** or **spouse of an Owner** has executed this Agreement as of the date or dates set forth below.

(Add additional pages and signature lines, if necessary for each Owner or spouse of an Owner)

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

Exhibit D

Form of Confidentiality and Non-Competition Agreement

(Required for Use With Restricted Persons)

SIT MEANS SIT FRANCHISE, INC.
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for use with Owners, affiliates, the Authorized Trainer, and the spouse and family members who live in the same household with them)

In consideration of his or her position as _____ of _____ ("**Franchisee**"), and One Dollar, the receipt of which is acknowledged, the undersigned ("**Receiver**") hereby acknowledges and agrees that:

1. General. Sit Means Sit Franchise, Inc. ("**Sit Means Sit**") has developed a distinctive system relating to businesses providing dog training services and the sale of dog care products, dog training products, dog toys, food and treats, leashes, collars, apparel, and other goods and services, which are established and operated by others under Franchise Agreements with Sit Means Sit.

2. Confidential Information.

(a) General Definition. Receiver will receive valuable proprietary and confidential information, disclosure of which would be detrimental to Sit Means Sit and Franchisee, which may include, without limitation, trade secrets, policies, specifications, procedures, concepts and methods and techniques of developing and operating a "Sit Means Sit" business (collectively, the "**Confidential Information**"). Confidential Information may include information in written, oral or machine readable form, and shall be deemed confidential hereunder regardless of the presence or absence of any stamp or other designation of confidentiality accompanying such information. This list of Confidential Information is illustrative only, and does not include all matters considered confidential by Sit Means Sit and Franchisee.

(b) Exclusions. Confidential Information does not include information that:

(i) is in, or becomes in, the public domain without violation of any agreement by the Receiver or any other person, or

(ii) was known to Receiver prior to disclosure thereof to Receiver, other than by the breach of an obligation of confidentiality owed by anyone to Sit Means Sit or its affiliates, or

(iii) is disclosed to the Receiver by a third party under no obligation of confidentiality to Sit Means Sit or Franchisee and without violation of any agreement by Receiver or any other person, including the third party, or

(iv) was independently developed by Receiver without the use or benefit of any of Sit Means Sit's trade secrets.

3. Term. This Agreement shall remain in full force and effect and shall survive the termination of Receiver's employment (or other position or capacity) with Franchisee.

4. Disclosure; Copies. Receiver shall not: (a) disclose such Confidential Information to any person, company or entity, other than as required by Receiver's duties in his or her position with Franchisee; or (b) copy, photograph or make other facsimiles or drawings of the Confidential Information.

5. Use. Receiver will not sell, utilize, implement, appropriate or otherwise use the Confidential Information for any purpose whatsoever, or permit the use of the Confidential Information by others for any purpose whatsoever, without the express written permission of Sit Means Sit.

6. Forced Disclosure. Notwithstanding any other provisions in this Agreement, Receiver may disclose Confidential Information to the extent required by any Applicable Law, regulation, or court or governmental order; provided that Receiver gives Sit Means Sit and Franchisee reasonable advance written notice of any request or demand for such disclosure and the opportunity to contest such law, regulation or order.

7. Return of Information. Receiver acknowledges and agrees that all Confidential Information furnished hereunder shall be and remain the property of Sit Means Sit. Upon demand, any and all Confidential Information and copies thereof must be returned to Sit Means Sit, or to Franchisee at Sit Means Sit's direction.

8. Non-Competition. While in his or her position with Franchisee, and for a period of two (2) years after Receiver ceases to be in that position, Receiver will not:

(a) own, operate, lend to, advise, be employed by, or have any financial interest in any business that engages in providing dog training services, or training others who provide dog training, at any location within the designated trade area of any "Sit Means Sit" franchisees; or

(b) solicit business of any kind or nature from an individual or business entity that was a customer of Franchisee or other "Sit Means Sit" franchisee during the two (2) year period immediately preceding such event.

9. Enforcement. Receiver acknowledges and agrees that disclosure or misappropriation of Confidential Information in violation of this Agreement may cause Sit Means Sit and/or Franchisee irreparable harm, the effect of which may be difficult to ascertain, and agrees therefore that Sit Means Sit and/or Franchisee shall be entitled to injunction and/or specific performance in addition to all other remedies otherwise available at law or equity. If it becomes necessary to enforce the terms of this Agreement, Receiver shall be obligated to pay any and all costs reasonably incurred by Sit Means Sit and/or Franchisee in pursuing such enforcement, including attorneys' fees and court costs.

10. Waiver. The failure of Sit Means Sit or Franchisee in any one or more instances to insist upon strict performance of any of the terms or provisions of this Agreement, or to exercise any option herein conferred, shall not be construed as a waiver or relinquishment, to any extent, of the right to assert or rely upon any such terms, provisions or options on any future occasion.

11. Severability. Any provision of this Agreement which is rendered unenforceable by a court of competent jurisdiction shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Agreement.

12. Choice of Law. This Agreement shall be construed under the laws of the State in which your "Sit Means Sit" business is located. The only way this Agreement can be changed is in a writing signed by both Franchisee and Receiver.

13. Successors. This Agreement shall be binding upon and inure to the benefit of Sit Means Sit, Franchisee, Receiver, and their respective successors and assigns.

14. Entire Agreement. This Agreement constitutes the entire agreement by Receiver in regard to the confidentiality of matters disclosed pursuant to this Agreement, and supersedes any prior oral or written representations in regard to said matters.

"RECEIVER"

By: _____

Name: _____

Position: _____

Address: _____
_____
_____
_____

ACKNOWLEDGED BY FRANCHISEE:

By: _____

Name: _____

Title: _____

State of _____)
) ss.
County of _____)

This instrument was acknowledged before me on _____, _____ by _____

Notary Public _____
My Commission Expires:_____

Exhibit E

Form of Confidentiality Agreement

(Required for Use With Trainers)

SIT MEANS SIT FRANCHISE, INC.
CONFIDENTIALITY AGREEMENT
(For Use With Trainers)

THIS NON-DISCLOSURE AGREEMENT (the "**Agreement**") is made between _____ ("**Franchisee**") and _____, ("**Receiving Party**"), which Franchisee and Receiving Party intend to directly benefit Sit Means Sit Franchise, Inc. ("**SMS**") and is effective the _____ day of _____, 20___.

1. General. Sit Means Sit Franchise, Inc. ("**Sit Means Sit**") has developed a distinctive system relating to businesses providing dog training services and the sale of dog care products, dog training products, dog toys, food and treats, leashes, collars, apparel, and other goods and services, which are established and operated by others under Franchise Agreements with Sit Means Sit.

RECITALS

A. Receiving Party intends to work for a business using the Sit Means Sit Methods.

B. Receiving Party wishes to be trained by SMS or Franchisee in the Sit Means Sit Methods for the sole purpose of working in, operating, or assisting with a Sit Means Sit Business, and for no other purpose.

C. SMS or Franchisee is/are willing to train Receiving Party in the Sit Means Sit Methods.

In consideration of the promises and covenants by Receiving Party contained in this Agreement, and in consideration of one dollar, the receipt of which is acknowledged, Receiver and Franchisee therefore agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms have these definitions:

a. Confidential Information: Non-public information that SMS or Franchisee designates as being confidential or which, under the circumstances surrounding disclosure, ought to be treated as confidential. "Confidential Information" includes, without limitation: the Sit Means Sit Methods, operations manuals, specifications; suppliers; customer lists, names, addresses and other customer information; procedures; concepts; systems; know-how; plans; strategies; methods and techniques of operating a Sit Means Sit Business. Confidential Information shall not include information that Receiving Party can conclusively establish: (i) entered the public domain without Receiving Party's breach of any obligation owed SMS or Franchisee; (ii) became known to Receiving Party prior to the SMS's or your disclosure of such information to Receiving Party; or (iii) became known to Receiving Party from a source other than SMS or Franchisee other than by the breach of an obligation of confidentiality owed to SMS or Franchisee.

b. Manual: SMS's operations manual(s), and all related manual(s) now or hereafter created by SMS for use in the operation of Sit Means Sit Businesses, including all bulletins, supplements and ancillary manuals.

c. Sit Means Sit Business: A business providing dog training services and the sale of dog care products, dog training products, dog toys, food and treats, leashes, collars, apparel, and other goods and services, which system includes various operating methods, techniques, products, distinctive signs, Confidential Information, record-keeping and marketing techniques.

d. Sit Means Sit Methods. Techniques and methods of operation for running a Sit Means Sit Business.

2. REPRESENTATIONS BY RECEIVING PARTY. In consideration of being trained in the Sit Means Sit Methods, Receiving Party represents to SMS and Franchisee that:

a. Receiving Party seeks training from SMS and/or Franchisee in the Sit Means Sit Methods for the sole purpose of working in, operating, or assisting with a Sit Means Sit Business and/or Franchisee, and for no other purpose.

b. Receiving Party understands that the Sit Means Sit Methods are proprietary and confidential to SMS, and that SMS and/or Franchisee is agreeing to train Receiving Party in the Sit Means Sit Methods based on the representation and agreement by Receiving Party that Receiving Party will use the Sit Means Sit Methods for no purpose other than to operate as employee or independent contractor of Franchisee.

c. Receiving Party acknowledges that SMS and/or Franchisee is agreeing to train Receiving Party in the Sit Means Sit Methods based on Receiving Party's acknowledgements, representations and covenants in this Agreement.

d. Receiving Party acknowledges that, in connection with the training offered by SMS and/or Franchisee, s/he will obtain knowledge of Confidential Information. Receiving Party acknowledges that, without the Confidential Information, Receiving Party could not effectively and efficiently operate a dog training business as a Sit Means Sit Business. Receiving Party further acknowledges that such Confidential Information was not known to Receiving Party prior to execution of this Agreement and that the Sit Means Sit Methods are unique and novel to SMS Businesses.

3. RESTRICTIONS ON USE OF CONFIDENTIAL INFORMATION.

a. Covenant Not to Disclose Confidential Information. Receiving Party shall not, under any circumstances, disclose any Confidential Information to third parties, except to Receiving Party's consultants as provided below.

b. Covenant Not to Use Confidential Information. Receiving Party shall not directly or indirectly, own, manage, operate, participate in, misappropriate or use any Confidential Information, or be connected as a director, officer, shareholder, partner, joint venturer, employee, consultant, or otherwise engage in any business that misappropriates or uses any of the Confidential Information to compete with or cause injury to SMS or usurp the business opportunities of SMS related to the Confidential Information. Receiving Party will not sell, utilize, implement, appropriate or otherwise use the Confidential Information for any purpose whatsoever, or permit the use of the Confidential Information by others for any purpose whatsoever, without the express written permission of SMS.

c. Preservation of Confidentiality. Receiving Party shall take reasonable security precautions to keep confidential the Confidential Information.

d. No Copies; Materials Will Not Be Removed From Premises. Receiving Party agrees that Receiving Party will not remove any materials that contain Confidential Information from the premises of any Sit Means Sit Business. Receiving Party also agrees that s/he will not copy, photograph or make other facsimiles or drawings of the Confidential Information.

4. SMS'S RIGHTS AND REMEDIES FOR BREACH.

a. Irreparable Harm. Receiving Party acknowledges that a breach of this Agreement by Receiving Party would cause permanent and irreparable damage to SMS and Franchisee, for which monetary damage would not adequately compensate SMS and Franchisee, and that SMS and Franchisee shall be entitled, without waiving any other rights or remedies they may have at law or equity, to an injunction enjoining and restraining Receiving Party from violating this Agreement.

b. Attorney Fees. If SMS, Franchisee, or Receiving Party employ any attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney fees.

c. Remedies Not Exclusive. No right or remedy herein conferred upon, or reserved to SMS or Franchisee is 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 given hereunder.

5. GENERAL.

a. Property of SMS. All Confidential Information are and shall remain the property of SMS. By disclosing information to Receiving Party, SMS does not grant any express or implied right to Receiving Party under SMS's patents, copyrights, trademarks, or trade secrets.

b. Term. This Agreement shall remain in full force and effect and shall survive the termination of Receiving Party's employment (or other position or capacity) with Franchisee or any other Sit Means Sit Business.

c. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter. It shall not be modified except by a written agreement dated subsequent to the date of this Agreement and signed by both parties. None of the provisions of this Agreement shall be deemed to have been waived by any act or acquiescence on the part of SMS, its agents, or employees, but only by an instrument in writing signed by an authorized manager or officer of SMS. No waiver of any provision this Agreement shall constitute a waiver of any other provision(s) or of the same provision on another occasion.

d. Governing Law. This Agreement shall be construed and controlled by the laws of the State of Nevada (where SMS's headquarters are located, and where Receiving Party received its training in the Sit Means Sit Methods).

e. Successors and Assigns. Subject to the limitations set further in this Agreement, this Agreement will inure to the benefit of and be binding upon the parties, their successors and assigns.

f. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall, remain in full force and effect.

g. Survival. All obligations created by this Agreement shall survive change or termination of Receiving Party's business relationship with SMS, Franchisee, or any SMS Business.

Receiving Party

By: _____

Name: _____

Position: _____

Address: _____

_____

_____

_____

Exhibit F-1

Current Franchisee Information as of December 31, 2025

Last	First	State	Address	Phone
Scofield	Alex	AR	07 Shadow Court Huntsville, Al 35824 US	479-422-9704
Drugmand	Toni	AZ	15610 N 21st Street Phoenix, AZ 85022	602-690-0600
Mischka/ Angone	Melissa/ Brittany	AZ	6677 E little michigan rd #109 Sierra Vista, Az 86535	520-461-3127
Mischka/ Angone	Melissa/ Brittany	AZ	6677 E little michigan rd #109 Sierra Vista, Az 86535	520-461-3127
Bruce	Lisa- Marie	CA	4067 Hardwick St 112 Lakewood, Ca 90712	562-212-4960
Duong	Thu	CA	410 Skyway Drive, San Jose, CA 95111 US	408-634-9247
Hunt	Cindy	CA	17661 Beach Blvd Huntington Beach, CA 92647	719-271-7325
Hunt	Cynthia	CA	17661 Beach Blvd Huntington Beach, CA 92647	719-271-7325
Hunt*	Cynthia	CA	17661 Beach Blvd Huntington Beach, CA 92647	719-271-7325
Hunt*	Cynthia	CA	17661 Beach Blvd Huntington Beach, CA 92647	719-271-7325
Laseter	Whitney	CA	27061 Tossamar, Mission Viejo, CA 92692	4053347339
McMillan	Tim	CA	10035 Carroll Canyon Rd Suite D San Diego, CA 92131	858-621-3647
McMillan	Tim	CA	10035 Carroll Canyon Rd Suite D San Diego, CA 92131	858-621-3647
Stephenson	Trent	CA	348 W. Foothill Blvd Glendora, CA 91741	909-630-2460
Fitz-Gerald	Ashton	Canada	1059 Olive ave oshawa, ontario L1H2T2	416-819-3647
Archuleta	James	CO	333 W. Hampden Ave Englewood, CO 80110	720-297-9954
Baker	Erin	CO	2424 N Freeway Pueblo, CO 81003	719-252-4860
Bracciante	Anthony	CO	4949 Marshall St. Wheat Ridge, CO 80033	303-619-1301
Bracciante	Anthony	CO	4949 Marshall St. Wheat Ridge, CO 80033	303-619-1301
Hunt	Cynthia	CO	4215 Sinton Rd Colorado Springs, CO 80907	719-271-7325
Langdon	Jon	CO	5101 S. Van Gordon St. Littleton, CO 80127	303-718-1062
Brady	Sandra	CO	4040 Kodiak Ct Frederick, CO 80504	724-816-8702
Cohen	Neil	CT	13 Travis Ave Montrose, NY 10548	914-447-0567
Benedict	David	FL	15021 Winding ridge lane Clermont, FL 34715	407-575-3864
Burnell	Robert + Eileen	FL	7777 Thornlee Drive, Lake Worth, FL 33467	561-543-5583
Cohen	Neil	FL	13 Travis Ave Montrose, NY 10548	914-447-0567
Elwart	Elena	FL	2646 18th Ave N St Petersburg, FL 33713	727-537-9721
Foreman	Alexis	FL	28400 Old 41 Rd 5 Bonita Springs, FL 34135	239-287-4870
Foreman	Alexis	FL	28400 Old 41 Rd 5 Bonita Springs, FL 34135	239-287-4870
Manes	Amber	FL	11659 Lake Ride Dr. Jacksonville, FL 32223	904-775-2444
McKenzie	Kris	FL	10184 Fisher Ave Unit B Tampa, FL 33619	330-606-2713
McKenzie	Kris	FL	10184 Fisher Ave Unit B Tampa, FL 33619	330-606-2713
McKenzie	Kris	FL	10184 Fisher Ave Unit B Tampa, FL 33619	813-720-7364
Nowak	Mark	FL	4831 18th ave n Saint Petersburg, FL 33713	727-537-9721
Pepper	Brina	FL	604 Rosegate Lane Orlando, Fl 32835	407-765-5022
SMith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686

Last	First	State	Address	Phone
Smith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686
Smith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686
Smith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686
Smith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686
Smith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686
Smith	Matt	FL	280 Hunt Park Cove 1090 Longwood, FL 32750	407-619-8686
Tolliver	Lori	FL	31151 Chevy Chase Dr. Sorrento, Fl 32776	352-409-6007
Tolliver*	Lori	FL	31151 Chevy Chase Dr. Sorrento, Fl 32776	352-409-6007
Wheeler	Mike	FL	3032 Progress Road Madison, Wi 53716	608-512-6652
Wheeler	Mike	FL	3032 Progress Road Madison, Wi 53716	608-512-6652
Shepherd	Darin	GA	7580 Granite Dr Douglasville, GA 30134	406-451-6926
Tutterow	Alex	GA	2515 Hurt Bridge Road Cumming, GA 30028	678-617-3335
Sanchez	Scott	HI	2251 Hana HWY Haiku-Pauwela, HI 96708	808-283-6121
Dey	Ryan	IA	3611 70th St Urbandale, IA 50322	407-488-9628
Omerza	Kerry	IL	11751 S Millard Ave Alsip, IL 60803	708-582-0434
Altherr	Chris	IN	1105 Touby Pike Kokomo, IN 46901	765-432-7243
Altherr	chris	IN	1105 Touby Pike Kokomo, IN 46901	765-432-7243
Skoletsky	David	MA	2 Foundry Street South Easton, MA 02375	508-444-8878
Huneke*	Carmen	MD	10912 York Rd, 200, Cockeysville, MD 21030 US	443-981-1323
Huneke*	Carmen	MD	10912 York Rd, 200, Cockeysville, MD 21030 US	443-981-1323
Pigott	Kari	MD	32 Thomas Johnson Drive Frederick, MD 21702	301-667-0066
Pigott	Kari	MD	32 Thomas Johnson Drive Frederick, MD 21702	301-667-0066
Brewer	Kristin	ME	2 William Knight Rd Windham, Me 04062	407-489-7199
Folgmann	Jason	MI	808 Polaris Crescent Dr Traverse City, MI 49685	231-392-3755
Garabedian	Amy	MI	2179 Crooks Rd Rochester Hills, MI 48309	248-688-9450
Garabedian	Amy	MI	2179 Crooks Rd Rochester Hills, MI 48309	248-688-9450
Mather	Audra	MI	1265 College Rd Mason, MI 48854	608-712-8172
Wendler	Rodney	MI	15475 S Telegraph Rd Monroe, MI 48161	734-819-8618
Glazek	Tessie	MN	8129 243 rd ave Stacy, MN 55079	651-890-9533
Paddock	Ryan	MN	220 adams st. anoka, MN 55303	763-442-5470
Mancuso	Tom	MO	1407 Spurlock Cove Raymore, MO 64083	816-878-4878
Mcdowell	Chase	MO	539 Boones Lick Rd St.charles, Mo 63301	727-809-1378
Shepherd	Darin	MT	20 Ginger Bear Lane Unit b Bozeman, MT 59718	406-451-6926
O'Donnell	Michael	NC	2521 schieffelin Rd 112 apex, NC 27502	919-601-8626
Rause	Shawn	NC	848 Coosaw Pl. Wilmington, Nc 28412	919-830-6736
Self	Colby	NC	125 International Drive, Suite G Morrisville, NC 27560	919-437-2073
Self	Colby	NC	125 International Drive, Suite G Morrisville, NC 27560	919-437-2073
Smith	Alyssa	NC	7630 Walnut Cove Rd Walnut Cove, Nc 27052	919-606-5483
Thayer	Ernest	NC	1950 Hendersonville Road Asheville, Nc 28803	1321-316-7656

Last	First	State	Address	Phone
Mahoney	Phillip	NH	140 Hartt Ave Manchester, NH 03109	720-810-5346
Campanile	Robert	NJ	142 Morey Place Rd, Waretown, NJ 08758	609-242-1126
Devivo/ Medina	Sal/ Ray	NJ	95 Holly Tree Ln Toms River, NJ 08753	215-593-0539
Medina	Ray	NJ	95 Holly Tree Lane Toms River, Nj 08753 US	215-593-0539
Sparling*	Joshua	NJ	971 US Highway 202N, Suite N, Branchburg, NJ 08876	423-240-8187
Pollard	Jori	NM	10408 2nd St NW, Albuquerque, NM 87114	719-240-5043
Pollard	Jori	NM	10408 2nd St NW, Albuquerque, NM 87114	719-240-5043
Marteneis	Mike	NV	8095 Blackfoot Way Reno, Nv 89506 US	775-741-4115
Bryant	Thomas + Bill	NY	4550 State Route 233 Clinton, NY 13323	315-570-3705
Cohen	Neil	NY	13 Travis Avenue Montrose, Ny 10548	914-447-0567
Longenecker	Tom	NY	3719 Union Rd 123 Cheektowaga, NY 14225	631-873-8323
Wilbert	David	NY	7730 Frontage Road Cicero, NY 13039	315-466-4591
Foster	Erica	OH	4351 Rock Haven Rd Newark, Oh 43055	740-412-1982
Homan	Michael	OH	1425 Cooper Foster Park Rd Amherst, OH 44001	440-799-1961
Homan	Michael	OH	1425 Cooper Foster Park Rd Amherst, OH 44001	440-799-1961
Juenger	Bill	OH	3150 Fair Ave Columbus, OH 432009	614-704-9898
Juenger	Bill	OH	3150 Fair Ave Columbus, OH 432009	614-704-9898
Pollock	Paul	OH	1062 Jacoby Rd BLDG A Copley, OH 44321	330-431-1977
Pollock	Paul	OH	1062 Jacoby Rd BLDG A Copley, OH 44321	330-431-1977
Sexton	Heather	OH	605 Norgal Drive Lebanon, OH 45036	513-257-9627
Wendler	Rodney	OH	15475 S Telegraph Rd Monroe, MI 48161	734-819-8618
Miller	Lukas	OK	3201 Clay dr Edmond, OK 73013	405-888-6787
Miller	Ryel	OK	1400 Penn Lane Moore, OK 73160	307-631-2438
Woodman	Robert	OR	9425 SW Commerce Cir Unit 18b Wilsonville, OR 97070	503-739-3400
Devivo	Salvatore	PA	701 E Elm st Conshohocken, PA 19428	215-593-0539
Luxton	Matthew	PA	3240 unionville rd Cranberry, PA 16066	412-440-8748
Pierce	Lisa	PA	5212 Curry Road Pittsburgh, PA 15236	412-345-1748
Pierce	Lisa	PA	5212 Curry Road Pittsburgh, PA 15236	412-345-1748
Folgmann	Kyle	TN	4128 Miles Johnson Pkwy Spring Hill, TN 37174	231-342-8446
Folgmann	Kyle	TN	4128 Miles Johnson Pkwy Spring Hill, TN 37174	231-342-8446
Henderson	Jessica	TN	9023 Oak Ridge Hwy Knoxville, TN 37931	420-240-8187
Shade	Alan	TN	3911 Magnolia Lane Nesbit, Ms 38651	901-871-8868
Wall	Teddy	TN	1945 Southpointe Way Suite A Murfreesboro, TN 37130	615-830-9203
Carns*	Jori	TX	10408 2 nd St NW Albquerque, NM 87114	719-540-5043
Carns*	Jori	TX	10408 2 nd St NW Albquerque, NM 87114	719-540-5043
Kerr	John	TX	11151 State Highway 153 Winters, TX 79567	806-828-0747
Leach	Ryan	TX	3809 McCullough Road College Station, TX 77845	719-306-2910
Leach	Ryan	TX	3809 McCullough Road College Station, TX 77845	719-306-2910
Leach	Ryan	TX	914 W Commerce St Dallas, TX 75208	719-306-2910

Last	First	State	Address	Phone
Leach	Ryan	TX	914 W Commerce St Dallas, TX 75208	719-306-2910
Nease	Michael	TX	4017 Big Prairie Drive Aubrey, Tx 76227	410-635-4748
Putnam	Stephanie	TX	8017 Pebblebrook Dr Watauga, TX 76148	817-715-1526
Serrano	Alex	TX	10938 Visconti Ct, Richmond, TX 77406	724-331-0215
Tolman	Aaaron	TX	13813 Mccomb Rd, Conroe, Tx 77302	281-866-4267
Tolman	Aaaron	tx	13813 Mccomb Rd, Conroe, Tx 77302	281-866-4267
Webster	Robin	TX	1027 W US Hwy 190 Frontage Rd. Belton, TX 76513	254-760-2963
Wirick	Wesley	TX	904 Elm Street Portland, TX 78374	254-913-0685
York	Lisa	TX	10025 Broadway St San Antonio, TX 78217	805-796-8616
York	Lisa	TX	10025 Broadway St San Antonio, TX 78217	805-796-8616
Laseter	Whitney	UT	3742 W 9000 S West Jordan, Ut 84088	801-556-4191
Douglas	Michelle	VA	11184 Crest Ln Bealeton, VA 22712	571-762-1904
Douglas	Michelle	VA	11184 Crest Ln Bealeton, VA 22712	571-762-1904
Frink	JP	VA	707 Dawn Street Richmond, VA 23222	804-762-0398
Frink	JP	VA	707 Dawn Street Richmond, VA 23222	804-762-0398
Frink	JP	VA	707 Dawn Street Richmond, VA 23222	804-762-0398
Frink	JP	VA	707 Dawn Street Richmond, VA 23222	804-762-0398
Smircina	Susan	VA	40788 Red Hill Rd\ Leesburg, Va 20175	571-223-6898
Sprague	Steven	WA	23 West 1st Ave B, Kennewick, WA 99336	509-386-4929
Woodman	Bobby + Natalia	WA	9425 SW Commerce Cir Unit 18b Wilsonville, OR 97070	503-739-3400
Meitner	Matthew	WI	1325 Pearl Street Waukesha, WI 53186	414-852-6098
Meitner	Matthew	WI	1325 Pearl Street Waukesha, WI 53186	414-852-6098
Meitner	Matthew	WI	1325 Pearl Street Waukesha, WI 53186	414-852-6098
Meitner	Matthew	WI	1325 Pearl Street Waukesha, WI 53186	414-852-6098
Wheeler	Mike	WI	3032 Progress Road Madison, WI 53716	608-512-6652
Day	Curtis	WY	736 N Glenn Rd, Casper, WY 82636	307-251-7784
Day	Curtis	WY	736 N Glenn Rd, Casper, WY 82636	307-251-7784

*Indicates franchisees who joined the System in 2025.

Current MLAs:

State	Trade Area	Name	Address	E-Mail	Phone
MO	Kansas City	Mancuso, Tom	1308 Johnston Dr, Raymore, MO 64083	tommancuso@sitmeanssit.com	816-878-4878

Exhibit F-2

Former Franchisee Information

Last	First	Last Known Address	State	Phone
Jorgenson	Adam and Elora	1120 Doker Dr Suite 2 Modesto, CA 95351	CA	209-596-3079
Volz*	Adam	1901 E Lincoln Ave Fort Collins, CO 80524	CO	417-234-5152
Strong	Benjamin	3551 Grier Nursery Road, Street, MD 21154 US	MD	302-295-2229
Strong	Benjamin	3551 Grier Nursery Road, Street, MD 21154 US	DE	302-295-2229
Manes±	Amber	11659 Lake Ride Dr. Jacksonville, FL 32223	FL	904-775-2444
Wheeler*	Mike	3032 Progress Road Madison, WI 53716	FL	608-512-6652
Romanik±	Tony	3266 N Elston Ave Chicago, IL 60618	IL	231-818-1779
Farrow*	Elizabeth/ Lisa	524 Macintosh Circle Joppa, MD 21085 US	MD	410-679-0915
Strong*	Matthew	2222 Kalmia Road Bel Air, MD 21015	MD	443-768-3140
Strong*	Matthew	2222 Kalmia Road Bel Air, MD 21015	MD	443-768-3140
O'Donnell±	Michael	2521 Schieffelin Rd 112, Apex, NC 27502	NC	919-601-8626
Nobles*±	Brandon	4385 W Pebble Rd, Las Vegas, NV 89139	NV	239-265-7459
Miller	Lukas	3201 Clay Dr, Edmond, OK 73013	OK	405-888-6787
Shah*±	Chirag	8708 S. Congress Ave 500-367 Austin, Tx 78745	TX	512-566-9338
Teresa±	VanGilder	2200 Los Rios Blvd 130 Plano, TX 75074	TX	817-471-0477
Nobles*	Brandon	4385 W Pebble Rd, Las Vegas, NV 89139	UT	239-265-7459

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

* Indicates franchisees who have transferred their franchise.

± Indicates multi-unit franchisee.

Exhibit F-3

Franchisees That Have Signed Agreements But Are Not Yet Open as of December 31, 2025

None.

Exhibit G

Financial Statements

Exhibit G-1

Unaudited Financial Statements for the Period Ended May 31, 2026

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.

Sit Means Sit Franchise Inc

Balance Sheet

As of May 31, 2026

	TOTAL
Assets	
Current Assets	
Bank Accounts	
19509 Bank of Nevada	$329,682.89
Total for Bank Accounts	**$329,682.89**
Accounts Receivable	
11001 Accounts Receivable	$123,634.39
11002 Accounts Receivable - CAD	$0.02
Total for Accounts Receivable	**$123,634.41**
Other Current Assets	
11003 Allowance for doubtful accounts	-$14,090.68
11100 Notes Receivable	$0.00
12000 Undeposited Funds	$44,414.57
12600 PrePaid Legal	$0.00
12670 Pre-Paid Vendor	$0.00
12700 Pre-Paid Federal Taxes	$0.00
13000 Short Term Loan to SMSI	$0.00
14000 Pre-Paid Deposit	$9,593.00
27000 Due To/From SMSI	$776,889.42
Total for Other Current Assets	**$816,806.31**
Total for Current Assets	**$1,270,123.61**
Fixed Assets	
15000 Furniture and Equipment	$28,074.00
15200 Dog Pool	$10,882.00
16400 Vehicles	$128,760.00
17000 Accumulated Depreciation	-$162,039.00
Total for Fixed Assets	**$5,677.00**
Other Assets	
13500 Deferred Tax Expense	$0.00
16000 ROU	$130,264.10
16500 Accumulated Amortization	-$94,079.63
18000 Notes Receivable - LT	$0.00
Total for Other Assets	**$36,184.47**
Total for Assets	**$1,311,985.08**

Sit Means Sit Franchise Inc

Balance Sheet

As of May 31, 2026

	TOTAL
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	$6,552.00
Total for Accounts Payable	**$6,552.00**
Credit Cards	
22200 Bank of Nevada CC	$0.00
Total for Credit Cards	**$0.00**
Other Current Liabilities	
20100 Current Mat deferred fran fees	$162,285.00
2015 CPLTD	$0.00
20200 Lease Obligations,current	$38,406.69
25600 Prepaid Royalty Fees	$0.00
25700 Unearned Franchise Fees	$0.00
Nevada Department of Taxation Payable	$0.00
Total for Other Current Liabilities	**$200,691.69**
Total for Current Liabilities	**$207,243.69**
Long-term Liabilities	
22500 DeferredFranfees net of current	$752,259.00
26200 Note Payable-BofA Cadillac	$0.00
28000 Lease Obligations, long term	$0.00
Total for Long-term Liabilities	**$752,259.00**
Total for Liabilities	**$959,502.69**
Equity	
30010 Intercompany Account	$0.00
30100 Common Stock	$100.00
31000 Additional Paid-In Capital	$87,977.82
33000 Distributions - Rivera	$0.00
35000 Distributions- Hassen	$0.00
37000 Less, Sales of Stock	-$90,000.00
32000 Retained Earnings	$59,281.35
Net Income	$295,123.22
Total for Equity	**$352,482.39**
Total for Liabilities and Equity	**$1,311,985.08**

Sit Means Sit Franchise Inc

Profit and Loss

January 1-May 31, 2026

	TOTAL
Income	
40600 Services {88}	-$2,010.00
47900 Sales	$493,217.00
Total for Income	**$491,207.00**
Cost of Goods Sold	
50560 Seminar Expenses	$1,000.00
50561 Seminar Expenses Reimbursements	$13,461.38
51800 Merchant Account Fees	$215.58
53500 Credit Background Check Report	$593.47
Total for Cost of Goods Sold	**$15,270.43**
Gross Profit	**$475,936.57**
Expenses	
60200 Automobile Expense	$44,696.33
61000 Business Licenses and Permits	$672.50
61600 Commissions	$1,000.00
61700 Computer and Internet Expenses	$7,658.50
62000 Continuing Education	$23,191.66
62500 Dues and Subscriptions	$3,020.00
63300 Insurance Expense	$2,593.71
63330 Life Insurance	$14,611.40
Total for 63300 Insurance Expense	**$17,205.11**
63900 Main Event	
63910 Travel	$2,321.49
Total for 63900 Main Event	**$2,321.49**
64300 Meals and Entertainment	$25.17
64900 Office Supplies	$137.04
66600 Printing and Reproduction	$2,100.00
66700 Professional Fees	
66710 Accounting Fees	$8,500.00
66720 Legal	$1,843.27
Total for 66700 Professional Fees	**$10,343.27**
67100 Rent Expense	$41,449.44
67200 Repairs and Maintenance	$10,158.85
68400 Travel Expense	$2,515.00
68600 Utilities	$2,037.67
QuickBooks Payments Fees	$12,281.32
Total for Expenses	**$180,813.35**
Net Operating Income	**$295,123.22**
Net Income	**$295,123.22**

Exhibit G-2

Audited Financial Statements

SIT MEANS SIT FRANCHISE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

V|H VELEZ◆HARDY
CPAs and Advisors

SIT MEANS SIT FRANCHISE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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Independent Auditor's Report

To the Stockholders and Management of
Sit Means Sit Franchise, Inc.

Opinion

We have audited the accompanying financial statements of Sit Means Sit Franchise, Inc. (a Nevada S Corporation), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income and retained earnings (accumulated 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 Sit Means Sit Franchise, Inc. as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Sit Means Sit Franchise, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Sit Means Sit Franchise, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sit Means Sit Franchise, Inc.'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.



April 30, 2026
Las Vegas, Nevada

SIT MEANS SIT FRANCHISE, INC.
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash	$ 65,967	$ 153,885
Accounts receivable, net	123,727	38,057
Due from related party	776,889	663,715
Total current assets	966,583	855,657
Property and Equipment, net	4,044	5,677
Other Assets:		
Intangible lease assets, net	368,792	36,184
Deposits	9,593	1,959
	378,385	38,143
Total Assets	$ 1,349,012	$ 899,477
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	$ 566	$ 1,298
Lease obligations, current	61,729	38,407
Current maturities of deferred franchise fees	142,035	162,285
Total current liabilities	204,330	201,990
Long-Term Liabilities:		
Lease obligations, net of current	308,299	-
Deferred franchise fees, net of current	545,392	752,259
Total long-term liabilities	853,691	752,259
Total Liabilities	1,058,021	954,249
Stockholders' Equity (Deficit):		
Common stock, $.001 par value; 100,000 shares authorized, 100,000 shares issued; 67,000 shares outstanding	100	100
Additional paid-in capital	87,978	87,978
Treasury stock	(90,000)	(90,000)
Retained earnings (accumulated deficit)	292,912	(52,851)
Total Stockholders' Equity (Deficit)	290,990	(54,773)
Total Liabilities and Stockholders' Equity (Deficit)	$ 1,349,012	$ 899,477

See accompanying notes to the financial statements.

SIT MEANS SIT FRANCHISE, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS (ACCUMULATED DEFICIT)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue	$ 1,526,475	$ 1,266,707
Cost of Revenue	128,033	168,588
Gross Profit	1,398,442	1,098,119
Operating Expenses:		
Advertising	227,661	104,088
Automobile	119,138	113,685
Bad debt	-	2,325
Bank charges	240	11,605
Depreciation	1,633	1,790
Education and training	23,149	13,860
Insurance	33,552	35,067
Office and miscellaneous	50,376	55,850
Professional fees	208,274	180,258
Rent	74,341	66,880
Repairs and maintenance	7,922	5,480
Taxes and licenses	672	73
Utilities	6,721	8,375
Total operating expenses	753,679	599,336
Net Income	644,763	498,783
Retained Earnings (Accumulated Deficit), Beginning of Year	(52,851)	248,366
Stockholder distributions	(299,000)	(800,000)
Retained Earnings (Accumulated Deficit), End of Year	$ 292,912	$ (52,851)

See accompanying notes to the financial statements.

SIT MEANS SIT FRANCHISE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Net income	$ 644,763	$ 498,783
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt	-	2,325
Depreciation	1,633	1,790
Amortization of intangible lease asset	(332,608)	39,803
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(85,670)	2,855
Due from related party	(113,174)	226,103
Prepaid expenses	-	3,675
Increase (decrease) in:		
Accounts payable	(732)	863
Deferred franchise fees	(227,117)	(32,618)
Lease obligations	331,621	(43,820)
Net cash provided by operating activities	211,082	699,759
Cash Flows From Financing Activities:		
Stockholder distributions	(299,000)	(800,000)
Net Change in Cash	(87,918)	(100,241)
Cash, Beginning of Year	153,885	254,125
Cash, End of Year	$ 65,967	$ 153,885

See accompanying notes to the financial statements.

NOTE 1 – NATURE OF THE BUSINESS

The Company was incorporated in the state of Nevada on January 20, 2009 and operates master franchise licenses for the Sit Means Sit brand and other franchise concepts throughout North America. The Sit Means Sit concept involves training techniques for pets, primarily dogs, to improve behavior and obedience.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sit Means Sit Franchise, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. The allowance for doubtful accounts is considered to be a significant estimate

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

The Company's receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements.

Accounts receivable are reported net of an allowance for credit losses. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

As of December 31, accounts receivable consisted of the following balances:

	2025	2024	2023
Accounts receivable	$ 137,818	$ 52,148	$ 57,328
Allowance for credit losses	(14,091)	(14,091)	(14,091)
	$ 123,727	$ 38,057	$ 43,237

Property and Equipment

The Company capitalizes significant expenditures for property and equipment at cost, generally those that exceed $5,000. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Franchisees are required to pay an initial franchise fee upon execution of a franchise agreement. Services provided in exchange for initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, deferred franchise fees consisted of the following:

	2025	2024	2023
Deferred franchise fees	$ 687,427	$ 914,544	$ 947,162
Less: current maturities	(142,035)	(162,285)	(149,535)
	$ 545,392	$ 752,259	$ 797,627

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2026	$ 142,035
2027	142,035
2028	125,535
2029	88,535
2030	65,800
Thereafter	123,487
	$ 687,427

As of December 31, revenue sources were as follows:

	2025	2024
Initial franchise fees	$ 294,617	$ 160,118
Royalties and other	1,231,858	1,106,589
	$ 1,526,475	$ 1,266,707

As of December 31, the timing and recognition of revenue was as follows:

	2025	2024
Services transferred at a point in time	$ 1,231,858	$ 1,106,589
Services transferred over time	294,617	160,118
	$ 1,526,475	$ 1,266,707

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

Advertising

The Company expenses advertising costs as incurred. Advertising for the years ended December 31, 2025 and 2024 was $227,661 and $104,088, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S-Corporation. The stockholders of an S-Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income tax has been included in the accompanying financial statements.

If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2025, there were no uncertain tax positions.

The Company is no longer subject to potential income tax examinations by tax authorities for years before 2022.

Reclassification

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. The accumulated deficit was unchanged due to these reclassifications.

NOTE 2 – PROPERTY AND EQUIPMENT

As of December 31, property and equipment consisted of the following:

	2025	2024
Equipment	$ 10,882	$ 10,882
Furniture and fixtures	3,134	3,134
Improvements	24,940	24,940
Vehicle	128,760	128,760
	167,716	167,716
Less: accumulated depreciation	(163,672)	(162,039)
	$ 4,044	$ 5,677

Depreciation expense for the years ended December 31, 2025 and 2024 was $1,633 and $1,790, respectively.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Company is obligated under a non-cancelable operating lease for its office facilities that expires in December 2030. The lease includes escalating payments ranging from $6,162 to $7,634 and has a remaining weighted average lease term of five years. Total rent expense for the operating lease for the years ended December 31, 2025 and 2024, is $49,665 and $45,116, respectively, which includes variable lease payments of $1,865 and $2,085, respectively, for common area maintenance, and is included on the accompanying statements of income and retained earnings (accumulated deficit) under the caption "rent".

As of December, 31, future minimum payments under non-cancelable leases are as follows:

2026	$	74,283
2027		78,369
2028		82,674
2029		87,230
2030		83,974
Less: interest		(36,502)
Present value of lease liabilities	$	370,028

Legal Matters

The Company is involved, from time to time, in some legal disputes incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not believe any disputes, either individually or in the aggregate, to which the Company is a party will have a material adverse effect on the Company's financial condition or results of operations.

NOTE 4 – RELATED PARTIES

From time to time the Company engages in transactions with Sit Means Sit, Inc. (SMSI) and Meow, LLC, entities related through common ownership.

During the years ended December 31, 2025 and 2024, the Company had shared expenses with SMSI for legal, seminar, advertising fees, pet expenses, and stockholder distributions paid by the Company in the amount of $501,825 and $886,647, respectively.

During the years ended December 31, 2025 and 2024, the Company paid lease payments for shared office space on behalf of Meow, LLC in the amount of $49,665 and $42,878, respectively (See NOTE 3). These amounts are included on the accompanying statements of income and accumulated deficit under the caption "rent".

During the years ended December 31, 2025 and 2024, the Company leased training space from one of its stockholders on a month to month basis in the amount of $24,676 and $24,002, respectively. These amounts are included on the accompanying statements of income and accumulated deficit under the caption "rent".

As of December 31, 2025 and 2024, the outstanding balance receivable from SMSI was $776,889 and $663,715, respectively. This balance is due on demand and bears no interest.

NOTE 5 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 30, 2026, the date which the financial statements were available to be issued.

SIT MEANS SIT FRANCHISE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

V|H VELEZ◆HARDY
CPAs and Advisors

SIT MEANS SIT FRANCHISE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

To the Stockholders and Management of
Sit Means Sit Franchise, Inc.

Opinion

We have audited the accompanying financial statements of Sit Means Sit Franchise, Inc. (a Nevada S Corporation), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income and retained earnings (accumulated 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 Sit Means Sit Franchise, Inc. 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 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 Sit Means Sit Franchise, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Sit Means Sit Franchise, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sit Means Sit Franchise, Inc.'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.



May 19, 2025
Las Vegas, Nevada

SIT MEANS SIT FRANCHISE, INC.
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Cash	$ 153,885	$ 254,125
Accounts receivable, net	38,057	43,237
Prepaid expenses	-	3,675
Due from related party	663,715	889,818
Total current assets	855,657	1,190,855
Property and Equipment, net	5,677	7,467
Other Assets:		
Intangible lease assets, net	36,184	75,987
Deposits	1,959	1,959
	38,143	77,946
Total Assets	$ 899,477	$ 1,276,268
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	$ 1,298	$ 435
Lease obligations, current	38,407	43,820
Current maturities of deferred franchise fees	162,285	149,535
Total current liabilities	201,990	193,790
Long-Term Liabilities:		
Lease obligations, net of current	-	38,407
Deferred franchise fees, net of current	752,259	797,627
Total long-term liabilities	752,259	836,034
Total Liabilities	954,249	1,029,824
Stockholders' Equity (Deficit):		
Common stock, $.001 par value; 100,000 shares authorized, 100,000 shares issued; 67,000 shares outstanding	100	100
Additional paid-in capital	87,978	87,978
Treasury stock	(90,000)	(90,000)
Retained earnings (accumulated deficit)	(52,851)	248,366
Total Stockholders' Equity (Deficit)	(54,773)	246,444
Total Liabilities and Stockholders' Equity (Deficit)	$ 899,477	$ 1,276,268

See accompanying notes to the financial statements.

SIT MEANS SIT FRANCHISE, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS (ACCUMULATED DEFICIT)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenue	$ 1,266,707	$ 1,237,007
Cost of Revenue	168,588	195,076
Gross Profit	1,098,119	1,041,931
Operating Expenses:		
Advertising	104,088	10,120
Automobile	113,685	124,048
Bad debt	2,325	26,591
Bank charges	11,605	360
Depreciation	1,790	2,388
Education and training	13,860	3,442
Insurance	35,067	37,070
Office and miscellaneous	55,850	20,975
Professional fees	180,258	139,941
Rent	66,880	70,747
Repairs and maintenance	5,480	7,963
Taxes and licenses	73	1,050
Utilities	8,375	8,487
Total operating expenses	599,336	453,182
Net Income	498,783	588,749
Retained Earnings (Accumulated Deficit), Beginning of Year	248,366	(340,383)
Stockholder distributions	(800,000)	-
Retained Earnings (Accumulated Deficit), End of Year	$ (52,851)	$ 248,366

See accompanying notes to the financial statements.

SIT MEANS SIT FRANCHISE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities:		
Net income	$ 498,783	$ 588,749
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Bad debt	2,325	26,591
Depreciation	1,790	2,388
Amortization of intangible lease asset	39,803	43,422
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,855	38,444
Due from related party	226,103	(889,818)
Prepaid expenses	3,675	(3,675)
Increase (decrease) in:		
Accounts payable	863	(1,788)
Deferred franchise fees	(32,618)	(107,619)
Lease obligations	(43,820)	(41,260)
Due to related party	-	(63,547)
Net cash provided by (used in) operating activities	699,759	(408,113)
Cash Flows From Financing Activities:		
Stockholder distributions	(800,000)	-
Net Change in Cash	(100,241)	(408,113)
Cash, Beginning of Year	254,125	662,238
Cash, End of Year	$ 153,885	$ 254,125

See accompanying notes to the financial statements.

NOTE 1 – NATURE OF THE BUSINESS

The Company was incorporated in the state of Nevada on January 20, 2009 and operates master franchise licenses for the Sit Means Sit brand and other franchise concepts throughout North America. The Sit Means Sit concept involves training techniques for pets, primarily dogs, to improve behavior and obedience.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sit Means Sit Franchise, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. The allowance for doubtful accounts is considered to be a significant estimate

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

The Company's receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements.

Accounts receivable are reported net of an allowance for credit losses. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

As of December 31, accounts receivable consisted of the following balances:

	2024	2023	2022
Accounts receivable	$ 52,148	$ 57,328	$ 108,272
Allowance for credit losses	(14,091)	(14,091)	-
	$ 38,057	$ 43,237	$ 108,272

Property and Equipment

The Company capitalizes significant expenditures for property and equipment at cost, generally those that exceed $5,000. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Franchisees are required to pay an initial franchise fee upon execution of a franchise agreement. Services provided in exchange for initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, deferred franchise fees consisted of the following:

	2024	2023	2022
Deferred franchise fees	$ 914,544	$ 947,162	$ 1,054,781
Less: current maturities	(162,285)	(149,535)	(145,785)
	$ 752,259	$ 797,627	$ 908,996

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2025	$ 162,285
2026	162,285
2027	162,285
2028	141,285
2029	101,785
Thereafter	184,619
	$ 914,544

As of December 31, revenue sources were as follows:

	2024	2023
Initial franchise fees	$ 160,118	$ 170,119
Royalties and other	1,106,589	1,066,888
	$ 1,266,707	$ 1,237,007

As of December 31, the timing and recognition of revenue was as follows:

	2024	2023
Services transferred at a point in time	$ 1,106,589	$ 1,066,888
Services transferred over time	160,118	170,119
	$ 1,266,707	$ 1,237,007

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

Advertising

The Company expenses advertising costs as incurred. Advertising for the years ended December 31, 2024 and 2023 was $104,088 and $10,120, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S-Corporation. The stockholders of an S-Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income tax has been included in the accompanying financial statements.

If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2024, there were no uncertain tax positions.

The Company is no longer subject to potential income tax examinations by tax authorities for years before 2021.

Reclassification

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. The accumulated deficit was unchanged due to these reclassifications.

NOTE 2 – PROPERTY AND EQUIPMENT

As of December 31, property and equipment consisted of the following:

	2024	2023
Equipment	$ 10,882	$ 10,882
Furniture and fixtures	3,134	3,134
Improvements	24,940	24,940
Vehicle	128,760	128,760
	167,716	167,716
Less: accumulated depreciation	(162,039)	(160,249)
	$ 5,677	$ 7,467

Depreciation expense for the years ended December 31, 2024 and 2023 was $1,790 and $2,388, respectively.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Company is obligated under a non-cancelable operating lease for its office facilities that expires in October 2025. The lease includes escalating payments ranging from $3,500 to $3,859 and has a remaining weighted average lease term of three years. Total rent expense for the operating lease for the years ended December 31, 2024 and 2023, is $45,116 and $44,150, respectively, which includes variable lease payments of $2,085 and $1,750, respectively, for common area maintenance, and is included on the accompanying statements of income and retained earnings (accumulated deficit) under the caption "rent".

As of December, 31, future minimum payments under non-cancelable leases are as follows:

2025	$	38,590
Less: interest		(183)
Present value of lease liabilities	$	38,407

Legal Matters

The Company is involved, from time to time, in some legal disputes incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not believe any disputes, either individually or in the aggregate, to which the Company is a party will have a material adverse effect on the Company's financial condition or results of operations.

NOTE 4 – RELATED PARTIES

From time to time the Company engages in transactions with Sit Means Sit, Inc. (SMSI) and Meow, LLC, entities related through common ownership.

During the years ended December 31, 2024 and 2023, the Company had shared expenses with SMSI for legal, seminar, advertising fees, and stockholder distributions paid by the Company in the amount of $886,647 and $246,635, respectively.

During the years ended December 31, 2024 and 2023, the Company paid lease payments for shared office space on behalf of Meow, LLC in the amount of $42,878 and $47,775, respectively (See NOTE 3). These amounts are included on the accompanying statements of income and accumulated deficit under the caption "rent".

During the years ended December 31, 2024 and 2023, the Company leased training space from one of its stockholders on a month to month basis in the amount of $24,002 and $24,486, respectively. These amounts are included on the accompanying statements of income and accumulated deficit under the caption "rent".

As of December 31, 2024 and 2023, the outstanding balance receivable from SMSI was $663,715 and $889,818, respectively. This balance is due on demand and bears no interest.

NOTE 5 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 19, 2025, the date which the financial statements were available to be issued.

Exhibit H

State Administrators
And
Agents for Service of Process

STATE REGULATORY AGENCIES
AND ADMINISTRATORS

1. California:

   Commissioner of Financial Protection and Innovation
   2101 Arena Boulevard
   Sacramento, CA 95834
   Telephone: (866) 275-2677

2. Hawaii:

   Department of Commerce & Consumer Affairs
   P.O. Box 40
   Honolulu, Hawaii 96810
   Telephone: (808) 586-2722

3. Illinois:

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

4. Indiana:

   Securities Commissioner
   Securities Division
   302 West Washington Street, Room E111
   Indianapolis, Indiana 46204
   Telephone: (317) 232-6681

5. Maryland:

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

6. Michigan:

   Consumer Protection Division
   Antitrust and Franchise Unit
   600 Law Building
   Lansing, Michigan 48913
   Telephone: (517) 373-7117

7. Minnesota:

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
Telephone: (651) 539-1500

8. New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl
New York, NY 10005
(212) 416-8222 Phone

9. North Dakota:

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 5th Floor, Dept. 414
Bismarck, North Dakota 58505-0510
Telephone: (701) 328-4712

10. Rhode Island:

State of Rhode Island and Providence Plantations
Department of Business Regulation
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

11. South Dakota:

Department of Labor and Regulation
Division of Securities
124 South Euclid Suite 104
Pierre, SD 57501

12. Virginia:

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

13. Washington:

Administrator
Securities Division
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8760

14. Wisconsin:

Department of Financial Institutions
Division of Securities, 4th Floor
345 W. Washington Avenue
Madison, Wisconsin 53703
Telephone: (608) 266-3431

SIT MEANS SIT FRANCHISE, INC.
AGENTS FOR SERVICE OF PROCESS

1. California:

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

2. Hawaii:

   Hawaii Commissioner of Securities
   Business Registration Division
   Securities Compliance Branch
   335 Merchant Street, Room 203
   Honolulu, Hawaii 96813

3. Illinois:

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

4. Indiana:

   Indiana Secretary of State
   201 State House
   200 West Washington Street
   Indianapolis, Indiana 46204
   Telephone: (317) 232-6531

5. Maryland:

   Securities Commissioner
   Securities Division
   200 St. Paul Place
   Baltimore, Maryland 21202-2020

6. Michigan:

   Michigan Department of Commerce
   Corporation and Securities Bureau
   P.O. Box 3022
   6546 Mercantile Way
   Lansing, Michigan 48823

7. Minnesota:

   Commissioner of Commerce
   85 7th Place East, Suite 500
   St. Paul, Minnesota 55101-2198

8. New York:

   Secretary of State
   99 Washington Avenue
   Albany, NY 12231-0001

9. North Dakota:

   Securities Commissioner
   North Dakota Securities Department
   600 East Boulevard Avenue
   State Capitol, 5th Floor, Dept. 414
   Bismarck, North Dakota 58505-0510
   Telephone: (701) 328-4712

10. Rhode Island:

    State of Rhode Island and Providence Plantations
    Department of Business Regulation
    1511 Pontiac Avenue, Bldg. 69-1
    Cranston, Rhode Island 02920

11. South Dakota:

    Department of Labor and Regulation
    Division of Securities
    124 S. Euclid, Suite 104
    Pierre, SD 57501

12. Virginia:

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

13. Washington:

    Securities Administrator
    150 Israel Rd SW
    Tumwater, WA 98501

14. Wisconsin:

    Commissioner of Securities
    101 East Wilson Street, 4th Floor
    Madison, Wisconsin 53702

Exhibit I

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Exhibit J-1

State-Specific Addendum to the Franchise Disclosure Document, Franchise Agreement, Compliance Questionnaire, and Related Agreements

SIT MEANS SIT FRANCHISE, INC.

MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, COMPLIANCE QUESTIONNAIRE, AND RELATED AGREEMENTS

The following modifications are made to the Sit Means Sit Franchise, Inc. ("Sit Means Sit," "us," "we," or "our") Franchise Disclosure Document ("FDD") given to Franchisee ("Franchisee," "you," or "your") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____.

Depending on the law in your state, the provisions of this State-Specific Addendum ("**State Addendum**") may apply to modify the Franchise Disclosure Document that was given to you, as well as the Franchise Agreement, and any applicable Addenda, Exhibits, Appendices, or mutually-agreed modifications thereto. For purposes of the State Addendum, the "**Sit Means Sit's Choice of Law State**" is Nevada and "**Supplemental Documents**" mean: (1) the Compliance Questionnaire (Addendum D to the Franchise Agreement); (2) the Franchise Deposit Acknowledgment (Addendum E to the Franchise Agreement); and (3) the Trade Area Reservation Agreement (Exhibit K). In the event of any inconsistency between the provisions of the Franchise Agreement, FDD, or Supplemental Documents and this Addendum, the terms of this State Addendum shall control.

CALIFORNIA

See California addendum to the Franchise Disclosure Document, which is attached as Exhibit J-2.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

Neither Sit Means Sit nor any other person listed in Item 2 of the Franchise 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 such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Supplemental Documents contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Documents may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31505). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

California Corporations Code section 31125 requires the Sit Means Sit to give the Franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

Neither Sit Means Sit, nor any person in Item 2 of the 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. 78(a) et seq., suspending or expelling these persons from membership in this association or exchange.

The Franchise Agreement contains, and if applicable, the Supplemental Documents may contain, a covenant not to compete provision which extends beyond the termination of the franchise. Such provisions may not be enforceable under California law.

Under California civil code section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Documents may not be enforceable.

The Franchise Agreement contains, and if applicable, the Supplemental Documents may contain, provisions requiring binding arbitration. The arbitration will occur at Sit Means Sit's Choice of Law State. 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 or Supplemental Documents restricting venue to a form outside the State Of California.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The General Release contained in the Supplemental Documents is hereby modified as follows:

> With respect to those claims being released pursuant to this Release, Franchisee, for itself and themselves, and on behalf of each of the constituents identified in this Release, acknowledge that it is releasing unknown claims and waives all rights it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. Franchisee acknowledges that this general release extends to claims which Franchisee does not know or suspect to exist in favor of Franchisee at the time of executing this Release Agreement, which if known by Franchisee may have materially affected its or their decision to enter into this Release. It is understood by Franchisee that the facts in respect of which this Release is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. Franchisee, therefore, expressly assumes the risk of the facts turning out to be so different and agrees that this Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts.
>
> Franchisee, for itself and themselves, and on behalf of its Constituents, acknowledge that it is familiar with Section 1542 of the California Civil Code, which reads as follows:
>
> > A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Franchise Agreement requires mediation. The mediation will occur at Las Vegas, Nevada. The fees and expenses of the mediator will be shared equally by the parties.

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 dfpi.ca.gov.

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows:

> The parties agree that they will use the declining-balance depreciation method to calculate the value of your inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by Sit Means Sit under Section 20022. The purchase price by Sit Means Sit for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.
>
> The parties agree that for the purposes of Section 20022, Franchisee is not able to provide to Sit Means Sit "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b) blanket security interest; c) right of first refusal; d) lien by franchisee's landlord; or e) tax lien.
>
> The parties agree that for the purposes of Section 20022(h), Sit Means Sit's right of offset will include the following amounts owed by Franchisee to Sit Means Sit or its Affiliates: a) Royalty Fees; b) Liquidated Damages; c) Transfer Fees; d) fees owed for the purchase of products; and e) any other type of fee owed by Franchisee to Sit Means Sit or its Affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

> "Fair market value of the franchise assets" means the value of your Assets, valued according to the declining-balance method of depreciation. The purchase price by Sit Means Sit for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.
>
> "Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by Franchisee to Sit Means Sit within the 12-month period immediately before Sit Means Sit's termination or failure to renew Franchisee in violation of the California Franchise Relations Act.

Item 5 of the Franchise Disclosure Document and Section 5.1 of the Franchise Agreement are amended as follows: 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."

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.

CONNECTICUT

The following statement is added to the cover page of the Franchise Disclosure Document:

> **The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

The following statement is added to Item 3 of the Franchise Disclosure Document:

There are no pending or completed actions against us relating to Securities Laws; Business Opportunity Laws; Actions Brought by Present or Former Purchaser-Investors Involving Franchise; or Business Opportunity Relationships that are required to be disclosed in this Disclosure Document.

The FDD and Franchise Agreement are hereby modified to state that, if we require you to purchase products, equipment or supplies from us but fail to provide those products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the required opening date stated in your contract, you may notify us in writing and demand that the contract be canceled.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS 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 YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE 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 US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

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

ILLINOIS

Item 5 of the Franchise Disclosure Document, and Section 5.1 of the Franchise Agreement, are hereby amended to state that the Initial Fee will be due and payable when we have completed our initial obligations to you and your Business has begun operating. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State.

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.

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Illinois law governs the franchise agreement(s).

FRANCHISOR RESERVES THE RIGHT TO SOLICIT, SELL, AND SERVICE "NATIONAL ACCOUNTS" WITHIN YOUR TRADE AREA / TERRITORY.

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.

INDIANA

Item 17 of the Franchise Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in ITEM 17.r. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

> No competing business for two (2) years within the Protected Territory.

The "Summary" column in ITEM 17.t. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

> Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in ITEM 17.v. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

> Litigation regarding Franchise Agreement in Indiana; other litigation in the Sit Means Sit's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Sit Means Sit and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Sit Means Sit and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in ITEM 17.w. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

> Indiana law applies to disputes covered by Indiana franchise laws; otherwise Sit Means Sit's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Franchise Agreement, or the law of Sit Means Sit's Choice of Law State, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

<u>No Limitation on Litigation</u>. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the

Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

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

FOR THE STATE OF IOWA

Any provision in the Franchise Agreement, Supplemental Documents, or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Alfredo Rivera at 6295 McLeod Drive #12, Las Vegas, Nevada 89120, (702) 877-4581, or send him an email at alfredositmeanssit@gmail.com, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

The Franchise Disclosure Document, Franchise Agreement, Trade Area Reservation Agreement, and Supplemental Documents are amended as stated below. "Supplemental Documents" means: the Franchise Deposit Acknowledgment; the Compliance Questionnaire, and, if applicable, the Trade Area Reservation Agreement (Exhibit K).

Based upon 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 the franchisor completes its pre-opening obligations under the Franchise Agreement.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, will not apply to liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement and Trade Area Reservation Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. The general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 *et seq.*).

The Franchise Agreement, Trade Area Reservation Agreement, Franchise Deposit Acknowledgment, and the Compliance Questionnaire are amended to state: "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."

Section 22.1 of the Franchise Agreement is hereby deleted and will not apply to Maryland franchisees.

Section 22.4 of the Franchise Agreement is amended for to delete the following statement: "No officer or employee or agent of ours have any authority to make any representation or promise not contained in this Agreement or any related agreements, or in the franchise disclosure document delivered to you, and you agree that you have executed this Agreement without reliance upon any such representation or promise

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.

FRANCHISOR:	**FRANCHISEE:**
SIT MEANS SIT FRANCHISE, INC.	_____
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) you are 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise.

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

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

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

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

(ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the

market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J. prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any

third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the Franchise Disclosure Document and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your franchise, are hereby deleted from the Franchise and Area Development Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

9. Insufficient funds (NSF) checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges. Item 6 of the FDD and Section 5.10 of the Agreement are amended accordingly.

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

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
>
> D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of 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.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

> You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise 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.

7. Receipts – Any sale must be made in compliance with §638(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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

ATTEST SIT MEANS SIT FRANCHISE, INC.

_____	By:_____
Witness Name:	Name:_____
	Title:_____
	Franchisee:
Witness:_____	_____

NORTH DAKOTA

Item 17(c) of the Franchise Disclosure Document, Section 3.4.5 of the Franchise Agreement, and Exhibit B are deleted to the extent that they require you to sign a general release as a condition of renewal of the Franchise Agreement.

Item 17(i) of the Franchise Disclosure Document and Section 16.2 of the Franchise Agreement are deleted to the extent that they require you to consent to liquidated damages in the event the Franchise Agreement is terminated prior to its expiration.

Item 17(r) of the Franchise Disclosure Document, Section 13.1 of the Franchise Agreement, and Exhibit D-1 disclose the existence of certain covenants restricting competition to which you must agree. Such covenants may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

Item 17(u) of the Franchise Disclosure Document and Section 20 of the Franchise Agreement state that you must agree to the arbitration or mediation of disputes in Las Vegas, Nevada. These provisions are amended to state that the site of arbitration or mediation must be agreeable to all parties and may not be remote from your place of business.

Item 17(v) of the Franchise Disclosure Document and Section 20.3 of the Franchise Agreement state that you must consent to the jurisdiction of courts in Las Vegas, Nevada. Section 20.3 is deleted in its entirety, and Item 17(v) of the Franchise Disclosure Document is amended accordingly.

Item 17(w) of the Franchise Disclosure Document and Section 21.6 of the Franchise Agreement state that the Franchise Agreement must be construed according to the laws of the state of Nevada. Section 21.6 is deleted in its entirety.

Section 20.4 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. Section 20.4 is deleted in its entirety.

Section 20.6 of the Franchise Agreement requires you to consent to a waiver of exemplary and punitive damages. Section 20.6 is deleted in its entirety.

Section 20.3 of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The provision is amended to read the statute of limitations under North Dakota Law will apply.

Item 5 of the Franchise Disclosure Document, the Franchise Agreement, the Franchise Deposit Acknowledgment, and the Trade Area Reservation Agreement are each amended to add the following language: "Based upon the franchisor's financial condition, North Dakota has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments due under the trade reservation agreement shall be deferred until the first franchise under the trade reservation opens."

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.

FOR THE STATE OF OHIO:

The following language will be added to the Franchise Agreement:

> You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

_____ **FRANCHISEE: INITIAL HERE**

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Alfredo Rivera at 6295 McLeod Drive #12, Las Vegas, Nevada 89120, (702) 877-4581, or send him an email at alfredositmeanssit@gmail.com, not later than midnight of the fifth business day after the day you sign the Agreement.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Franchise Disclosure

Document, the Franchise Agreement, and the Supplemental Documents are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Sit Means Sit and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Documents, including all choice of law provisions, are fully enforceable. The Sit Means Sit and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Documents, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

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

VIRGINIA

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 Sit Means Sit to use undue influence to induce a Franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Documents involve the use of undue influence by the Sit Means Sit to induce a franchisee to surrender any rights given to Franchisee under the franchise, that provision may not be enforceable."
>
> "Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in 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."

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.

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WASHINGTON

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 RCW 19.100.220(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

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee 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.

Section 12 of the Trade Area Reservation Agreement (TARA) does not apply in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR:	**FRANCHISEE:**
SIT MEANS SIT FRANCHISE, INC.	_____
By:_____	By:_____
Title:_____	Title:_____

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Documents are amended accordingly.

DATED this _____ day of _____, 202__.

FRANCHISOR:	**FRANCHISEE:**
SIT MEANS SIT FRANCHISE, INC.	_____
By:_____	By:_____
Title:_____	Title:_____

Exhibit J-2

California Addendum to the Franchise Disclosure Document

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

California Corporations Code section 31125 requires Sit Means Sit to give the Franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

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 OFFERING CIRCULAR AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

OUR WEBSITE, www.sitmeanssit.com, 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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither Sit Means Sit nor any other person listed in Item 2 of the Franchise 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 such persons from membership in such association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

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%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

4. The Franchise Agreement and Supplemental Documents may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

5. The Franchise Agreement contains, and if applicable, the Supplemental Documents may contain, a covenant not to compete provision which extends beyond the termination of the franchise. Such provisions may not be enforceable under California law.

6. The Franchise Agreement contains, and if applicable, the Supplemental Documents may contain, provisions requiring binding arbitration. The arbitration will occur at Sit Means Sit's Choice of Law State (currently Las Vegas, Nevada). 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 or Supplemental Documents restricting venue to a form outside the State Of California.

7. The Franchise Agreement requires application of the laws of Sit Means Sit's Choice of Law State (Nevada). This provision may not be enforceable under California law.

8. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Supplemental Documents contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

9. Under California civil code section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Documents may not be enforceable.

10. The Franchise Agreement requires mediation. The mediation will occur at Las Vegas, Nevada. The fees and expenses of the mediator will be shared equally by the parties.

11. Item 5 of the Franchise Disclosure Document and Section 5.1 of the Franchise Agreement are amended as follows: 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."

12. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d)Violations of any provision of this division.

13. 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.

Exhibit K
Trade Area Reservation Agreement

TRADE AREA RESERVATION AGREEMENT

This Trade Area Reservation Agreement ("**Agreement**") is made between **Sit Means Sit Franchise, Inc.** ("**us**") and **_____ ("you") is made and entered into _____.**

1. **General Description of Agreement**. This Agreement sets out the terms and the conditions under which we will hold a Trade Area open for you, and under which you will be eligible to apply for the right to establish in the Trade Area a Sit Means Sit® franchise (each, a "**Business**").

a. If we approve you to establish a new Business or Businesses as described below, then you and we will enter into a Franchise Agreement for that Business, the form of which will be our then-current form Franchise Agreement then being offered to new Sit Means Sit® franchisees in the U.S. (this form of Franchise Agreement is referred to in this Agreement as the "**Franchise Agreement**").

b. You must pay all then-current fees due under each Franchise Agreement including, without limitation, the royalty fees and advertising fees.

c. Notwithstanding the foregoing, you and we agree that the initial franchise fee you owe us for each Trade Area is our current initial franchise fee in place at the time you and we sign this agreement, minus any applicable credit that we give to you. The amount of our current initial franchise fee depends on the number of Businesses you already own and operate with us, and is described in Item 5 of our Franchise Disclosure Document (a copy of which you received before executing this Agreement).

d. You acknowledge and represent to us that you understand that this Agreement is not a Franchise Agreement, and that you have no right to open a Business under this Agreement. You will be permitted to open a Business or Businesses only if: (a) we approve you to do so; (b) you and we sign a Franchise Agreement or Franchise Agreements; and (c) you pay us all applicable initial fees that are due under the Franchise Agreement or Franchise Agreements.

2. **Trade Area(s); Commencement Deadline**. The area or areas covered under this Agreement is/are referred to as the "**Trade Area**" or "**Trade Areas.**" The specific Trade Areas are attached as **Exhibit A**. You must begin operating your Business for each Trade Area no later than one (1) year from the Effective Date (the "**Commencement Deadline**"). You are not required under this Agreement to develop any Businesses before the Commencement Deadline, but if you do not meet the Commencement Deadline for any reason (and you do not extend the Commencement Deadline as described in Section 6 below), then this Agreement (including but not limited to the provisions of Section 5 below) will terminate, as described below.

Trade Area Number	Trade Area Description

3. **Trade Area Reservation Deposit**. At the time of signing this Agreement, you must pay us a non-refundable Trade Area Reservation Deposit of five thousand dollars ($5,000) for each Trade Area that you reserve. This amount is fully-earned by us when we sign this Agreement. This Trade Area Reservation Deposit will be applied towards the initial franchise fee that you must pay us under each Franchise Agreement.

4. **Term**. The term of this Agreement starts on the date when we sign it below (the "**Effective Date**") and ends on the day after the Commencement Deadline (the "**Term**"), unless this Agreement is sooner terminated.

5. **Our Promise Concerning the Trade Area**. During the Term, so long as you satisfy the Commencement Deadline, we will not conduct, or license others the right to conduct, dog training classes under the Sit Means Sit® trademarks (the "**Marks**") within each of the Trade Areas identified in this Agreement. You acknowledge, however, that we may, directly or indirectly, engage in any of the activities defined in Section 2.3.2 of the Franchise Agreement. Our current Franchise Agreement is attached as **Exhibit B**. We may conduct (or license to others the right to conduct) dog training classes under the Marks at locations within an area abutting the Trade Area border.

6. **Extension of Commencement Deadline**. If you have not yet begun operating a Business in an applicable Trade Area at the end of the Commencement Deadline, we will permit you to extend the Commencement Deadline for that Trade Area **once, and only once,** for a period of one (1) year.

a. To exercise this option, you must pay us fifty percent (50%) of the initial franchise fee that is due and owing for the applicable Trade Area before the Commencement Deadline. That amount will be credited towards the initial franchise fee you owe for that Trade Area.

b. If you have reserved multiple Trade Areas under this Agreement, you must pay the amount stated in Section 6.a for each such Trade Area for which you wish to extend the Commencement Deadline.

c. Our written acknowledgement that we have received your payment of the amount stated in Section 6.a will serve to automatically extend the Commencement Deadline for one (1) additional year, making the new Commencement Deadline two (2) years from the Effective Date.

If you fail to exercise this option to extend the Commencement Deadline by paying us the applicable fee before the Commencement Deadline that you want to extend, then this Agreement will automatically terminate as described in Section 4.

7. **Provisions from the Franchise Agreement that Also Apply Here**. You and we agree that the provisions of the following sections of our current form of Franchise Agreement (attached as **Exhibit B**) are incorporated by reference into this Agreement and also apply to this Agreement, except that reference to the "Franchisee" in those provisions will refer to you under this Agreement, and any reference to "Sit Means Sit" in those provisions will refer to us:

Article 13	Covenants Regarding Other Business Interests
Article 15	Default and Termination
Article 18	Relationship of Parties
Article 20	Mediation; Waiver of Jury Trial; Venue
Article 21	Miscellaneous Provisions

8. **No Transfers**. We may transfer this Agreement to anyone without your consent. You understand and acknowledge that the rights and duties contained in this Agreement are personal to you, and that we have provided to you this Trade Area Reservation Agreement in reliance on your business skill and experience, financial capacity, and personal character (or, if you are a legal entity, on that of your owners). Accordingly, you understand and agree that: (a) this Trade Area Reservation Agreement is not transferable (including but not limited to sales, assignments, pledges, or other encumbrances); and (b) if you are an entity, you also may not transfer, sell, pledge or otherwise assign (or permit the assignment of) any direct or indirect ownership in you.

9. **Defaults**. In addition to the provisions cross-referenced in Section 7 above and otherwise in this Agreement, you will be in default under this Agreement if any other agreement between you (and/or your affiliates) and us (and/or our affiliates) is terminated. If you are in default under this Agreement or if you do not

meet the Commencement Deadline, we will have the right to terminate this Agreement by giving you written notice of termination, which will take effect immediately (unless otherwise required under Applicable Law).

10. **Entire Agreement and Amendment**. This Agreement, together with the provisions of the Franchise Agreement that are referenced in this Agreement and/or incorporated by reference in this Agreement, together, constitute the entire fully integrated agreement between you and us, and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement will disclaim or require you to waive reliance on any representation that we made in the Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by us, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to in writing by you and us, and executed by your and our authorized officers or agents.

11. **Indemnity for Violations of this Agreement**. You agree to defend, indemnify, and hold harmless us, our affiliates, and our and their respective officers, directors, employees, and agents from and against any and all losses, damages, liabilities, costs, and expenses (including but not limited to reasonable attorney fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by you to perform and obligation under this Agreement. Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party's gross negligence, willful misconduct, strict liability, or fraud.

12. **The Franchise Agreement**. You acknowledge that you have read the Franchise Agreement attached to this Agreement as **Exhibit B**, including but not limited to the provisions of the Franchise Agreement that are referenced (and/or incorporated by reference) into this Agreement.

If you are in agreement with the terms of this letter agreement, then please sign below where indicated, and initial on the bottom of the exhibit pages as indicated, and return it to us. This Agreement will be automatically withdrawn if not signed and returned to us within thirty (30) days of the date of this letter.

"Us"
SIT MEANS SIT FRANCHISE, INC.

By: _____
Name: _____
Its: _____
Date: _____

"You"
_____

By: _____
Name: _____
Its: _____
Date: _____

EXHIBIT A
Description of Reserved Trade Areas

EXHIBIT B
Form of Current Franchise Agreement

Exhibit L
Renewal Addendum

ADDENDUM TO RENEWAL FRANCHISE AGREEMENT

This Addendum ("**Addendum**") to the Franchise Agreement (defined below) is dated _____ and is between **Sit Means Sit Franchise, Inc.** ("**SMS**"), _____("**Franchisee**").

RECITALS

A. SMS and Franchisee entered into a Franchise Agreement dated _____ for a business operating within a Trade Area consisting of the area within ZIP codes _____ _____ (the "**Expiring Agreement**").

B. Simultaneously with signing this Addendum, SMS and Franchisee are signing new, successor franchise agreement to the Expiring Agreement (the "**New Agreement**").

C. Because Franchisee is renewing its relationship with SMS through the New Agreement, certain provisions in the New Agreement will not apply to Franchisee.

D. This Addendum is to clarify those provisions of the New Agreement that will not apply to Franchisee, as well as the special terms that will apply only to Franchisee.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties and subject to the following terms and conditions, the parties agree to amend the Agreement as follows:

AGREEMENT

1. **Recitals; Definitions**. The parties agree that the Recitals are accurate and are incorporated into this Addendum. All capitalized terms not otherwise defined herein refer to the definitions set forth in the Agreement.

2. **Commencement of Business**. Section 4.4 of the New Agreement is hereby deleted.

3. **Initial Fee**. Section 5.1 of the New Agreement is hereby deleted.

4. **Initial Training Program**. SMS waives the requirement that Franchisee's Authorized Trainer attend the Initial Training Program.

5. **Addendum Binding**. This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

6. **No Further Changes**. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the New Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the New Agreement and this Addendum, the terms of this Addendum shall control.

IN WITNESS WHEREOF, SMS, Franchisee, and Owners have executed this Addendum as of the dates appearing below.

Sit Means Sit Franchise, Inc.	**FRANCHISEE: _____**
By: _____	**By: _____**
Print Name: Alfredo Rivera	**Print Name: _____**
Its: President	**Its: _____**
Date:_____	**Date: _____**

Exhibit M
State Effective Dates and Receipts

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	Pending
Illinois	Pending
Indiana	August 18, 2025
Maryland	Pending
Michigan	April 7, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	July 2, 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.

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 Sit Means Sit Franchise, Inc. 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. Under Iowa or New York law, if applicable, Sit Means Sit Franchise, Inc. must provide this disclosure document to you at the earlier of your 1st 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. Michigan requires Sit Means Sit Franchise, Inc. to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Sit Means Sit Franchise, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit H.

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

Fred Hassen and Alfredo Rivera, 6295 McLeod Drive #12, Las Vegas, Nevada 89120, (702) 877-4581, and Craig Tanner, Lead PPC, 1641 E 130 N, Spanish Fork, UT 84660, (833) LEAD-PPC. We insert the name and address of other franchise seller below (we attach additional pages if necessary):

_____

See Exhibit H for our registered agents authorized to receive service of process.

I have received a disclosure document with an issuance date of June 19, 2026 (the issuance date of this FDD is not the effective date, for registration state effective dates see State Effective page at the beginning of this Disclosure Document) that included the following Exhibits:

Exhibits

A. FRANCHISE AGREEMENT
B. FORM OF GENERAL RELEASE
C. OWNER AGREEMENT
D. CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
E. CONFIDENTIALITY AGREEMENT
F. FRANCHISEE INFORMATION
G. FINANCIAL STATEMENTS
H. STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
I. MANUAL TABLE OF CONTENTS
J. STATE SPECIFIC ADDENDUM
K. TRADE AREA RESERVATION AGMT.
L. RENEWAL ADDENDUM
M. STATE EFFECTIVE DATES; RECEIPTS

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Alfredo Rivera at 6295 McLeod Drive #12, Las Vegas, Nevada 89120, or at alfredo@sitmeanssit.com.

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