

FRANCHISE DISCLOSURE DOCUMENT



Waggles Puppies Franchising, LLC
A Delaware limited liability company
2686 Tamiami Trail, Ste 3A
Port Charlotte, FL 33952
941-249-8851
franchise@wagglespuppies.com

As a Waggles franchisee, you will own a retail store that specializes in the sale of puppies.

The total investment necessary to begin operation of a Waggles franchise is \$340,950 to \$677,500. This includes \$50,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation under a three-unit Multi-Unit Development Agreement (including the first unit) is \$390,950 to \$727,500. This includes \$100,000 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Ted Bell at 2686 Tamiami Trail, Ste 3A, Port Charlotte, FL 33952 and 941-249-8851.

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

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

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

Issuance date: November 9, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Waggles business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Waggles franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

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

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

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

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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Exhibits

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

State Effective Dates

Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

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

Us, Any Parents, and Certain Affiliates

Our name is Waggles Puppies Franchising, LLC. Our principal business address is 2686 Tamiami Trail, Ste 3A, Port Charlotte, FL 33952. Our parent entity is WP Holdings Group LLC, a Delaware limited liability company. Its address is the same as ours. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names “Waggles Puppies Franchising, LLC” and “Waggles”. We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Delaware is Paracorp Incorporated, 2140 S. Dupont Highway, Camden, DE 19934. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a Delaware limited liability company. We were formed on February 21, 2023.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a retail business specializing in the sale of puppies under the trade name “Waggles”.

If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will develop multiple Waggles outlets, on an agreed-upon schedule. For each

future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

The general market for puppies is highly developed. Our customers are families and individuals that desire to purchase a puppy from a convenient and reputable source. Sales are not seasonal.

You will compete against other sellers of puppies, which include chain stores and independent stores, dog breeders that sell directly to consumers, and pet rescue/adoption services. Some competitor stores will be significantly larger in size and have other services and products. Some retail competitors are franchised.

Laws and Regulations

In order to sell puppies, you will typically be required to obtain a pet dealer license by your state, county, or local government. You will need to comply with state and local laws applicable to the commercial sale of dogs, including requirements for animal protection and care, health and safety, veterinary inspections, record-keeping, reporting, and disclosures to consumers. Some localities limit the number of animals on the premises.

Some states have “puppy lemon laws” that apply if a pet dealer sells a consumer a pet that suffers from an illness, deadly disease, or congenital defects that could adversely affect the pet's health, unless the dealers provides appropriate notice to the consumer at the point of the sale.

Some cities, counties, and other jurisdictions have entirely banned sales of dogs by retail stores.

You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business.

Prior Business Experience

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

Our affiliate Osceola Puppies LLC has operated Waggles in Port Charlotte, Florida since its opening in March, 2022. This affiliate has the same business address as us.

Our affiliate Bell Pet Company LLC has operated “Pet Zone” in Amsterdam, New York, since April 2006. This business sells puppies and other pets as well as pet products. There are currently four Pet Zone locations in New York.

Item 2
BUSINESS EXPERIENCE

Ted Bell – Chief Executive Officer. Ted Bell has been our Chief Executive Officer in Port Charlotte, Florida, since our formation in February 2023. He has been Chief Executive Officer of Osceola Puppies LLC (which owns the first Waggles Pets retail store) in Port Charlotte, Florida, since its formation January 2021. He has been President of Bell Pet Company LLC in Amsterdam, New York, since April 2006.

Tim Kowalzyk – Director of Operations. Tim Kowalzyk has been our Director of Operations in Amsterdam, New York, since April 2023. He has been Director of Operations for Bell Pet Company LLC in Amsterdam, New York since October 2021. He was Service Manager for Northway Toyota in Latham NY from July 2020 to October 2021, Assistant Service Manager for Saratoga Honda in Saratoga NY from November 2019 to July 2020, and Territory Sales Representative for Deposit Control Systems in Colonie NY from August 2018 to November 2019.

Item 3
LITIGATION

State of New York v. Bell Pet Company, LLC, Theodore Bell and Sheila Bell, Supreme Court of the State of New York Jefferson County, Index No. EF00002018-1155, RJI No. 22-18-0458, January [], 2023. The respondents (who include Ted Bell, who is one of our owners and our Chief Executive Officer) were alleged to have engaged in fraudulent, deceptive and illegal acts and practices related to the sale of pets. On January 25, 2019, the Court found that the respondents use of a particular PetKey system and failing to include the antibiotics in that system had “the capacity or tendency to deceive or create an atmosphere conducive to fraud” in violation of New York Executive Law § 63(12). New York Supreme Court of New York State alleged violations of New York General Business Law 22-A. In January 2023, the court ordered respondents to (1) post and provide information to pet buyers a particular notice of consumer protections under General Business Law §753 (commonly referred the Pet Lemon Law), (2) implement an employee training program regarding the provisions of the GBL §753, (3) comply with all provisions of GBL §753, (4) disclose all “add-on” services and products ancillary to the purchase of the pet, such as PetKey, (5) establish a fund of \$50,000 for 12 months to reimburse certain customers for reasonable veterinary costs, and (6) pay a civil penalty of \$2,500.

No other litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5 **INITIAL FEES**

Franchise Fee

When you sign your franchise agreement, you must pay us \$50,000 as the initial franchise fee. This fee is uniform and is not refundable.

Multi-Unit Development

If you and we agree that you will develop three or more franchises, then you will sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. Your initial fee will be reduced to \$30,000 for the second franchise and \$20,000 for the third and each additional franchise. You will pay all franchise fees upon signing the MUDA. They are not refundable.

Item 6 **OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	5% of your adjusted gross sales	Weekly, on Tuesday	See Notes 1 and 2.
Marketing Fund Contribution	Up to 2% of your adjusted gross sales; currently, none.	Weekly, on Tuesday	See Notes 1 – 3.
Retail Management System	Currently, \$99 to \$149 per month	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.
Franchisee Store Website	Currently \$299 per month	Monthly	Pinogy will supply you with a local web page. Your web page will feature your store's inventory of puppies. You pay this cost to Pinogy, and not to us. This service includes two store email addresses.
Technology Fee	Currently, none	As determined by us	We reserve the right to charge a commercially reasonable fee for software and other technology products and services we provide. The technology fee will not necessarily be a pass-through of our exact costs. We may add, remove, or alter the software or technology products or services that we provide.

Type of Fee	Amount	Due Date	Remarks
Replacement Manager Training	Currently, \$3,000 if at our location; \$5,000 if at your location	Prior to attending training	If you send a new general manager to our training program after you open, we will charge our then-current training fee. If we conduct the training at your location, you will also be responsible for our travel costs. You have the option of training the manager yourself.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Non-compliance fee	\$500	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	\$30	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.

Type of Fee	Amount	Due Date	Remarks
Convention fee	As determined by us; currently, none.	Prior to convention	If we elect to conduct a national or regional convention, we will charge you the attendance fee even if you do not attend. You are responsible for all travel and living expenses of attending any such meeting or convention.
Special support fee	Our then-current fee, plus our expenses. Currently, \$500 per day.	On demand	If we provide in-person support to you in response to your request we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Relocation fee	\$5,000	Half due when we have agreed to work with you to relocate your business and the remainder due when we have accepted a relocation request	Payable if you ask us to consider relocating your business. You cannot relocate your business to new premises without our approval. We have no obligation to approve of any relocation request.
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported adjusted gross sales by more than 3% for any 4-week period.
Special inspection fee	Currently \$500, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.

Type of Fee	Amount	Due Date	Remarks
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Renewal fee	\$2,000	Upon renewal	Payable if you enter into a successor franchise agreement at the end of your agreement term.
Transfer fee	\$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business. If you choose to sell to a buyer who was introduced to the Waggles system by a franchise broker or business broker, you be responsible for the broker's commission.
Temporary management fee	10% of adjusted gross sales plus our expenses	On demand	We have the right to temporarily manage your business and charge this fee if (i) you die or become incapacitated, (ii) we exercise our right to purchase your business after your franchise agreement end, or (iii) you operate the business in a dangerous manner.
Liquidated damages	\$50,000	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	All of our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us (other than software subscription and website charges). All fees are imposed by us and collected by us (other than software subscription and website charges). All fees are non-refundable. We do not represent that all fees are uniform for all franchisees; we

reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. “Adjusted Gross Sales” is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Adjusted Gross Sales does not include (i) bona fide refunds to customers, (ii) coupons and discounts, or (iii) sales taxes collected).

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method. If we permit you to pay by credit card or any other method which causes us to incur a processing fee, you will be responsible for the amount of the processing fee.

3. Your contribution to the Marketing Fund will be a percentage your adjusted gross sales. Currently, we do not collect a contribution to the Marketing Fund. Our plan (which is subject to change) is that we will require you to contribute to the Marketing Fund as follows:

- 0% of adjusted gross sales until 10 Waggles stores are open
- 0.5% when 10-14 stores are open
- 1.0% when 15-19 stores are open
- 1.5% when 20-24 stores are open
- 2.0% when 25 stores or more are open

Item 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$50,000 - \$50,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent (one month) (see Note 2 and Note 3)	\$5,000 - \$15,000	Check or electronic payment	Upon signing lease	Landlord
Lease Security Deposit (see Note 2)	\$5,000 - \$15,000	Check or electronic payment	Upon signing lease	Landlord

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made	
Utilities	\$200 - \$1,000	Check or electronic payment	Upon ordering service	Utility providers	
Leasehold Improvements (see Note 4)	\$100,000 - \$250,000	Check or electronic payment	As incurred or when billed	Contractors	
Furniture, Fixtures, and Equipment (see Note 5)	\$70,000 - \$150,000	Check or electronic payment	As incurred	Vendors and suppliers	
Signage	\$6,000 - \$11,000	Check, debit, and/or credit	Upon ordering	Vendor	
Computer Systems (see Note 6)	\$10,000 - \$12,000	Check or electronic payment	As incurred	Vendors and suppliers	
Store Website (see Note 7)	\$5,000 - \$5,000	Electronic payment	When billed	Pinogy	
Insurance (1 month)	\$350 - \$1,000	Check or electronic payment	Upon ordering	Insurance company	
Office Expenses	\$500 - \$1,000	Check or electronic payment	As incurred	Vendors	
Market Introduction Program	\$20,000 - \$30,000	Check or electronic payment	As incurred or when billed	Vendors and suppliers	
Puppies Inventory (see Note 8)	\$18,000 - \$36,000	Electronic payment or credit	Upon ordering	Vendors	
Retail Inventory (see Note 9)	\$10,000 - \$30,000	Check or electronic payment	Upon receipt of product	Vendors	
Store Supplies	\$1,000 - \$3,000	Check or electronic payment	Upon receipt of product		
Initial Veterinarian Costs (see Note 10)	\$1,200	\$4,000	Check or electronic payment	Upon receipt of services	Veterinarian

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Licenses and Permits	\$700 - \$1,000	Check	Upon application	Government
Legal and Accounting	\$1,000 - \$2,500	Check or electronic payment	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	\$2,000 - \$5,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 11)	\$40,000 - \$60,000	Varies	Varies	Employees, suppliers, utilities
Total	\$340,950 - \$677,500			

YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
First franchise (see table above)	\$340,950 - \$677,500			
Additional initial franchise fees for additional 2 stores (see Note 12)	\$50,000 - \$50,000	Check or wire transfer	Upon signing the MUDA	Us
Total	\$390,950 - \$727,500			

Notes

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

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

3. Your location should be approximately 2,500 square feet.

4. The estimate for leasehold improvements assumes you start with a “vanilla shell” in a location generally suitable for development into a Waggles Puppies business. The estimate includes the cost of drawings and construction permits. The estimate also includes the air ventilation units we require in order to maintain air cleanliness. The low end assumes the landlord covers some of the cost directly. The high end assumes you fund the leasehold improvements entirely (although you may negotiate with the landlord for a “tenant improvement allowance” that will reimburse some of your costs).

5. The fixtures, furnishings, and equipment include puppy enclosures, storage racks, tables, desks, chairs, refrigerator, sinks, lighting, and other items.

6. Our required computer system includes 2 tablets for point-of-sale use plus a back-office computer, and associated hardware and software.

7. You will pay a one-time fee to Pinogy for the build-out and integration of the unique website for your store.

8. You will carry an inventory of 15 to 30 puppies. Pinogy offers the opportunity to finance your puppies; when you sell a puppy, Pinogy will automatically debit your account to pay the supplier.

9. Although Waggles is not a pet retail store, you will offer for sale particular items that customers will need for their new puppy.

10. You will need a store visit by a veterinarian to give weekly health checks to new arrivals and rechecks on existing puppies when necessary. A veterinarian will be needed to provide health certificates when required for sales or transport. You will typically purchase shots, medications, and wormings from the store veterinarian.

11. This includes any other required expenses you will incur before operations begin and during the initial three-month period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Waggles business by our affiliate, and our general knowledge of the industry.

12. This estimate assumes you sign a Multi-Unit Development Agreement for three franchises (including your first franchise). The franchise fee for your first unit is counted in the “Estimated Initial Investment – Franchise Agreement” table. Your initial franchise fee will be reduced to \$30,000 for your second location and \$20,000 for your third location. You will pay all franchise fees upon signing the MUDA.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

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

Specific Obligations

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

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

B. **Puppies Inventory**. You must use Select Puppies as your sole broker for puppies. In order to protect the Waggles brand and protect the health of the dogs offered by our franchisees, you cannot acquire puppies from any other broker, breeder or other supplier without our prior written approval.

C. **Insurance**. You must obtain insurance as described in the Franchise Agreement and in our Brand Standards Manual, which includes (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000, and (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days’ prior written notice of cancellation.

D. **Point-of-sale software and hardware, and related software and hardware**. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

E. **Local website**. Pinogy will provide your customized store website, which will feature your current inventory. You will pay fees to Pinogy for this service.

F. Advertising and Marketing. Except as otherwise provided in the Brand Standards Manual and advertising or marketing materials that we furnish to you, you must submit all advertising and marketing materials to us for our written approval before use. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws. We have the right to establish and control all digital marketing.

Us or our Affiliates as Supplier

Neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we reserve to the right to be a supplier (or the sole supplier) of a good or service in the future.

One of our indirect minority owners is also an owner of Pinogy, our required point of sale system.

One our indirectly minority owners also owns Select Puppies, which is the broker you must use for your supply of puppies for sale.

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

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We have the sole discretion to approve or reject an alternative supplier. We may condition our approval on criteria we deem appropriate, such as evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

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

Revenue to Us and Our Affiliates

We currently do not derive revenue from the required purchases and leases by franchisees. However, the franchise agreement does not prohibit us from doing so.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 80% to 95% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 95% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

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

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not currently have negotiated purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

Benefits Provided to You for Purchases

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

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 agreement	Disclosure document item
a. Site selection and acquisition/lease	§§ 6.1, 6.2	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.2, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11

Obligation	Section in agreement	Disclosure document item
f. Fees	Article 4, §§ 5.3, 6.6, 6.7, 7.8, 8.4, 10.5, 11.2, 11.3, 11.13, 14.5, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 9.1, 9.2, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	§ 2.2	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 3.2, 7.12, 7.13, 15.2	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Items 6 and 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10 FINANCING

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

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

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

Our Pre-Opening Obligations

Before you open your business:

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

- (i) We generally do not own your premises and lease it to you.
- (ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. You must find a potential site and submit your site to us for approval, together with all information and documents about the site that we request. When we accept a site, we will issue a Location Acceptance Letter (in the form of Attachment 2 to the Franchise Agreement).
- (iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, size, physical characteristics of existing buildings, and lease terms.
- (iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement.
- (v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

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

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

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

E. *Brand Standards Manual.* We will give you access to our Brand Standards Manual in such format as we deem appropriate. (Section 5.1).

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

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

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 4 to 12 months. Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, attend training, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

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

B. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$500 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.3)

C. *Establishing prices.* Upon your request, we will advise you regarding prices to charge customers for your puppies and products. (Section 5.3). You (and not us) have the right to determine the prices you charge. (Section 7.4)

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

Advertising

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

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. We have the right to establish and control all social media accounts and other digital marketing. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; comply with our brand standards; and comply with all laws.

Your store website. Pinogy will provide your customized store website, which will feature your current inventory. You will pay Pinogy a \$5,000 fee to the initial website development and integration, plus an ongoing monthly fee (currently \$299 per month) for site optimization and maintenance.

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

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

Marketing Fund. You and all other franchisees must contribute to our Marketing Fund. Your contribution is up to 2% of adjusted gross sales per week; however, we reserve the right to have other franchisees contribute a different amount or at a different rate.

Currently, we do not collect a contribution to the Marketing Fund. Our current plan (which is subject to change) is that we will require you to contribute to the Marketing Fund as follows:

- 0% of adjusted gross sales until 10 Waggles stores are open
- 0.5% when 10-14 stores are open
- 1.0% when 15-19 stores are open
- 1.5% when 20-24 stores are open
- 2.0% when 25 stores or more are open

Outlets that we or our affiliates own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

Because we are a new franchisor, we did not have a Marketing Fund in our most recently concluded fiscal year. If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year. No money from the Marketing Fund is spent principally to solicit new franchise sales.

Market introduction plan. You must spend at least \$10,000 on the marketing associated with your business opening.

Required spending. After you open, you must spend at least 3% of adjusted gross sales each month on marketing your business. This amount is only a minimum requirement, and we do not represent that it is the optimal amount of money for you to spend on marketing.

Point of Sale and Computer Systems

We require you to use Pinogy as your retail management system (RMS). The RMS point-of-sale hardware and software) accepts payments, takes orders, organizes inventory, manages employees, contains “Pet Tracker” custom kennel management software, integrates with your website, manages pet medical history, creates contracts, and provides other retail management functionality and reports.

We estimate that Pinogy software and associated hardware will cost between \$10,000 and \$12,000 to purchase (not including the \$5,000 initial fee for website development and integration for your store’s custom website).

You will pay a monthly fee (currently \$99 per month) to Pinogy for support and service to your RMS. We do not directly provide any ongoing maintenance, repairs, upgrades, or updates to your RMS. You will also pay a monthly fee to Pinogy (currently \$299 per month) for ongoing maintenance and support of your store’s website. We estimate that the annual cost of your RMS and website support will be \$4,776.

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

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

Brand Standards Manual

See Exhibit G for the table of contents of our Brand Standards Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Manual has 122 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Establishing The Waggles Puppies Business <ul style="list-style-type: none"> - What makes us different? - Location, design, layout, onsite training - Real estate selection team - Construction coordinator team - Commitment to excellence - Operating Procedures 	4	4	Port Charlotte, FL
The Customer <ul style="list-style-type: none"> - Profile, demographics - Creating a superior sales experience - Customer perception and service - Sales Maximization 	4	6	Port Charlotte, FL
Strategy and Planning <ul style="list-style-type: none"> - Develop an effective marketing strategy - Financing infrastructure - Sales targets and goals - Competition research 	2	2	Port Charlotte, FL
Equipment and Inventory <ul style="list-style-type: none"> - Start-up check lists - Vendor relationships - Retail inventory and products - Puppy intake and documentation compliance - Puppy care and kennel procedures - Veterinary examinations - POS System and technology - Tracking and bookkeeping 	4	12	Port Charlotte, FL

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Marketing and Promotions <ul style="list-style-type: none"> - Branding - Advertising and promotional POP - Converting traffic into sales - Maintaining repeat customers - Sales Support and Pet warranties - Local social media and marketing team introductions 	2	4	Port Charlotte, FL
Management and Operations <ul style="list-style-type: none"> - Staffing requirements/ Compliance - Scheduling appointments - Kennel care optimization - Store appearance - Payroll management - Customer interaction and management - Management Support - Vendor Negotiations - Working with Veterinarians - Pet care evaluation and implementation of Policy and Procedures 	16	20	Port Charlotte, FL
TOTALS:	32	48	

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

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

Training classes will be led or supervised by Ted Bell and Timothy Kowalzyk. Their experience is described in Item 2. Ted has 25 years of experience in our industry, and 16 years of experience with us or our affiliates. Timothy Kowalzyk is our Director of Operations. He has 3 years of experience in our industry, and 1.5 years of experience with us or our affiliates.

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

You must attend training. If you will not be acting as the day-to-day manager of the business, then your General Manager must also attend training. You may send any additional

people to training that you want (up to the maximum described above). You must complete training to our satisfaction at least two weeks before opening your business.

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

Item 12 TERRITORY

Your Location

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

Grant of Territory

Your franchise agreement will specify a territory, which will be determined by us. Your territory will have a population of approximately 500,000 people. Your territory will usually be specified as a radius around your location. If your business location is not known when you sign your franchise agreement, then we will state your location and territory in a “Location Acceptance Letter” when we approve your location.

Relocation; Establishment of Additional Outlets

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

If you request our approval for you to relocate your business, you must pay us a \$5,000 fee. Half is due when you make the request, and the other half is due if and when we approve the request. If we approve, you must comply with the conditions described in the franchise agreement for developing a location and satisfy any other conditions we require.

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

your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

Options to Acquire Additional Franchises

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

Territory Protection

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

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

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

Soliciting by You Outside Your Territory

There are no restrictions on you from soliciting or accepting orders from consumers outside of your territory, except that all marketing and advertising is subject to our approval.

Competition by Us Under Different Trademarks

Ted Bell, our President and indirect co-owner, owns a business known as “The Pet Zone” that sells puppies. There are four locations of The Pet Zone, in Albany, Poughkeepsie, Queensbury, and Watertown, New York. It is not franchised. Nothing prohibits these business from soliciting or accepting orders from anywhere in the United States, including the territory of a Waggles franchisee. The principal business address of these businesses are 21182 Salmon Run Mall Loop W, Watertown, NY 13601; 2001 South Rd, Poughkeepsie, NY 12601; 1 Crossgates Mall Rd, Albany, NY 12203, and 578 Aviation Mall Rd, Queensbury, NY 12804. In the event of a conflict between regarding territory, customers, and franchisor support, we will seek an amicable resolution in good faith.

Otherwise, neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement allows us to do so.

Item 13 TRADEMARKS

The following is the principal trademark that we license to you. This trademark is owned by our parent company, WP Holdings Group, LLC. We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed.

Trademark	Application Date	Identification Number
	February 22, 2023	97805958

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

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

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

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

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

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

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

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

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

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Brand Standards Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

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

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

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

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

Proprietary Information

We have a proprietary, confidential Brand Standards Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We

also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information, and know-how.

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

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

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

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You must devote substantial time and attention to your business.

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

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

“On-Premises” Supervision

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

There is no limit on who you can hire as an on-premises supervisor or general manager, and such person is not required to be an owner of the franchise; however, each person acting as on-premises supervisor or general manager (whether that is you or a hired person) must successfully complete our training program.

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

Restrictions on Your Manager

If we request, you must have your general manager/on-site supervisor (and other key employees that we reasonably designate) sign a confidentiality and non-compete agreement. We will not require you to enter into a confidentiality and non-compete agreement that violates applicable state law or that prohibits a person from being employed by another Waggles outlet. We do not require you to place any other restrictions on your manager or on-site supervisor.

Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must purchase all puppies only from the broker we have designated. In order to protect the Waggles brand and protect the health of the dogs offered by our franchisees, you cannot acquire puppies from any other broker, breeder or other supplier without our prior written approval. If you offer or sell puppies from any unapproved source, your franchise agreement is subject to immediate termination.

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

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

Item 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1	The term of the franchise agreement is 10 years from date of signing.

Provision	Section in franchise or other agreement	Summary
	Multi-Unit Development Agreement (MUDA): §1(a)	The MUDA will expire on the date that your last franchise is scheduled to open.
b. Renewal or extension of the term	FA: § 3.2 MUDA: none	You may obtain successor franchise agreements for up to four additional 5-year terms.
c. Requirements for franchisee to renew or extend	FA: § 3.2 MUDA: none	<p>For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.</p> <p>To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; must have substantially complied with the franchise agreement and other agreements with us throughout the term; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); pay renewal fee; sign general release (unless prohibited by applicable law).</p>
d. Termination by franchisee	FA: § 14.1 MUDA: § 4	<p>If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.</p> <p>If you sign a MUDA, you may terminate it at any time.</p>
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	FA: § 14.2 MUDA: § 4	<p>We may terminate your agreement for cause, subject to any applicable notice and cure opportunity.</p> <p>If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA.</p>

Provision	Section in franchise or other agreement	Summary
g. "Cause" defined--curable defaults	FA: § 14.2 MUDA: none	Non-payment by you (30 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non-curable defaults	FA: § 14.2 MUDA: § 4	<p>FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; offering pets not obtained from an approved source; offering pets unfit for purchase; cease operations; operate in a manner dangerous to health or safety of any pet or person; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony or a violation of a law applicable to the care or sale of pets, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.</p> <p>MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.</p>
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.3 – 14.6 MUDA: none	Pay all amounts due; return Manual and proprietary items; cancel assumed names; cancel or transfer phone, post office boxes, directory listings, and digital marketing accounts; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	FA: § 15.1 MUDA: § 7	Unlimited
k. "Transfer" by franchisee - defined	FA: Article 1 MUDA: Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.

Provision	Section in franchise or other agreement	Summary
l. Franchisor's approval of transfer by franchisee	FA: § 15.2 MUDA: § 7	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	FA: § 15.2 MUDA: none	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release (subject to state law); business complies with then-current system specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5 MUDA: none	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	FA: § 14.6 MUDA: none	When your franchise agreement expires or is terminated, we will have the right to purchase any or all of the assets of your business.
p. Death or disability of franchisee	FA: §§ 2.4, 15.4 MUDA: none	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months. We have the right to temporarily operate the business if you die or become incapacitated.
q. Non-competition covenants during the term of the franchise	FA: § 13.2 MUDA: none	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2 MUDA: none	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former territory (or of your development area if no territory had been set) or of the territory of any other Waggles

Provision	Section in franchise or other agreement	Summary
		business operating on the date of termination or expiration.
s. Modification of the agreement	FA: § 18.4 MUDA: § 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	FA: § 18.3 MUDA: § 7	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, no claim made in any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	FA: § 17.1 MUDA: § 7	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	FA: §§ 17.1; 17.5 MUDA: § 7	Arbitration will take place where our headquarters is located (currently, Port Charlotte, Florida) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8 MUDA: § 7	Florida (subject to applicable state law).

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document.

Item 18 **PUBLIC FIGURES**

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Table 1
12 Month Puppy Sales at “Waggles” in Port Charlotte, FL

The following table shows sales of puppies and certain related information for the Waggles location operated by our affiliate in Port Charlotte, Florida for the period of March 2022 through February 2023.

Month	# Sold	Avg. Price	Net Sales
March	32	\$3,048	\$97,526
April	31	\$3,031	\$93,976
May	29	\$3,333	\$96,655
June	14	\$2,838	\$39,729
July	27	\$2,697	\$72,816
Aug	17	\$2,847	\$48,399
Sep	22	\$2,794	\$61,463
Oct	9	\$2,168	\$19,516
Nov	38	\$3,383	\$123,562
Dec	44	\$3,177	\$139,792
Jan	22	\$3,133	\$68,933
Feb	38	\$3,241	\$123,174

Total Puppies Sold	323
Average Monthly Puppies Sold	27
Median Monthly Puppies Sold	28
Total Gross Sales	\$985,541
Average Monthly Gross Sales	\$82,128
Median Monthly Gross Sales	\$83,396
Store Square Feet	1,000

Notes to Table 1

1. The Waggles operated by our affiliate in Port Charlotte, Florida, was the only Waggles outlet in operation during this period.
2. This location opened in March 2022. It was closed for a significant portion of October 2022 due to severe weather.
3. The Port Charlotte location is approximately 1,000 square feet. We recommend that your Waggles store be significantly larger, at approximately 2,000 - 2,500 square feet.
4. This location is an inline retail space in a strip center.

Table 2
2022 Puppy Sales at “Pet Zone” Businesses

The following table shows sales of puppies and certain related information for the four “Pet Zone” business operated by our affiliate in Queensbury, Watertown, Albany, and Poughkeepsie for 2022.

Store 1				Store 2			Store 3			Store 4		
Month	# Sold	Avg. Price	Net Sales	# Sold	Avg. Price	Net Sales	# Sold	Avg. Price	Net Sales	# Sold	Avg. Price	Net Sales
Jan	22	\$3,491	\$76,800	15	\$4,280	\$64,200	34	\$4,582	\$155,802	29	\$3,731	\$108,200
Feb	27	\$3,840	\$103,670	33	\$3,442	\$113,600	43	\$4,010	\$172,450	35	\$3,645	\$127,601
March	30	\$3,220	\$96,600	27	\$3,996	\$107,900	39	\$4,808	\$187,500	32	\$3,462	\$110,798
April	40	\$2,970	\$118,800	30	\$3,547	\$106,400	46	\$4,324	\$198,900	38	\$3,482	\$132,300
May	28	\$3,475	\$97,299	17	\$3,347	\$56,900	51	\$4,165	\$212,400	40	\$3,488	\$139,500
June	30	\$3,211	\$96,324	18	\$2,989	\$53,800	33	\$3,955	\$130,500	42	\$3,540	\$148,699
July	33	\$2,911	\$96,070	36	\$2,754	\$99,150	40	\$3,441	\$137,650	37	\$3,103	\$114,800
Aug	33	\$3,203	\$105,700	26	\$3,027	\$78,700	46	\$3,693	\$169,900	40	\$3,084	\$123,350
Sep	36	\$2,271	\$81,759	27	\$3,031	\$81,833	44	\$3,377	\$148,599	39	\$3,362	\$131,099
Oct	34	\$2,903	\$98,700	26	\$2,723	\$70,800	53	\$3,236	\$171,500	32	\$2,666	\$85,300
Nov	24	\$2,779	\$66,700	28	\$2,953	\$82,685	48	\$3,410	\$163,700	27	\$2,652	\$71,600
Dec	33	\$2,982	\$98,400	19	\$3,205	\$60,894	66	\$3,605	\$237,899	45	\$2,976	\$133,900
Total Puppies Sold			370	302			543			436		
Average Monthly			31	25			45			36		
Median Monthly			31.5	26.5			45			37.5		
Total Gross Sales			\$1,136,822	\$976,862			\$2,086,800			\$1,427,147		
Average Monthly			\$94,735	\$81,405			\$173,900			\$118,929		
Median Monthly			\$96,950	\$80,267			\$170,700			\$125,476		
Store Square Feet			2,185	2,300			2,300			1,994		

Notes to Table 2

1. The stores described in Table 2 are operated by our affiliate under the brand name “Pet Zone”. There was a total of four Pet Zone businesses in operation during 2022. These businesses specialize in the sale of puppies and operate essentially the same business model as our “Waggles” brand.

2. The four locations are in smaller metropolitan areas in New York State. They are all located in enclosed shopping malls. They have operated for more than 10 years primarily selling puppies.

Notes to Table 1 and 2:

1. The information in this Item 19 concerns past financial performance and is not a projection of future performance.

2. “Net Sales” means total of all sales, minus discounts, coupons, and returns. It does not include sales taxes collected.

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

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

Other than the preceding financial performance representation, Waggles Franchising, LLC does not make any financial performance representations. We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ted Bell, 2686 Tamiami Trail, Ste 3A, Port Charlotte, FL 33952, and 941-249-8851, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	1	+1
Total Outlets	2020	0	0	0
	2021	0	0	0
	2022	0	1	+1

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table 3
Status of Franchised Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
N/A	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Florida	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1

Table 5
Projected Openings As Of December 31, 2022

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

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

Current Franchisees

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

Former Franchisees

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

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

Confidentiality Clauses

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

Franchisee Organizations

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

Item 21 FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit F contains our audited balance sheet dated November 7, 2023. Our fiscal year end is December 31.

Item 22
CONTRACTS

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

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

Item 23
RECEIPTS

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

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

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

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

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

EXHIBIT B
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

Franchisee: _____

Initial Franchise Fee: \$50,000

Development Area: _____

Business Address: _____

Protected Store Territory: _____

Opening Deadline: 1 year after Effective Date

Principal Executive: _____

Franchisee's Address for Notices: _____

FRANCHISE AGREEMENT

This Agreement is made between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”), and Franchisee effective as of the date signed by Waggles Franchising (the “Effective Date”).

Background Statement:

A. Waggles Franchising and its affiliates have created and own a system (the “System”) for developing and operating a retail store that specializes in the sale of puppies, under the trade name “Waggles”.

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

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

ARTICLE 1. DEFINITIONS

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

“Adjusted Gross Sales” means the gross total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit, minus (i) bona fide refunds to customers, (ii) sales allowances and discounts, or (iii) sales taxes collected by Franchisee.

“Advertising and Promotional Content” means all advertising, marketing, promotional, customer relationship management, public relations, and other brand-related programs, materials, and content relating to Waggles or the Business, including without limitation any printed materials (such as business cards, signs, counter cards, banners, posters, displays, window clings, leaflets, direct mail materials, coupons, and published advertisements); promotional items (such as branded specialty and novelty items, products, and clothing); audio or video advertising (such as radio, television, or podcast ads or online video postings); and Digital Marketing.

“Approved Vendor” means a supplier, vendor, or distributor of Inputs which has been approved by Waggles Franchising.

“Business” means the Waggles business owned by Franchisee and operated under this Agreement.

“Competitor” means any business which offers puppies for sale.

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

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

“Digital Marketing” means social media accounts (such as Facebook, Twitter, Instagram, Pinterest, Snapchat, TikTok, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, online videos, display banner campaigns, branded content social media campaigns, e-mail marketing campaigns, or other means of digital advertising on the Internet or any other means of digital or electronic communications that are intended to promote Waggles and/or the Business.

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

“Location” means the business address stated on the cover page to this Agreement. If no location is stated on the cover page, then the Location will be determined in accordance with Section 6.1.

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

“Manual” means Waggles Franchising’s confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marketing Fund” means the fund established (or which may be established) by Waggles Franchising into which Marketing Fund Contributions are deposited.

“Marks” means the trade name and logo contained on the cover page to this Agreement, and all other trade names, trademarks, service marks and logos specified by Waggles Franchising from time to time for use in a Waggles business.

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

“Privacy Information” means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver’s license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer’s interaction with an internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer’s preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

“Remodel” means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Waggles business.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which Waggles Franchising requires franchisees to use.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Waggles Franchising, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), environmental protection and sustainability, equipment, inventory, maintenance, marketing and public relations, minimum numbers and types of personnel, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems (including credit and

debit card systems, check verification services, and other payment systems, as well as any compliance programs relating to those systems), and internet access, as well as upgrades, supplements, and modifications thereto), temporary operational changes due to special circumstances (such as a pandemic), uniforms, and vehicles.

“Territory” means the Protected Store Territory stated on the cover page to this Agreement. If no Protected Store Territory is stated on the cover page, then the Territory is determined in accordance with Section 6.1.

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

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Waggles Franchising grants to Franchisee the right to operate a Waggles business solely at the Location. If no Location is stated on the cover page to this Agreement when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open, and operate a Waggles business at the Location for the entire term of this Agreement. Franchisee shall exert its best efforts to promote and enhance the Business.

2.2 Protected Territory. Waggles Franchising shall not establish, nor license the establishment of, another business within the Territory selling the same or similar goods or services under the same or similar trademarks or service marks as a Waggles business. This prohibition does not apply to any Waggles business operating or under construction when the Territory is determined. Waggles Franchising and its affiliates retain the right to do any of the following (all without any compensation to Franchisee):

- (i) establish and license others to establish and operate Waggles businesses outside the Territory, notwithstanding their proximity to the Territory or their potential impact on the Business;
- (ii) operate and license others to operate businesses anywhere, including within the Territory, that sell the same or similar goods or services as a Waggles business under trademarks or service marks that are not the same as or similar to the Marks;
- (iii) sell and license others to sell any products and services in the Territory under any trademarks or service marks (including the Marks) through channels of distribution (including the internet) other than Waggles outlets;
- (iv) acquire or be acquired by (under any form of business transaction) a Competitor that has (or may in the future have) outlets in the Territory which compete with the Business under trademarks or service marks other than the Marks; and
- (v) engage in any action not specifically precluded by the express terms of this Agreement.

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

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

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

2.6 No Conflict. Franchisee represents to Waggles Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

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

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

- (i) Franchisee notifies Waggles Franchising of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Waggles Franchising (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee (and its affiliates) have been in substantial compliance with this Agreement and all other agreements with Waggles Franchising (or any of its affiliates) throughout the term of any such agreement(s);
- (iv) Franchisee has made or agrees to make (within a period of time acceptable to Waggles Franchising) renovations and changes to the Business as Waggles

Franchising requires to conform to the then-current System Standards; such renovations and changes may include, without limitation, a Remodel, making changes to the façade, installing furnishings or fixtures, changing signage, and making upgrades to any technological features required by the System Standards;

- (iv) Franchisee and its Owners execute Waggles Franchising's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that the form of the franchise agreement will be amended to provide that Franchisee will not pay another initial franchise fee and to provide that Franchisee will not receive more renewal or successor terms than originally granted to Franchisee;
- (v) Franchisee pays a renewal fee of \$2,000; and
- (vi) Franchisee and each Owner executes a general release (on Waggles Franchising's then-standard form) of any and all claims against Waggles Franchising, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

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

4.2 Royalty Fee. Franchisee shall pay Waggles Franchising a weekly royalty fee (the "Royalty Fee") equal to 5% of Adjusted Gross Sales. Franchisee shall pay the Royalty Fee for any given week so that it is received by Waggles Franchising on or before the first Tuesday of the following week.

4.3 Marketing Contributions. Franchisee shall pay Waggles Franchising a contribution to the Marketing Fund (the "Marketing Fund Contribution") in an amount determined by Waggles Franchising, not to exceed 2% of Franchisee's Adjusted Gross Sales.

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

4.5 Replacement Manager Training. If Waggles Franchising trains a new manager for Franchisee after opening, or if Waggles Franchising may charge its then-current training fee. As

of the date of this Agreement, the fee is \$3,000 for training at a location operated by Waggles Franchising or its affiliate, and \$5,000 (plus travel costs) for training at Franchisee's Location. If Franchisee is capable of conducting the new manager training (in the reasonable opinion of Waggles Franchising), then Franchisee is not required to engage Waggles Franchising to train the new manager.

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

4.7 Reimbursement. Waggles Franchising may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Waggles Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Waggles Franchising within 15 days after invoice by Waggles Franchising accompanied by reasonable documentation.

4.8 Payment Terms.

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

(b) **Calculation of Fees.** Franchisee shall report weekly Adjusted Gross Sales to Waggles Franchising by Tuesday of the following week. Franchisee acknowledges that Waggles Franchising has the right to remotely access Franchisee's point-of-sale system to calculate Adjusted Gross Sales.

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

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

(e) Costs of Collection. Franchisee shall repay any costs incurred by Waggles Franchising (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

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

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

(h) Taxes. Franchisee will be responsible for (and shall immediately remit to Waggles Franchising upon demand) all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Waggles Franchising or its affiliates and on services or goods furnished to Franchisee by Waggles Franchising or its affiliates, unless the tax is an income tax assessed on Waggles Franchising or its affiliate for doing business in the state where the Business is located.

ARTICLE 5. ASSISTANCE

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

5.2 Pre-Opening Assistance.

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

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

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

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

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

5.3 Post-Opening Assistance.

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

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

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

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Waggles Franchising, Franchisee must submit the proposed lease to Waggles Franchising for written approval, (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Waggles Franchising. This requirement does not apply if the landlord is an affiliate of Franchisee.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Waggles Franchising's System Standards. If required by Waggles Franchising, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Waggles Franchising's approval of Franchisee's plans and without first obtaining any required permits or licenses necessary to commence such construction or remodeling work. Franchisee must engage a

qualified licensed general contractor to perform such construction or remodeling work. Waggles Franchising may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Waggles Franchising or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Waggles Franchising assumes no liability with respect thereto. Waggles Franchising's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Waggles Franchising's training program for new franchisees to Waggles Franchising's satisfaction at least two weeks before opening the Business. If the Principal Executive will not act as the general manager of the Business, then Franchisee shall also have a general manager attend and complete Waggles Franchising's training program.

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

6.6 Initial Marketing. Franchisee shall spend at least \$10,000 on marketing associated with the opening of the Business. All marketing activities are subject to prior approval by Waggles Franchising.

6.7 Opening Date. Franchisee shall open the Business to the public on or before the opening deadline stated on the cover page to this Agreement.

6.8 Relocation. Franchisee shall not relocate the Business to new premises without the prior written approval of Waggles Franchising. If Franchisee requests approval of a relocation, Franchisee must pay \$2,500 upon submitting the request. If Waggles Franchising approves the relocation, Franchisee must (i) pay an additional \$2,500 relocation fee to Waggles Franchising upon approval, (ii) comply with the conditions set for in Sections 6.1, 6.2, and 6.6 with respect to the new location, and (iii) satisfy any other conditions required by Waggles Franchising.

ARTICLE 7. OPERATIONS

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

Franchisee's compliance with all System Standards is of the utmost importance to Waggles Franchising.

7.2 Compliance with Law.

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

(b) Industry-Specific Laws. Without limiting the generality of Section 7.2(a), Franchisee and the Business shall strictly comply with any and all laws, rules, ordinances, and regulations applicable to pet dealers and to animal protection and welfare ("Pet Industry Laws").

(c) Retail Bans. Franchisee acknowledges that some cities, counties, and other jurisdictions have entirely banned sales of dogs by retail stores. Franchisee is solely responsible for ensuring that the Business is permitted to operate in the jurisdiction of the Location. If, after the Effective Date, Franchisee's jurisdiction prohibits the sale of dogs by retail stores, then Franchisee at its option may either (1) relocate the Business (subject to compliance with all applicable terms of this Agreement) or (2) cease operating the Business and execute a Mutual Termination Agreement on the terms provided by Waggles Franchising (which will waive any liability of Franchisee for liquidated damages under Section 14.5 and will contain a general release of liability of Waggles Franchising and its affiliates).

7.3 Sales of Pets.

(a) Generally. Franchisee shall offer all pets, goods and services, and only those pets, goods and services, from time to time prescribed by Waggles Franchising in the Manual or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location. Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations.

(b) Procedures. Franchisee shall comply with all pre-sale, sale, and post-sale procedures required by Waggles Franchising as well as any such procedures required by applicable Pet Industry Laws.

(c) Inventory. Franchisee shall maintain sufficient levels of inventory of pets and other goods at all times. Waggles Franchising may set specific minimum levels of pet inventory that Franchisee must carry.

(d) Commitments. Franchisee shall implement any guaranties, warranties, or similar commitments regarding pets and other goods and services, that Waggles Franchising may require.

(e) Prices. Franchisee retains the sole discretion to determine the prices it charges for pets and retail products.

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

- (i) comply with the highest industry standards regarding safety, sanitation, and animal welfare;
- (ii) comply with all System Standards related to safety, sanitation, and animal welfare, including without limitation all requirements related to veterinarian services for pets at the Business
- (iii) comply with all Pet Industry Laws
- (iv) require that all customers of dog grooming and other services provide accurate records showing appropriate vaccinations of their dogs; and
- (v) ensure the health and safety of all puppies at the Business.

7.5 Personnel.

(a) Management. The Business must at all times be under the on-site supervision of the Principal Executive or a general manager who has completed Waggles Franchising's training program.

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

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

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

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

(f) Sole Responsibility. Franchisee is solely responsible for all hiring decisions and all terms and conditions of employment of all of its personnel, including recruiting, hiring, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Waggles Franchising are not joint employers, and no employee of Franchisee will be an agent or employee of Waggles Franchising. Within seven days of Waggles Franchising's request, Franchisee and each of its employees shall sign an acknowledgment form stating that Franchisee alone (and not Waggles Franchising) is the employee's sole employer. Franchisee shall use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee shall not use the Marks on any of these documents.

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

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Waggles Franchising. Franchisee shall enter into any subscription and support agreements that Waggles Franchising may require. Franchisee shall upgrade, update, or replace any software from time to time as Waggles Franchising may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Waggles Franchising unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Waggles Franchising.

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

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

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Waggles Franchising (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Waggles Franchising. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

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

gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all of the property of the Business in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Waggles Franchising may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment and décor. If such work is reserved to Franchisee's landlord under the terms of Franchisee's lease, then Franchisee shall use reasonable efforts to cause its landlord to perform such work. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, replacement, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Waggles Franchising may require Franchisee to undertake and complete a Remodel of the Location to Waggles Franchising's satisfaction. Franchisee must complete the Remodel in the time frame specified by Waggles Franchising. Waggles Franchising may require Franchisee to submit plans for Waggles Franchising's reasonable approval prior to commencing a required Remodel, and Waggles Franchising may require Franchisee to engage a qualified licensed contractor to perform the Remodel. Waggles Franchising's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Waggles Franchising requires, including any national or regional brand conventions or conferences. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings. Waggles Franchising may charge Franchisee the attendance fee for the Waggles' national or regional brand convention, regardless of whether the Principal Executive attends. Franchisee is responsible for all travel and living expenses of attending any such meeting or convention.

7.15 Insurance.

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

- (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible);
- (ii) Business interruption insurance covering at least 12 months of income;

- (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit;
- (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000; and
- (v) Workers Compensation coverage as required by state law.

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

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

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

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

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Waggles Franchising's prior written approval, which will not be unreasonably withheld.

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

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

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

7.22 Privacy Practices.

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

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

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

(d) In the event of a Data Security Event, Franchisee must notify Waggles Franchising immediately after becoming aware of the Data Security Event and shall cooperate with Waggles Franchising and follow all of Waggles Franchising's reasonable requests to address the Data Security Event and to protect any Privacy Information and/or Confidential Information. Waggles Franchising, or its designee, has the right, but not the obligation, to take any action or pursue any proceeding with respect to the Data Security Event.

7.23 Communication. Franchisee shall respond promptly to requests for communication from Waggles Franchising, and in any event within three business days.

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Waggles Franchising. Franchisee shall not take any action which injures or is likely to injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

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

8.2 Pets. Without limiting the generality of Section 8.1, Franchisee may obtain puppies for sale only from brokers, breeders and other sources that are expressly approved by Waggles Franchising (and for which Waggles Franchising has not withdrawn approval). Franchisee acknowledges that Waggles Franchising may designate a sole Required Vendor for this purpose. Any violation of this Section is grounds for immediate termination of this Agreement by Waggles Franchising.

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

8.4 Alternate Input Approval. If Waggles Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Waggles Franchising. Waggles Franchising may approve or disapprove the alternative Input in its sole discretion. Waggles Franchising shall provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

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

8.5 No Liability of Franchisor. Waggles Franchising and its affiliates shall not have any liability to Franchisee for any claim, loss, or other Action related to any product provided or service performed by any Approved Vendor or Required Vendor (unless Waggles Franchising or its affiliate, as applicable, is the vendor), including without limitation for defects, delays, unavailability, failure, or breach of contract related to such products or services. ALTHOUGH APPROVED OR DESIGNATED BY WAGGLES FRANCHISING, WAGGLES FRANCHISING AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PETS, PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED PRODUCTS AND SERVICES. IN ADDITION, WAGGLES FRANCHISING DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY WAGGLES FRANCHISING. WAGGLES FRANCHISING'S APPROVAL OR CONSENT TO ANY SERVICES, PETS, PRODUCTS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY OF WAGGLES FRANCHISING.

ARTICLE 9. MARKETING

9.1 Advertising Standards. Except as otherwise provided in the Manual, Franchisee may use only Advertising and Promotional Content that Waggles Franchising has furnished or approved in writing in advance. Franchisee must ensure that all Advertising and Promotional Content that Franchisee uses is clear, factual, ethical, and not misleading; complies with all laws; and conforms to System Standards. Except as otherwise provided in the Manual and Advertising and Promotional Content that Waggles Franchising furnishes to Franchisee, Franchisee must submit to Waggles Franchising for its written approval, at least 14 days before use, copies of all proposed Advertising and Promotional Content that Franchisee intends to use or implement. If Waggles Franchising does not respond, the material is deemed rejected. Waggles Franchising has the right to approve or disapprove any Advertising and Promotional Content, as well as the media in which Franchisee intends to use them, in its sole discretion. Waggles Franchising reserves the right to require Franchisee to discontinue the use of any Advertising and Promotional Content for any reason.

9.2 Digital Marketing. Waggles Franchising may (but is not obligated to) establish and operate all Digital Marketing and has the sole right to control all aspects of Digital Marketing, including those related to the Business. Without limiting the generality of Section 9.1, Franchisee shall not, directly or indirectly, conduct or be involved in any Digital Marketing without the prior written consent of Waggles Franchising. If Waggles Franchising permits Franchisee to conduct any Digital Marketing, Franchisee must (a) comply with any System Standards and must immediately modify or delete any Digital Marketing that Waggles Franchising determines, in its sole discretion, is not compliant with such System Standards; (b) only use materials that Waggles Franchising has approved and submit any proposed modifications to Waggles Franchising for approval; (c) not use any Mark (or words or designations similar to any Mark) in any domain name, electronic address, website, or other source identifier except as Waggles Franchising expressly permits; (d) include only the links that Waggles Franchising approves or requires; and (e) immediately take all actions necessary or that Waggles Franchising requests to provide Waggles Franchising with access to, or to transfer ownership of, all Digital Marketing relating to the Business to Franchisor, including, without limitation, providing login and password details and promptly signing all directions and authorizations as Waggles Franchising deems necessary to effect the intent and provisions of this Section. If Franchisee uses any Mark (or words or designations similar to a Mark) in any domain name, electronic address, website, or other source identifier, Waggles Franchising may register such name, address, website, or identifier and then license use of the registered item back to Franchisee under a separate agreement. Franchisee must pay all costs due for registration, maintenance, and renewal of any such names, addresses, websites, or identifiers that Waggles Franchising approves and maintains on Franchisee's behalf. Waggles Franchising may withdraw its approval for any Digital Marketing at any time.

9.3 Implementation. Franchisee shall implement any advertising or marketing materials, plans or campaigns (including Digital Marketing) required by Waggles Franchising.

9.4 Use by Waggles Franchising. Waggles Franchising may use any Advertising and Promotional Content developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Waggles Franchising for such purpose.

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

(a) Account. Waggles Franchising is not required to hold the Marketing Fund Contributions in a bank account separate from Waggles Franchising's other accounts.

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

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

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

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

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

9.6 Required Spending. After the Business opens to the public, Franchisee shall spend at least 3% of Adjusted Gross Sales each month on marketing the Business. Within 10 days after request by Waggles Franchising, Franchisee shall furnish proof of its compliance with this Section. Waggles Franchising has the discretion to determine in good faith what activities constitute "marketing" under this Section.

ARTICLE 10. RECORDS AND REPORTS

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

10.2 Reports.

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

- (i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of each calendar year; and
- (iii) any information Waggles Franchising requests in order to prepare a financial performance representation for Waggles Franchising's franchise disclosure document, within 30 days after request.

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

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

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

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

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Waggles Franchising a report detailing Franchisee's investment costs to develop and

open the Business, with costs allocated to the categories described in Item 7 of Waggles Franchising's Franchise Disclosure Document and with such other information as Waggles Franchising may reasonably request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Waggles Franchising may specify in the Manual or otherwise in writing.

10.5 Records Audit. Waggles Franchising may examine and audit all books and records related to the Business (other than personnel records of Franchisee's employees), and supporting documentation, at any reasonable time. Waggles Franchising may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Waggles Franchising. Franchisee shall also reimburse Waggles Franchising for all costs and expenses of the examination or audit if (i) Waggles Franchising conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Adjusted Gross Sales by 3% or more for any 4-week period.

ARTICLE 11. FRANCHISOR RIGHTS

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

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

11.3 Waggles Franchising's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Waggles Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee, including entering the premises of the Business and curing the default without notice to Franchisee. Franchisee shall reimburse Waggles Franchising for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

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

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

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

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

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

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

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

11.11 System Variations. Waggles Franchising may vary or waive any System Standard for any one or more Waggles franchises due to the peculiarities of the particular site or circumstances,

density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

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

11.13 Temporary Management. If (i) the Principal Executive dies or becomes incapacitated, (ii) this Agreement is terminated or expires and Waggles Franchising elects to purchase assets of the Business as provided in Section 14.6, or (iii) Franchisee is operating the Business in a manner which, in Waggles Franchising's reasonable opinion, constitutes a danger to the health or safety of any animal or person, then Waggles Franchising may (but is not obligated to) enter the Location and operate and manage the Business for Franchisee's (or Franchisee's estate's) account until this Agreement is terminated, the Business is transferred, the Business is purchased by Waggles Franchising, or Waggles Franchising returns the Business to Franchisee. Waggles Franchising's operation and management will not continue for more than 90 days without Franchisee's consent (or the consent of the representatives of Franchisee's estate). If this Agreement has not terminated or expired, then Waggles Franchising will account to Franchisee for all net income from the Business during the period in which Waggles Franchising operates the Business. Waggles Franchising may collect a temporary management fee equal to 10% of Gross Sales for the period in which Waggles Franchising operates the Business, plus all expenses (including internal costs of personnel and overhead) incurred by Waggles Franchising, which is in addition to Royalty Fees, Marketing Fund Contributions, or other amounts owed under this Agreement. If Waggles Franchising or a third party assumes the Business's management, Franchisee acknowledges that Waggles Franchising or the third party will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its Owners for any losses the Business incurs or obligations to creditors.

ARTICLE 12. MARKS

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

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

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Waggles Franchising shall defend Franchisee (at Waggles Franchising's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Waggles Franchising shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

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

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

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

ARTICLE 13. COVENANTS

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

13.2 Covenants Not to Compete.

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

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor within five miles of Franchisee’s Territory or within five miles of the territory of any other Waggles business operating on the date of expiration, termination, or transfer, as applicable. If this Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and within five miles territory of any other Waggles business operating on the date of termination. If a given Waggles business does not have a defined territory, then for purposes of this Section its territory will be deemed to be a 5-mile radius.

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

13.3 General Manager and Key Employees. If requested by Waggles Franchising, Franchisee shall cause its general manager and other key employees reasonably designated by Waggles Franchising to sign Waggles Franchising’s then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

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

14.2 Termination by Waggles Franchising.

(a) Subject to 30-Day Cure Period. Waggles Franchising may give written notice of default to Franchisee if Franchisee (1) does not make any payment to Waggles Franchising when due, or if Franchisee does not have sufficient funds in its account when Waggles Franchising attempts an electronic funds withdrawal, or (2) Franchisee breaches this Agreement in any manner not described in subsection (b). If Franchisee fails to cure such breach to Waggles Franchising’s

satisfaction within 30 days after the date that Waggles Franchising gave such notice of default, then Waggles Franchising may terminate this Agreement.

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

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Waggles Franchising;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the opening deadline specified on the cover page to this Agreement;
- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner violates Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) the Business sells or offers for sale any pet obtained from a source not expressly approved by Waggles Franchising;
- (viii) Franchisee knowingly or recklessly sells or offers for sale any animal which is unfit for purchase for any reason, including symptoms of a contagious or infectious disease, or a congenital malformation or defect which adversely affects the health of the animal.
- (ix) Franchisee ceases operation of the Business for more than five consecutive days, or Waggles Franchising reasonably concludes that Franchisee has ceased operation of the Business;
- (x) Franchisee or any Owner slanders or libels Waggles Franchising or any of its employees, directors, or officers;
- (xi) Franchisee refuses to cooperate with or permit any audit or inspection by Waggles Franchising or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;

- (xii) the Business is operated in a manner which, in Waggles Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any pet or person;
- (xiii) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xiv) Waggles Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Waggles Franchising the right to terminate this Agreement);
- (xv) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of either (A) a felony, or (B) a violation of any Pet Industry Law; or
- (xvi) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Waggles Franchising's opinion is reasonably likely to materially and unfavorably affect the Waggles brand.

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

- (i) pay all amounts owed to Waggles Franchising based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to Waggles Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Waggles Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee); and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) immediately take all action required (a) to cancel all assumed name or equivalent registrations relating to Franchisee's use of the Marks; and (b) to cancel or transfer to Waggles Franchising or its designee all telephone numbers, post office boxes, directory listings, and Digital Marketing accounts used by Franchisee in connection with the Business or the Marks, including, without limitation, by providing login and password details and promptly signing all directions and authorizations necessary or appropriate to accomplish the foregoing. Franchisee hereby irrevocably appoints Waggles Franchising, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing. The telephone company, the postal service, registrars, Internet service providers and each listing agency may accept such direction by

Waggles Franchising pursuant to this Agreement as conclusive evidence of Waggles Franchising's exclusive rights in such accounts and its authority to direct their transfer; and

- (iv) cease doing business under any of the Marks.

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

14.5 Liquidated Damages. If Waggles Franchising terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Waggles Franchising a lump sum (as liquidated damages and not as a penalty) of \$50,000. Franchisee acknowledges that a precise calculation of the full extent of Waggles Franchising's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Waggles Franchising under this Section will be in lieu of any direct monetary damages that Waggles Franchising may incur as a result of Waggles Franchising's loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Waggles Franchising after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Waggles Franchising's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Waggles Franchising is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Waggles Franchising may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Waggles Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Waggles Franchising. To exercise this option, Waggles Franchising must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Waggles Franchising elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Waggles Franchising's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Waggles Franchising may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any

other transfer documents reasonably requested by Waggles Franchising. If Waggles Franchising exercises the purchase option, Waggles Franchising may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Waggles Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Waggles Franchising may pay a portion of the purchase price directly to the lienholder to pay off such lien. Waggles Franchising may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Waggles Franchising may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

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

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

- (i) Waggles Franchising receives a transfer fee equal to \$10,000 plus any broker fees and other out-of-pocket costs incurred by Waggles Franchising;
- (ii) the proposed Transferee and its owners have completed Waggles Franchising's franchise application processes, meet Waggles Franchising's then-applicable standards for new franchisees, and have been approved by Waggles Franchising as franchisees;
- (iii) the proposed Transferee is not a Competitor;
- (iv) the proposed Transferee executes Waggles Franchising's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the form will be amended to provide that proposed assignee will not be required to pay an initial franchise fee);
- (v) all owners of the proposed Transferee provide a guaranty in accordance with Section 2.5;
- (vi) Franchisee has paid all monetary obligations to Waggles Franchising and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Waggles Franchising or its affiliates;

- (vii) the proposed Transferee and its owners and employees undergo such training as Waggles Franchising may require;
- (viii) Franchisee, its Owners, and the Transferee and its owners execute a general release of Waggles Franchising in a form satisfactory to Waggles Franchising; and
- (ix) the Business fully complies with all of Waggles Franchising's most recent System Standards.

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

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

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

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

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

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Waggles Franchising) Waggles Franchising, its parent entities, subsidiaries and affiliates, and their

respective owners, directors, officers, employees, agents, successors and assignees (collectively, “Indemnitees”) against all Losses in any Action by or against Waggles Franchising and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the Business or any alleged act or omission by Franchisee. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Losses which Franchisee proves arose solely as a result of any Indemnitee’s intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

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

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

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

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

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

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

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

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

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

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

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within 18 months from the date of the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by Waggles Franchising related to non-payment of Royalty Fees and other amounts owed by Franchisee, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

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

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

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

ARTICLE 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth on the cover page to this Agreement; and (B) if to Waggles Franchising, addressed to 2686 Tamiami Trail, Ste 3A, Port Charlotte, FL 33952. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notices will be effective upon the earlier of: (i) receipt by the recipient, (ii) first rejection by the recipient, (iii) three business days after mailing if sent via registered or certified mail; or (iv) the next business day after mailing if sent via overnight courier. Notwithstanding the foregoing, Waggles Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication, in which case notice would be effective on Franchisee upon the delivery of the electronic mail or other electronic communication.

18.10 Force Majeure. If either party is unable to perform an obligation due to riots, terrorist act, war, disaster (such as an earthquake, hurricane, or tornado), health emergency (such as epidemics,

pandemic, and quarantines), or any other act of God or nature beyond the reasonable control of such party (a “Force Majeure”), such party’s performance of the obligation shall be excused for so long as the Force Majeure exists, but not longer than 180 days. This section shall not excuse a party’s obligation to make a payment owed under this Agreement.

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

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

[Signatures on next page]

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

[if an individual:]

Name: _____
Date: _____

[if an entity:]

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

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to:

- Illinois
- Indiana
- Maryland
- Minnesota
- New York
- North Dakota
- Ohio
- Rhode Island
- Washington

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

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

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

State: _____

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

Name	Shares or Percentage of Ownership

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

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: _____

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

1. The Location of the Business is:

2. The Territory of the Business is:

WAGGLES PUPPIES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”).

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

Guarantor agrees as follows:

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

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

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

3. Covenants Not to Compete.

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

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

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

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

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

incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Waggles Franchising all costs incurred by Waggles Franchising (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Attachment 4 to Franchise Agreement

CONDITIONAL ASSIGNMENT OF BRAND ACCOUNTS

This Assignment of Brand Accounts (this “Assignment”) is executed by the undersigned (“Franchisee”) in favor Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”).

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

Franchisee agrees as follows:

- 1. Conditional Assignment.** Franchisee hereby assigns to Waggles Franchising (or its designee) all of Franchisee’s rights, title, and interest in and to all telephone numbers, directory listings, email accounts, websites, social media accounts, and all other accounts and profiles for advertising and marketing on the internet or any electronic communications network (“Brand Accounts”) associated with Waggles and registered by Franchisee from time to time in connection with the operation of Franchisee’s Business, such assignment to be effective upon (a) termination or expiration of the Franchise Agreement, or (b) notice from Waggles Franchising to Franchisee, at which Waggles Franchising will have the right to assume ownership of any one or all Brand Accounts.
- 2. Transfer or Deletion.** Franchisee hereby authorizes the service provider of each Brand Account (the “Provider”) to transfer the Brand Account to Waggles Franchising (or its designee) or to delete the Brand Account upon the written instruction of Waggles Franchising. Franchisee hereby grants Waggles Franchising an irrevocable limited power of attorney on behalf of Franchisee to direct any Provider to transfer or delete a Brand Account. In such an event, Franchisee will have no further right, title or interest in the Brand Account but will remain liable to the Provider for all past due fees owing to the Provider on or before the date on which the assignment is effective. Waggles Franchising will have no liability or obligation of any kind to a Provider arising prior the effective date of transfer or deletion. Franchisee agrees to take all reasonable steps necessary to effectuate the transfer or deletion (as determined by Waggles Franchising) of each Brand Account.

[Signatures on next page]

Executed by:

FRANCHISEE:

[if an individual:]

Name: _____
Date: _____

[if an entity:]

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

EXHIBIT C
MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”) on the Effective Date.

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

1. Multi-Unit Commitment.

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

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

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

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

pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Waggles business.

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

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

- (i) Franchisee fails to satisfy the development schedule; or
- (ii) Waggles Franchising has the right to terminate any franchise agreement between Waggles Franchising and Franchisee (or any affiliate thereof) due to Franchisee’s default thereunder (whether or not Waggles Franchising actually terminates such franchise agreement).

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

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

- (i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Waggles business, in the reasonable judgment of Waggles Franchising, and
- (ii) Franchisee must be in full compliance with all brand requirements at its open Waggles businesses, and not in default under any Franchise Agreement or any other agreement with Waggles Franchising.

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

[Signatures on Next Page]

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing a Rider to Multi-Unit Development Agreement pursuant to:

- Illinois
- Indiana
- Maryland
- Minnesota
- New York
- North Dakota
- Ohio
- Rhode Island
- Washington

EXHIBIT D
RIDER TO LEASE AGREEMENT

Landlord: _____
Notice Address: _____

Telephone: _____

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Waggles business (or any name authorized by Franchisor).
2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.
3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.
4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.
5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor or its affiliate, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease unless otherwise agreed by Landlord. If Franchisor or its affiliate becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Waggles brand. Any provision of the Lease which limits Tenant's right to own or operate other Waggles outlets in proximity to the Leased Premises shall not apply to Franchisor or to its affiliates.
6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

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

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

Executed by:

LANDLORD:

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

TENANT:

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

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

EXHIBIT E

FORM OF GENERAL RELEASE

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

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Waggles Franchising, its affiliates, and their respective directors, officers, shareholders, employees, franchise sellers, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Waggles Franchising reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

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

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

Agreed to by:

Name: _____
Date: _____

EXHIBIT F
FINANCIAL STATEMENTS

Waggles Puppies Franchising, LLC

(A Delaware Limited Liability Company)

Balance Sheet with Report of Independent Auditors
August 31, 2023

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Report of Independent Auditors

To the Members of
Waggles Puppies Franchising, LLC:

Opinion

We have audited the accompanying financial statement of Waggles Puppies Franchising, LLC (the Company), a Delaware limited liability, which comprise the balance sheet as of August 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Company's ability to continue as a going concern for one year after November 7, 2023.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

DA Advisory Group

Troy, MI
November 7, 2023

Waggles Puppies Franchising, LLC

BALANCE SHEET

As of August 31, 2023

August 31,
2023

ASSETS

Current assets:	
Cash and cash equivalents	<u>\$ 124,785</u>
Total current assets	124,785
Noncurrent assets:	
Prepaid commissions	<u>60,000</u>
Total noncurrent assets	60,000
Total assets	<u>\$ 184,785</u>

LIABILITIES AND MEMBERS' EQUITY

Noncurrent liabilities:	
Deferred franchise revenue	<u>100,000</u>
Total noncurrent liabilities	100,000
Total liabilities	<u>100,000</u>
Members' equity	<u>84,785</u>
Total liabilities and members' equity	<u>\$ 184,785</u>

see accompanying notes

1. Organization

Waggles Puppies Franchising, LLC (the “Company”) is a Delaware limited liability company. The Company was formed in Delaware for the purpose of franchising retail stores that specialize in the sales of puppies across the United States of America.

For the period ended August 31, 2023, total contributed capital was \$95,000, with withdrawals of \$5,167 resulting in a net balance of \$89,833 at the balance sheet date.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and expenses

Operating income consists of contractual franchise royalties based on a percentage of monthly sales which are recognized as revenue in the month earned as well as revenue from other contractual agreements. For the period ended August 31, 2023, no royalties were earned.

Initial franchise fees are recognized as revenue once substantially all of the initial services of the Company required by franchise agreement have been performed and no other material conditions or obligations related to the determination of substantial performance exist, which typically aligns with when a new franchisee location is open for business. For the period ended August 31, 2023, no franchise fee revenue was earned.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since its inception and has not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Prepaid expenses

During the year, the Company prepaid commissions based on deposits received from new Franchisee contracts. The balance of prepaid expenses was \$60,000 at year-end.

2. Summary of significant accounting policies and nature of operations (continued)

Unearned revenue

During the year, \$100,000 was received in advance payments for pre-paid Franchise Fees from one contract. The amount received represents a deposit of \$10,000 for ten stores. These fees will be recognized when each location is opened by the applicable Franchisee.

Related party transactions

The company is 100% owned by WP Holdings Group, LLC, a related-party. As of August 31, 2023 there were no amounts due to or from this entity.

Subsequent events

Subsequent events have been evaluated through November 7, 2023, which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the balance sheet or disclosure.

EXHIBIT G

BRAND STANDARDS MANUAL TABLE OF CONTENTS

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EXHIBIT H

CURRENT AND FORMER FRANCHISEES

Current Franchisees

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

None

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

None

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

Former Franchisees

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

None

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor 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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfp.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.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that 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:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person

acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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 contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Port Charlotte, Florida, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California 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.

4. The following paragraph is added at the end of Item 19 of the Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Waggles business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

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

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____
2. A proposed registration or filing is or will be shortly on file in the following states:

3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

The following is added to Item 17:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION

WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

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 ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**: The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

OHIO ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Ohio only, this Disclosure Document is amended by adding the following two cover pages to this Disclosure Document:

WAGGLES PUPPIES FRANCHISING, LLC

[*insert date of FDD*]

READ THIS DISCLOSURE DOCUMENT CAREFULLY

The state of Ohio has not reviewed and does not approve, recommend, endorse, or sponsor this or any franchise. If you have any questions about this franchise, the information contained in this disclosure document should be reviewed with an attorney or financial advisor before you sign any agreement.

The following disclosure document contains the disclosures required by Ohio law.

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

The following is added to Item 19:

CAUTION

Some business opportunity plans have earned this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

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 do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor 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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit J for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT J

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable:* and Multi-Unit Development Agreement] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

- 1. Governing Law.** Illinois law governs the Agreement.
- 2. Waivers Void.** In conformance with Section 41 of the Illinois Franchise Disclosure Act, notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
- 3. Jurisdiction.** In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to occur outside of Illinois.
- 4. Entire Agreement; No Disclaimer.** This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between Waggles Franchising and Franchisee on the matters contained in this Agreement; but nothing in this Agreement or any related agreement is intended to disclaim the representations that Waggles Franchising made in the latest franchise disclosure document that Waggles Franchising furnished to Franchisee.
- 5. Effective Date.** This Rider is effective as of the date of the Agreement.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

INDIANA RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable:* and Multi-Unit Development Agreement] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

MARYLAND RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable:* and Multi-Unit Development Agreement] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Registration and Disclosure Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
- 2. Releases, Estoppels and Waivers of Liability.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- 3. Statute of Limitations.** Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
- 4. Jurisdiction.** Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

MINNESOTA RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

NEW YORK RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Waggles Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33 (the “New York Franchise Law”).

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Waggles Franchising with any provision of the New York Franchise Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchise Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

OHIO RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “BOPA” means the Ohio Business Opportunity Act, codified in Revised Code of Ohio, Title XIII, Chapter 1334.
- 2. Applicability of BOPA.** Franchisee acknowledges that Waggles Franchising is providing this Rider out of an abundance of caution, and that neither the execution of this Rider nor any other act of Waggles Franchising constitutes an intent that BOPA apply to the transaction between Waggles Franchising and Franchisee or an admission by Waggles Franchising that the transaction fails to comply in any material respects with the trade regulation rule of the federal trade commission, “disclosure requirements and prohibitions concerning franchising,” 16 C.F.R. 436.1 et seq.
- 3. No Delivery of Goods or Services during Cancellation Period.** Waggles Franchising will not commence delivery of any goods or provide any services during the time within which Franchisee may cancel the Agreement as provided in Section 5 below.
- 4. Jurisdiction and Venue.** In connection with the sale of the franchise, any provision in the Agreement restricting jurisdiction or venue to a forum outside of Ohio, or requiring the application of laws of another state, is void with respect to a claim otherwise enforceable under Sections 1334.01 to 1334.15 of the BOPA.
- 5. Cancellation.** You, the franchisee, may cancel the 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.
- 6. Agent for Service of Process.** The name and address of Waggles Franchising’s agent authorized to receive service of process in Ohio is [_____].

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

OHIO
NOTICE OF CANCELLATION

[Insert Date Agreement Signed by FRANCHISEE]

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 Waggles Puppies Franchising, LLC'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 Waggles Franchising at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of Waggles Franchising regarding the return shipment of the goods at Waggles Franchising's expense and risk. If you do make the goods available to Waggles Franchising and Waggles Franchising 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 Waggles Franchising, or if you agree to return them to Waggles Franchising and fail to do so, then you remain liable for the performance of all obligations under the 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 Waggles Puppies Franchising, LLC, at 2686 Tamiami Trail, Ste 3A, Port Charlotte, FL 33952, or send a fax to Waggles Franchising at *[Insert facsimile number]* or an e-mail to Waggles Franchising at *[Insert email address]*, not later than midnight of *[Insert date that is five business days after the date above]*.

I hereby cancel this transaction.

FRANCHISEE:

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

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT DEVELOPMENT AGREEMENT*]

This Rider amends the Franchise Agreement [*if applicable: and Multi-Unit Development Agreement*] dated _____ (the “Agreement”), between Waggles Puppies Franchising, LLC, a Delaware limited liability company (“Waggles Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE AGREEMENT [*if applicable: AND MULTI-UNIT*
DEVELOPMENT AGREEMENT]

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

Agreed to by:

FRANCHISOR:

WAGGLES PUPPIES FRANCHISING, LLC

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

FRANCHISEE:

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

EXHIBIT K
EFT AUTHORIZATION FORM

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

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

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

Agreed to by:

FRANCHISEE:

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

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

STATE EFFECTIVE DATES

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

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

State	Effective Date
Virginia	Pending

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

RECEIPT

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

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

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

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

Name	Principal Business Address	Telephone No.
Ted Bell	2686 Tamiami Trail, Ste 3A, Port Charlotte, FL 33952	941-249-8851

Issuance Date: November 9, 2023

I received a disclosure document dated November 9, 2023, that included the following Exhibits:

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

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

RECEIPT

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- J. State Addenda to Agreements
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Signature: _____

Print Name: _____

Date Received: _____

Return This Copy To Us