

FRANCHISE DISCLOSURE DOCUMENT

Fetch!

Fetch! Pet Care, Inc.
A California Corporation
19500 Victor Parkway, Suite 400
Livonia, Michigan 48152
Phone: 866-338-2463
www.fetchpetcare.com
franchise@fetchpetcare.com

This franchise is for the operation of a franchise in a specified territory providing professional care to client's pets and homes.

The total investment necessary to begin operation of a Fetch! Pet Care franchise in one Target Area is \$88,567 to \$103,667, excluding rent or the purchase of real estate. This includes the \$65,000 to \$66,125 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 the 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Fetch! Pet Care, Inc. at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152 and (866) 338-2463.

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, such as a lawyer or an accountant.

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

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

Issuance Date: September 7, 2023

STATE COVER PAGES

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 Exhibits D and E.
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?	Exhibit B 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 Fetch! Pet Care 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 Fetch! Pet Care franchisee?	Exhibits D and E 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 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 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 risks be highlighted:

1. OUT-OF-STATE DISPUTE RESOLUTION. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY MEDIATION AND/OR LITIGATION ONLY IN MICHIGAN. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH THE FRANCHISOR IN MICHIGAN THAN IN YOUR OWN STATE.

2. MANDATORY MINIMUM PAYMENTS. YOU MUST MAKE MINIMUM ROYALTY AND FRANCHISE OPERATIONS FEE PAYMENTS REGARDLESS OF YOUR SALES LEVELS. FAILURE TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

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.

We use the services of one (1) or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay the franchise broker a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' 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) 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 subfranchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, 525 W Ottawa Street, P.O. Box 30213, Lansing, Michigan 48909; Telephone: (517) 373-7117.

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

The Franchisor

To simplify the language in this disclosure document, “we,” “us,” “Fetch! Pet Care,” “Fetch” and the “company” means Fetch! Pet Care, Inc., the franchisor. “You” means the person who buys the franchise and includes the franchisee’s owners. You can be a sole proprietorship, partnership, limited liability company or corporation.

We are a California corporation incorporated on November 4, 2002. We do business as Fetch! Pet Care. Our principal business address is 19500 Victor Parkway, Suite 400, Livonia, Michigan 48151. Our agent for service of process is disclosed in Exhibit A. We have conducted business of the type to be operated by the franchisee since 2002. We also operate businesses of the type being franchised in company-owned locations (that is, owned by Fetch! Pet Care, Inc.). We began offering franchises as of January 1, 2003. We have not offered franchises in any other line of business.

Predecessors, Parents, and Affiliates

We do not have any predecessors.

Our parent is Longe Acquisitions LLC, a Michigan limited liability company formed on February 28, 2020 with an address at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48151. On March 4, 2020, Longe Acquisitions LLC acquired a majority interest in Fetch! Pet Care, Inc.

On June 16, 2011, Cybeck Capital Fund, LLC (“CCF”), a private equity fund managed by Cybeck Capital Partners, LLC of Dayton, Ohio, acquired a portion of the issued and outstanding common stock of Fetch! Pet Care, Inc. and retains a minority ownership interest in Fetch! Pet Care, Inc. CCFs’ principal business address is 7086 Corporate Way, Dayton, Ohio 45459.

Neither Longe Acquisitions or CCF will offer services to our franchisees and do not offer franchises in this or any other line of business, nor do they operate a business of the type being franchised in this disclosure document.

Our affiliate Fetch Managed Services LLC, is a Delaware limited liability company, offers services to our franchisees pursuant to a Consulting Agreement as described in Item 11 below. Greg Longe is Chief Executive Officer and Maria Shinabarger is President. This entity’s principal business address is 19500 Victor Parkway, Suite 400, Livonia, Michigan 48151. It has not and does not offer franchises in any line of business.

Our affiliate, Furry Cuts! Petmobile International, LLC is a Delaware Limited Liability Company with a principal address of 19500 Victor Parkway, Livonia, Michigan, offers pet owners with dog and cat grooming services at customer locations franchises under the name Furry Land and has since February of 2022. As of December 31, 2022, there was 16 Furry Land franchises. Furry Cuts! Petmobile International, LLC does not offer franchises in any other line of business.

Our affiliate, Door Renew International, LLC, is a Delaware Limited Liability Company formed on June 24, 2021 with the principal address of 19500 Victor Parkway, Livonia, Michigan. Door

Renew International, LLC has offered franchises for Door Renew business since December 28, 2021. As of December 31, 2022, there were 18 Door Renew franchises. Door Renew International, LLC has not in the past and does not now engage in other line of business. Door Renew International, LLC does not now and have never in the past offered franchises in any other lines of business.

The Franchised Offered

Fetch! Pet Care sells to qualified persons franchises to own and operate professional pet sitting, dog walking and home care businesses in specified territories that use the name “Fetch! Pet Care” (each of these franchises may be referred to in this disclosure document as a “Franchise”). We have developed a distinctive system (the “System”) for establishing and operating Franchises which features the daily care of client’s pets in and around their own familiar environment while their owners are away. In addition, we offer care of our client’s home while they are away or unable to attend them, which includes bringing in the mail and newspaper, watering the plants, rotating the blinds, and adjusting the lights, to give the home a lived-in look.

Industry Regulations.

Your Fetch! Pet Care business will be subject to laws and regulations in the state, county or municipality regarding the operation of a pet walking business. There are no regulations specific to this industry, except that there may be dog walking permits required by some local governments, in some situations. Additionally, you should consider that certain aspects of any business are regulated by federal, state, and local laws, regulations, rules, and ordinances (“laws”) in addition to the laws applicable to businesses generally, such as Federal Wage and Hour Laws and the Occupation, Health and Safety Act. Various federal, state and local laws may impact the operation of your franchise. You may need to obtain a specialized license in order to operate the Franchised Business. Typically, any licensing, registration, or certification process for pet grooming businesses may involve a combination of education, experience, or testing requirements.

Market and Competition

You will offer your services to pet and home owners. If you operate your Fetch! Pet Care franchise using pet care providers to provide those services, you will need to employ them as your employees. There are several competing pet and home care companies with national sales systems in place. There are, in addition, potentially a number of regional and local companies against which you will be directly competing. There is some seasonality to this business. The seasonality of the business is likely to vary with the location of your Target Area.

ITEM 2 **BUSINESS EXPERIENCE**

Gregory A. Longe – Chief Executive Officer

Mr. Longe has served as the company’s Chief Executive Officer since March 2020 in Livonia, Michigan. Mr. Longe is also the Chief Executive Officer of Furry Cuts! Petmobile International, LLC since October 2021 in Livonia, Michigan. Mr. Longe is also the Chief Executive Officer of Door Renew International LLC since July 2021 in Livonia, Michigan. Mr. Longe is also the Chief Executive Officer of medspa810 since October 2019 in Livonia, Michigan. Prior to that, he served as Chief Executive Officer for British Swim School from April 2019 to July 2019 in Virginia Beach, Virginia. Prior to that, he served as

Chief Operating Officer of Martinizing International, LLC from November 2014 to April 2019 and President from July 2015 to April 2019 in Berkley, Michigan as well as its affiliates 800DC (1-800-DryClean and Bizzie brands) starting in March 2013 and P4T starting in May 2014.

Maria Longe – President

Mrs. Longe has served as the company's President since March 2020 in Livonia, Michigan. Ms. Shinabarger is also President of Furry Cuts! Petmobile International, LLC since October 2021 in Livonia, Michigan. Ms. Shinabarger is also President of Door Renew International LLC since July 2021 in Livonia, Michigan. Ms. Shinabarger is also the Vice President of Operations for medspa810 since January 2020 in Livonia, Michigan. Prior to that, she served as President of British Swim School from April 2019 to July 2019 in Virginia Beach, Virginia. Prior to that, she served as Vice President of Martinizing International, LLC from November 2014 to April 2019 as well as Manager of Business Development from April 2013 to 2015, Regional Manager, then Director of Retail Operations starting in March 2016 in Berkley, Michigan for its affiliates 800DC (1-800-DryClean and Bizzie brands) and P4T.

Michael Shinabarger – Vice President of Franchise Administration

Mr. Shinabarger has served as the company's Vice President of Franchise Administration since September 2021 in Livonia, Michigan. Prior to that Mr. Shinabarger was the company's Director of Franchise Administration from June 2020 until September 2021 in Livonia, Michigan. Prior to that Mr. Shinabarger was the company's Franchise Service Manager from March 2020 until June 2020 in Livonia, Michigan. Mr. Shinabarger is also Vice President of Franchise Administration of Furry Cuts! Petmobile International, LLC since October 2021 in Livonia, Michigan. Mr. Shinabarger is also Vice President of Franchise Administration of Door Renew International LLC since September 2021 in Livonia, Michigan and prior to that Mr. Shinabarger was Director of Franchise Administration of Door Renew from July 2021 until September 2021 in Livonia, Michigan. Prior to that, he was a route driver for Huntington Cleaners from April 2013 until March 2020 in Oak Park, Michigan.

Steven McEntire – Vice President of Operations

Mr. McEntire has served as the company's Vice President of Operations since March 2022 in Livonia, Michigan. Prior to that Mr. Longe was the company's Director of Business Development from October 2021 until March 2022 in Livonia, Michigan. Prior to that Mr. Longe was the company's Business Development Manager from December 2020 until October 2021 in Livonia, Michigan. Mr. Longe is also Vice President of Operations of Furry Cuts! Petmobile International, LLC since March 2022 in Livonia, Michigan and prior to that Mr. Longe was Director of Business Development of Furry Cuts! from October 2021 until March 2022 in Livonia, Michigan. Mr. Longe is also Vice President of Operations of Door Renew International LLC since March 2022 in Livonia, Michigan and prior to that Mr. Longe was Director of Business Development of Door Renew from October 2021 until March 2022 in Livonia, Michigan and prior to that Mr. Longe was Business Development Manager of Door Renew from July 2021 until October 2021 in Livonia, Michigan. Prior to that, he worked as Outside Sales Manager for Holbrook Auto Parts starting in August 2020 in Farmington Heights, Michigan. From November 2018 to April 2020, Mr. Longe was an Account Manager for Flex N Gate in Allen Park, Michigan. Prior to that, from May 2017 to November 2018, he was an Account Manager for TMD Friction, Inc. in Troy, Michigan.

ITEM 3

LITIGATION

Government Actions

1. State of Maryland vs. Fetch! Pet Care, Inc. and Paul Mann (Case No. 2009-0477). On January 4, 2010, in accordance with Sections 14-214, 14-216, 14-223, and 14-231 of the Maryland Franchise Law, the Maryland Attorney General required Fetch! Pet Care, Inc. (“Fetch!”) and Mr. Mann to sign a Consent Order (the “Order”) for violations of those sections in that Fetch! sold a franchise prior to its initial registration becoming effective and sold three (3) others after the renewal registration expired. The Order required Fetch! to offer rescission to the franchisees who bought the franchise during the unregistered periods. Two (2) franchisees accepted rescission and two (2) franchisees deferred their decision. The Order also provides that if Fetch! violates the Order, the Maryland Division of Securities may bring administrative or judicial proceedings against Fetch! for enforcement of the Order. On May 20, 2010, the Order was amended to include three (3) additional unregistered franchise sales. Fetch! offered rescission to the three (3) additional individuals who purchased unregistered franchises in Maryland and all three (3) have accepted rescission.

2. On April 14, 2010, the California Department of Corporations (“DOC”) approved a Notice of Violation under the California Corporations Code, Section 31303, against Fetch! Pet Care, Inc. (“Fetch!”). The Notice was issued because Fetch! violated the California Franchise Investment Law (“FIL”) by offering and selling 35 franchises to 31 individuals after its registration lapsed in April 2006 under the FIL. As of July 1, 2010, Fetch! offered rescission to the individuals who purchased unregistered franchises in California, 17 individuals accepted the offer and 14 individuals rejected the offer. Fetch! was also required to pay an administrative fee of \$675 to the DOC.

3. State of Illinois v. Fetch! Pet Care, Inc. and Paul Mann, (Seventh Judicial Circuit Court, Sangamon County, Illinois). On April 5, 2011, a Consent Judgment was entered into between the State of Illinois, Fetch! Pet Care, Inc. (“Fetch!”) and Mr. Mann relating to violations of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 et seq. During the period between February 3, 2008 and the date of the Consent Judgment, Fetch! sold four (4) franchises in Illinois without its disclosure document being registered in the State of Illinois. Fetch! offered rescission to each of these franchisees. Two (2) of the franchisees accepted rescission, and two (2) refused rescission. Fetch! also paid the State of Illinois a penalty of \$10,000 in five (5) installments.

4. State of Rhode Island v. Fetch! Pet Care, Inc. On January 28, 2011, a Consent Order was entered into between the State of Rhode Island and Providence Plantations and Fetch! Pet Care, Inc. (“Fetch!”) relating to violations of the Rhode Island Franchise Investment Act, Section 19-28.1, et seq. On February 8, 2007, Fetch! sold one (1) franchise to a Rhode Island resident without its disclosure document being registered in the State of Rhode Island. Fetch! offered rescission to this franchisee and the franchisee accepted rescission with a total settlement of \$35,000. Fetch! also paid the State of Rhode Island a penalty of \$2,500.

5. Commonwealth of Virginia, ex rel. vs. Fetch! Pet Care, Inc. and Paul Mann (Case No. SEC-2011-00013). On June 15, 2011, in accordance with Section 13.1-560 of the Virginia Retail Franchising Act (“Act”), Section 13.1-557 et seq. of the Code of Virginia, Section 13.1-563 (2) of the Act and Section 13.1-563 (4) of the Act, the State Corporation Commission (“Commission”) required Fetch! Pet Care, Inc. (“Fetch!”) and Mr. Mann to sign a Consent Order for violations of those sections in that Fetch! sold seven (7) franchises prior to registering its disclosure document and did not provide prospective franchisees with

such disclosure documents. The Order required Fetch! to offer rescission to the franchisees who bought the franchise. Fetch! was also required to pay \$2,000 in monetary penalties and \$5,700 for the cost of the investigation. Fetch! offered rescission to each of these franchisees. Four (4) of the franchisees accepted rescission, and three (3) refused rescission.

6. In the Matter of Fetch! Pet Care, Inc. (Hawaii Department of Commerce and Consumer Affairs, Case Number SEU-2010-015), Consent Agreement. In September 2010, Fetch! Pet Care, Inc. (“Fetch!”) entered into a Consent Agreement with the Director of Commerce and Consumer Affairs, State of Hawaii. The Consent Agreement provides that the Hawaii Securities Enforcement Branch determined that Fetch! had, without registration, offered and sold franchises to be operated in Hawaii. Fetch! agreed to pay a \$10,000 civil penalty and to fully comply with all requirements of the Hawaii Investment law.

Disclosures Regarding Officers

In the Matter of: Collision on Wheels, Debtor, Fred J. Deery, Trustee, vs John Lynch, et al; Adversary Proceeding No. 12-05334-wsd (E.D. Bkcty. Mich., July 21, 2012). On July 21, 2012, Fred J. Deery, the Trustee in the bankruptcy proceeding in In re Collision on Wheels International, LLC, (No. 10-63350-wsd, Bkrcy, E.D. Mich. S.D. Detroit, July 20, 2010) described below in Item 4, filed a Complaint against 29 defendants, including Roosters MGC International, LLC and Gregory Longe, the then-current President of Roosters MGC International, LLC, who was also co-President and Chief Executive Officer of the debtor at the time the debtor filed its bankruptcy petition, and who is one (1) of the two (2) largest creditors of the debtor. The complaint alleges fraudulent transfers, preferential transfers, turnover of property of the estate, conversion, embezzlement, and breach of fiduciary duty related to amounts the defendants allegedly received from the debtor’s franchisees and failed to pay to the debtor. On or about March 4, 2013, the plaintiff/trustee settled his claim with three (3) of the four (4) officers, including Mr. Longe, for less than \$63,000 on his initial claim in excess of \$7,000,000. The parties agreed that the Settlement Agreement shall not be taken or construed as an admission that Mr. Longe breached any duty owed to Collision on Wheels or any other party. Mr. Longe was removed as a party to the proceeding as of April 9, 2013. The case was dismissed on May 10, 2013 and terminated on May 20, 2014.

Other than these actions, no litigation is required to be disclosed in this Item.

Please see Exhibit G (State Specific Addendum to the Disclosure Document) for additional information required by some states.

ITEM 4 **BANKRUPTCY**

In re Collision on Wheels International, LLC, Case No. 10-63350-wsd (U.S. Bankruptcy Court for the E.D. Mich. S.D., July 20, 2010). Collision on Wheels filed a petition under Chapter 7 of the U.S. Bankruptcy Code under the name and caption listed above. Gregory Longe was Co-President and Chief Executive Officer of Collision on Wheels International, LLC at the time it filed the bankruptcy petition. Mr. Longe was also one of the two largest creditors in the case. The case was terminated on December 10, 2014. Since this was a Chapter 7 filing of a corporation, no discharge was entered.

Other than this action, no bankruptcy is required to be disclosed in this disclosure document.

ITEM 5
INITIAL FEES

Franchise Agreement

Upon the execution of a Franchise Agreement, you will pay a franchise fee of \$62,500 and will receive one (1) Target Area (the “Franchise Fee”). Each “Target Area” is the geographic area that includes approximately 50,000 targeted households that meet our then current demographic criteria for households that are within the territory where you have the right to provide Fetch! services to clients. A “Target Area” will be defined by ZIP Code.

Multi-Territory Discount. If at the time you sign the Franchise Agreement, you enter into additional Franchise Agreements for additional Target Area, the initial franchise fee for the additional Target Areas will be reduced to the following:

<u>Total Number of Target Areas</u>	<u>Total Franchise Fee</u>
Two (2)	\$100,000
Three (3)	\$135,000
Four (4)	\$165,000
Five (5)	\$185,000

To receive the reduced Franchise Fees, all Target Areas must be purchased at the same time. Each Target Area purchased after the fourth (4th) Target Area, purchased at the same time, may be obtained for an additional franchise fee of \$20,000. Additional Target Areas purchased at a later date will require payment of the full Franchise Fee. You must execute a separate franchise agreement for each Target Area you purchase.

We participate in the International Franchise Association’s VetFran program, which provides the returning men and women of the armed forces with access to financial assistance in purchasing our franchise opportunity. As members of this program, we offer a \$500 discount on the Franchise Fee to honorably discharged veterans and active members of the military. We also offer a deployment guarantee for active military families, which permits franchisees who are deployed outside of their Target Area to sell their franchise and/or terminate the Franchise Agreement without penalty and provides forgiveness of the balance of any note delivered to us for payment of the Franchise Fee.

The Franchise Fee is fully earned and non-refundable unless you fail to attend and complete training to our satisfaction, for which we have the right to terminate the Franchise Agreement and retain 10% of the fees paid to us.

There are no other purchases from or payments to us or any affiliate that you must make before you open your Fetch! Pet Care franchise.

Pre-Opening Marketing Fees

Prior to opening, you must pay us a fee for the creation and optimization of your microsite, Google Business Page and Facebook account set up. The fee is \$125 per week and billed weekly and commences four weeks from your opening and ranges between \$500 and \$625. The fees are fully earned upon payment and not refundable under any circumstances.

Additionally, you must pay us between \$2,000 and \$3,000 which will be used to create your Google Advertising Campaign. While the fee is paid to us prior to opening, we remit the same to the vendor as a pass through. The fees are fully earned upon payment and not refundable under any circumstances.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty (Note 1)	7% of weekly Gross Sales (Note 4) for the preceding week or a minimum payment, whichever is greater. For purposes of calculating the amount due each week, a week is considered to be the seven-day period between Sunday and Saturday. In Year 1 the weekly minimum is \$115/week; in Year 2 the weekly minimum is \$231/week; and in Year 3 the weekly minimum is \$415/week. Weekly minimums are aggregated with the weekly minimum due for the Franchise Operations Fee. (See Note 2)	The royalty will be paid weekly. An invoice will be provided each Tuesday and funds will be withdrawn on Thursday for the preceding week.	Payment is by automatic virtual check debit. A late fee of \$25 per week plus .35% interest on the unpaid balance will be charged on any payments not received by the due date.
Franchise Operations Fee (Note 1)	If the Gross Sales for the preceding week are \$1,923 or less, a Franchise Operations Fee of 15% of Gross Sales, or the minimum noted below (Note 2), whichever is higher, will be owed weekly. If Gross Sales for the preceding week exceed \$1,923, then the franchisee will pay an amount equal to (a) 15% of Gross Sales on the initial \$1,923 and (b) 11% on the amount above \$1,923. For purposes of calculating the amount due each week, a week is considered to be the seven-day period between Sunday and Saturday. In Year 1 the weekly minimum is \$115/week; in Year 2 the weekly minimum is \$231/week; and in Year 3 the weekly minimum is \$415/week. Weekly minimums are aggregated with the weekly minimum due for the Royalty Fee. (See Note 2)	The Franchise Operations Fee will be paid weekly. An invoice will be provided each Tuesday and funds will be withdrawn on Thursday for the preceding week.	Payment is by automatic virtual check debit. A late fee of \$25 per week plus .35% interest on the unpaid balance will be charged on any payments not received by the due date. This fee includes a contribution to the Brand Development Fund, access to and use of certain technology, including the Sales & Marketing Center, support from the franchisor, and access to the local marketing library.

Type of Fee	Amount	Due Date	Remarks
Local Territory Marketing Expenditures	\$3,800 per month for the first Target Area. If franchisee has additional Target Areas, an additional \$1,000 per month for the 2 nd Target Area, and an additional \$500 per month for each additional Target Area.	Must be spent monthly.	You must conduct Local Territory Marketing, public relations and/or promotions to advertise your Franchise. We must approve all advertising copy before placement. We may adjust the amount you must spend each year based on the Consumer Price Index.
Additional Training (Note 1)	\$500 per session	Prior to training course.	A reasonable training fee of \$500 will be charged for refresher programs and training of your subsequent franchise management staff. You will be responsible for all costs including transportation, lodging, meals and wages, if applicable.
Franchise Owner Summit Attendance Fee	Up to \$500 per attendee	Before each Franchise Owner Summit.	Franchisee or a principal must attend each Summit (up to 1 per calendar year). If neither Franchisee nor principal attends, Franchisee must pay to Franchisor an amount equal to the attendance fee for one (1) attendee. Other additional costs (such as room, board and travel) are borne by the Franchisee.
Transfers (Note 1)	For each Target Area included in the transfer under the current franchise agreement, 25% of the full, undiscounted then-current Franchise Fee will be charged per Target Area.	At the time designated by us. Under our current policy, the transfer fee would be due at the time the buying franchisee and selling franchisee submit an assignment and assumption agreement to us.	Due if the transfer would transfer controlling interest in the Franchise. Transfer is subject to our prior approval.
Audits	Amounts owing plus interest at prime (as stated in the Wall St. Journal) plus 3% per year plus the cost of the audit in some circumstances. The range of costs	At time of audit.	Audit shall be conducted only upon our belief that your reported figures are not accurate, and we shall be responsible for cost

Type of Fee	Amount	Due Date	Remarks
	for the audit is from \$1,500 to \$4,500.		and expenses of audit. If audit finds an understatement in any payment of 5% or more, franchisee shall pay costs and expenses of audit.
Renewal Fees (Note 1)	For each Target Area included in the renewal, 25% of the full, undiscounted then-current Franchise Fee will be charged per Target Area. (Note 3)	At the time of renewal.	For instance, if the then-current Franchise Fee is \$62,500, the renewal fee would be \$15,625.
Purchase of Additional Target Areas	One (1) - \$62,500 Two (2) - \$100,000 Three (3) - \$135,000 Four (4) - \$165,000 Five (5) - \$185,000 Each Target Area after the fourth (4 th) Target Area, purchased at the same time, may be obtained for an additional franchise fee of \$20,000.	At the time of signing a Franchise Agreement for the additional Target Areas.	To be eligible to purchase the additional Target Areas, you must be in good standing under your Franchise Agreement, satisfy operational key performance indicators and the area you wish to purchase must be available. We reserve the right to require that the additional Target Areas you wish to purchase must be contiguous to your existing Target Area.
Indemnification	Franchisee will indemnify us from all claims arising from Franchisee's operations, including all costs and attorney's fees, as well as our costs and attorney's fees if you breach the franchise agreement.	Not specified.	Not specified.
Approval of supplier fee	Reasonable cost of inspection of and actual cost of testing of, a supplier requested by Franchisee.	Not specified.	Not specified.
Late royalty payment fees	\$25 plus interest of .35% per week plus (if charged to Franchisee's credit card) a credit card processing fee of 3%.	Not specified.	Not specified.
Attorney's fees and other costs	See Note 6	Not specified.	Not specified.
Credit card processing fee	3% of total amount debited	Not specified.	Fee will apply if we debit your credit card for royalty or certain other fees.
Insurance Reimbursement	Amount of expense plus reasonable fee (not yet determined)	Immediately on notice.	You must reimburse us and pay a reasonable fee if we provide required

Type of Fee	Amount	Due Date	Remarks
			insurance when you fail to do so.
Lost Brand Standards manual fee	As set by us periodically. Currently: \$500	As set by us periodically. Currently: 10 days after notice from us.	Payable if you lose or fail to return when due our Brand Standards manual.
Encroachment fee	Up to 100% of any revenue generated from one (1) client, and up to 300% of revenue generated from more than one (1) client, from another franchisee's Target Area.	As set by us periodically. Currently: 10 days after notice from us.	Imposition of any fee is at our sole discretion.

Notes:

- All fees are imposed by and are payable to Fetch! Pet Care unless otherwise noted. All fees are non-refundable.
- The minimum aggregate weekly payment of the Royalty and Franchise Operations Fee is to be paid in a single combined minimum amount (Note 1) and is as follows:

Year 1	\$115/week
Year 2	\$231/week
Year 3 and Beyond	\$415/week

Please note:

- The minimum aggregate weekly payment of the Royalty and Franchise Operations Fee is due per week per Target Area. For example, if you had three (3) Target Areas, the total minimum for Year 3 and beyond would be \$1,245 per week.
 - The lower minimum applies only to the first 12 months that you are licensed for the Target Area, while the higher minimums would apply throughout any renewal term. However, if you add a Target Area, the lower minimum applies to that Target Area for the first 12 months after it is added and the higher minimum would apply to that Target Area after that. For instance, if you were licensed for a Target Area, and added a second in month 24, then for months 25-36, that total minimum per week would be \$231 per week for the initial Target Area plus \$115 for the second Target Area, for a total of \$346 per week.
- Renewal is limited to the same person who is the franchisee renewing as the franchisee and does not include any transfer to, or renewal by, a new entity. The higher royalty rate will apply to a transferee of the franchise, except that, if an individual franchisee transfers the franchise to a corporation or other entity (such as a limited liability company) 100% owned by franchisee for the convenience of ownership (and the transfer does not occur on or about the time of a renewal of the franchise), the transferee will (unless otherwise agreed) be allowed to pay the lower rate.
 - “Gross Sales” means all revenue from the sale of all products and performance of services in association with the Franchise, whether inside or outside the Target Area (even if not permitted under the Franchise Agreement), whether for cash or credit and regardless of collection, and income of every kind

and nature related to the Franchise; however, “Gross Sales” shall not include any sales taxes or other taxes collected from clients by Franchisee for transmittal to the appropriate taxing authority. In computing Gross Sales, Franchisee shall be permitted to deduct the amount of cash refunds to, coupons and discounts used by clients; tips and other items reimbursable to Franchisee’s pet care provider, if these amounts have been included in sales. Royalty Fees, Franchise Operations Fees, and Regional Cooperative Fund Fees are payable by automatic virtual check payment, and funds must be made available in your account for withdrawal.

5. A majority of the voting power of the Regional Cooperative Fund must agree to the payment of a larger fee. Franchisor-owned locations may vote but do not have controlling voting power.

6. Franchisee is required to pay court costs and attorney’s fees incurred by us to protect our confidential information (Franchise Agreement § IX. D), to obtain injunctive relief to enforce post-termination provisions (Franchise Agreement § XI.B), to enforce non-competition covenants (Franchise Agreement § XVI.G) and in respect to indemnification claims.

7. Franchisor may periodically offer other services to franchisees and charge for them. As of the date of this disclosure document, we provide Sales Coordination Services to our company operations and charge our existing company-owned locations the same fees for use of the Sales & Marketing Center as other franchisees. Under the current form of Franchise Agreement, the Sales & Marketing Center services will be provided to all Franchisees and the costs will be included in the Franchise Operations Fee.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Item	Estimated Cost	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee (Note 1)	\$62,500 (subject to a reduced fee upon the purchase of multiple Target Areas)	Cash	When Franchise Agreement is signed.	Fetch! Pet Care
Travel and Living Expenses While Training (Note 2)	\$600 - \$2,000	As Arranged	As Arranged	Lodging, Transportation and Meals
Real Estate (Note 3)	See Note 3			
Equipment (Note 4)	\$500-\$2,000	As Arranged	As Arranged	Suppliers
Advertising/ Marketing (Note 5)	\$8,500 -\$9,000	As Arranged	As Arranged	Advertising Suppliers
Supplies (Note 6)	\$367-\$1,000	As Arranged	As Arranged	Supplies
Insurance (Note 7)	\$600-\$1,000	As Arranged	As Arranged	Insurer
Certification Costs (See Note 8)	\$50-\$500	As Arranged	As Arranged	Third Party Provider

Item	Estimated Cost	Method of Payment	When Due	To Whom Paid
Other Prepaid Expenses (Note 9)	\$450-\$667	As Arranged	As Arranged	Utility Companies, Approved Suppliers
Additional funds – [initial three month period]	\$15,000 - \$25,000	As Arranged	As Arranged	As Needed
TOTAL (Note 10)	\$88,567 - \$103,667			

Except as noted above, these fees are fully earned upon payment and not refundable.

Notes:

1. The Initial Franchise Fees are discussed in detail in Item 5. The amount reflected above is for the purchase of one Target Area. If you enter into multiple Franchise Agreements for additional Target Area at the same time, the Initial Franchise Fees will be reduced as follows:

<u>Total Number of Target Areas</u>	<u>Total Franchise Fee</u>
Two (2)	\$100,000
Three (3)	\$135,000
Four (4)	\$165,000
Five (5)	\$185,000

2. We provide instructors, training facilities and instructional materials, but you will need to arrange for your own transportation, lodging, and food (or, if you are a legal entity such as a corporation, limited liability company or partnership, for a principal of the legal entity) and pay for any costs you incur. The cost will depend on the distance you must travel, the type of accommodations you choose, the number of attendees, and any wages you pay to employees of yours attending training.

3. The Fetch! Pet Care franchise is a home-based business. Accordingly, you are not required to make any leasehold improvements or install any fixtures or other fixed assets. We are unable to estimate the cost to purchase or lease a commercial location. If you do lease a commercial space, the costs will vary significantly from location to location and are dependent on such factors as the general cost, location and availability of commercial real estate in your Target Area, the type of space selected (e.g., warehouse, office park, hi-rise, or retail) and the amount of space desired.

4. The equipment you will need includes office furnishings (desk, chair, lighting and file cabinets), a business phone, mobile phone, and miscellaneous small tools and appliances for pet and home care. We require a computer, printer, and scanner or fax machine. You will also need a reliable method of transportation and computer to perform services in your Target Area. This assumes you have your own vehicle. We don't require you to purchase or lease a vehicle in connection with the business.

5. This amount includes the \$500 to \$625 in fees for the creation and optimization of your microsite, Google Business Page and Facebook account set up and the \$2,000 and \$3,000 paid to use prior to opening for your Google Advertising Campaign. See Item 5 for more information. Additionally, within the first three months of opening the Franchise, you are required to spend \$7,500 on digital marketing. An additional

\$1,000 per month (minimum) should be spent on business cards, brochures, internet listings, and advertising, direct mail, door hangers, clothing, car magnets or decals, and event attendance.

6. You will need an opening and continuous inventory of paper, envelopes, manila files, adhesive labels, stamps, key coding tags, pet care provider handbook binders, printer ink, lock boxes, as well as some miscellaneous accessories.

7. The cost of insurance will vary according to your business revenue, the number of pet care providers of the Fetch! Pet Care franchise and the requirements of state law. The estimate given in the chart detailed in Item 8 is for the annual insurance premiums for the insurance we currently require. These figures may change according to a variety of factors and may include a higher initial premium payment than estimated. Auto insurance may be required by your state and is not included in this estimate. We may negotiate and offer you preferable pricing for the procurement of pet sitting insurance for your franchise.

8. Franchisees may be required to obtain certifications in pet first aid, animal behavior, and other animal-related sciences. The cost to franchisees will range from \$50 to \$500, as provided above. Additionally, Franchisees may be required to pay \$50-\$250 for each pet care provider it employs to obtain the same certifications.

9. You will have one-time and/or recurring prepaid monthly costs such as legal fees, licenses and permits, cell phone, telephone, Internet connection, and internet-based software services to operate the Franchise.

10. This estimates your initial start-up expenses. You must be prepared to reorder supplies as necessary and to cover the cost of utility bills, including telephone, electronic fax service and mobile phone, and payroll from working capital. New franchises often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the Franchise, which we calculate to be three (3) months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after. Your costs will depend on factors such as how much you follow our methods and procedures, your management skills, experience and business acumen, local economic conditions, the local market for our services, the prevailing wage rate, competition, and the sales level reached during the initial period. All costs are estimates and may vary depending upon geographic location, size, scope and configuration of franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Fetch! Pet Care, Inc. Franchise according to the System. System standards and specifications may regulate, among other things, search engine optimization services, client survey services, use of signs, letterhead, business cards and other promotional materials, use of computer hardware and software, insurance providers, types and models of authorized equipment and supplies to be used in operating the Franchise and designation of approved suppliers of these items. We will provide our specifications to you at training and in our Brand Standards. These specifications are based upon our experience with various vendors and suppliers in the industry.

Except as provided below, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate relating to the Franchise establishment or operation that you must purchase or lease from us or a designated supplier, or under our specifications. Neither we nor any persons affiliated with us are currently approved suppliers. Our criteria for supplier approval are also made

available at your request. We will approve or disapprove a supplier within 30 days after we receive notice from you. All suppliers you use must be approved by us before you can use them and may be subject to our training and reporting requirements. None of our officers has an ownership interest in any approved supplier. The items detailed below, including computer hardware, software and software as a service, collaboration and communication services, telephone, information management system, credit/debit card processing, criminal history background checks, email marketing, online accounting, virtual phone systems and the client online survey shall constitute Core Products. Core Products must be purchased from us or a designated supplier.

Computer Hardware, Software and Software as a Service (SaaS)

You must purchase and use the information management system we specify, as well as criminal history background checks, credit/debit card processing, email marketing, online accounting from us or our approved suppliers. The invoice for these services may or may not come from Fetch! Pet Care, Inc. You may or may not receive a preferred discount from the suppliers of these products and services.

You must purchase and use software or SaaS from an approved supplier to conduct online surveys to your clients and/or staff as necessary on your behalf. Your information management system may pass data to your survey software to provide useful information to you to quantify client satisfaction risks, benefits and immediate follow-up.

You must purchase and use other computer hardware, software or SaaS that we specify, if they are not specified you may choose your own provider or vendor. The required hardware, software and SaaS is described in Item 11.

Collaboration and Communication Services

You will be required to use collaboration and communications services prescribed by us. These may include various business tools (such as email, spreadsheet, calendar and word processing) and communication and marketing tools (such as intranet access, bulletin board services, chat areas, news groups, forums, online communities, personal web pages, email marketing, reference library with manuals and procedures, and message and communications facilities designed to enable you to communicate with the franchise network or with a group of clients or others). See Franchise Agreement, Schedule H.

At the present, we use a portion of the Franchise Operations Fee to cover the costs for these services, but you will be required to pay vendors for email marketing services (which can be paid from your required Local Territory Marketing Expenditures). We will provide you the email account to be used in the operation and marketing of your Franchise. We will own the email account including the email address.

Telephone

You must purchase a virtual phone system from our approved supplier, which may be purchased through Fetch! Pet Care, Inc. You may or may not receive a preferred discount from supplier of phone service. You must also sign up for your telephone services through us. We will provide you the telephone number to be used in the operation and marketing of your Franchise. We will own the telephone number.

Revenue from Franchisee Purchases

For our most recent fiscal year ended December 31, 2022, we had total revenue of \$4,309,681, of which \$0 (or 0%) was in commissions from franchisees for purchases. We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional outlets) based on whether or not you purchase through the sources we designate or approve.

We estimate that approximately 30% of your expenditures for leases and purchases in establishing your Franchise and approximately 30% on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which supplies we approve, or which must meet our standards or specifications).

Except as may be provided above, we do not derive revenue from your purchases from approved or designated suppliers. There are no approved suppliers in which any of our officers owns an interest.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Purchase Arrangements

We may negotiate purchase arrangements with some of our suppliers (including price terms) for the benefit of our franchisees, but we are under no obligation to do so. We do not currently receive payment, in the form of preferred pricing, from any suppliers due to such suppliers' transactions with us or our franchisees.

Insurance

The following is a list of the required coverage with their respective minimum limits:

1. Liability Insurance (including pet sitting insurance) from our approved suppliers insuring us and you against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal or pet injuries or property damage resulting from or occurring in the course of, or on about or otherwise concerning the Franchise, including General Aggregate coverage in the following limits:

Required Coverage	Minimum Limits of Coverage
Comprehensive General Liability:	
General Aggregate	\$2,000,000
Each Occurrence	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Products & Completed Operations	\$1,000,000
Pet sitting insurance (including care, custody and control coverage):	
Each Occurrence	\$20,000
Annual Aggregate	\$25,000
Lost Key Coverage	\$1,000
Medical Payments Coverage	\$5,000

Required Coverage	Minimum Limits of Coverage
Fire Legal Liability	\$100,000
Personal Property of Others:	
Each Occurrence	\$10,000
Annual Aggregate	\$25,000

You may or may not receive a preferred discount from supplier of above insurance policy.

2. Automobile liability insurance with a minimum limit of \$1,000,000 in coverage. Additionally, “All Risks” or “Special Form” coverage insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchise (which coverage will include flood and/or earthquake coverage, where there are known exposures to either peril, and theft insurance) for full repair as well as replacement value of the equipment, improvements and betterments, except that an appropriate deductible clause not to exceed \$1,000 will be permitted.

3. A surety or fidelity bond or similar insurance policy covering Franchisees and its employees.

4. Employer’s liability, workers’ compensation and other insurance as may be required by state or local law.

ITEM 9

FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Items in Disclosure Document
a. Site selection and acquisition/ lease	Not Applicable	Not Applicable
b. Pre-opening purchases/leases	Not Applicable	Item 8
c. Site development and other pre-opening requirements	Not Applicable	Items 6, 7, and 11
d. Initial and ongoing training	Article VI	Article 11
e. Opening	Article IV	Item 11
f. Fees	Article V	Items 5 and 6
g. Compliance with standards and policies/Brand Standards	Articles IV and VIII	Item 11
h. Trademarks and proprietary information	Article VII	Items 13 and 14
i. Restrictions on products/services offered	Not Applicable	Item 16
j. Warranty and customer service requirements	Article IV	Item 11

Obligation	Section in Franchise Agreement	Items in Disclosure Document
k. Territorial development and sales quotas	Article I	Item 12
l. Ongoing product/service purchases	Article IV	Item 8
m. Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Article XII	Items 7 and 8
o. Advertising	Article XI	Items 6 and 11
p. Indemnification	Article XVIII	Item 6
q. Owner's participation/management/staffing	Article IV	Items 6, 11 and 15
r. Records and reports	Article X	Item 6
s. Inspections and audits	Articles III and X	Items 6 and 11
t. Transfer	Article XIII	Item 17
u. Renewal	Article II	Item 17
v. Post-termination obligations	Article XV	Item 17
w. Non-competition covenants	Article XVI	Item 17
x. Dispute resolution	Article XXIII	Item 17
y. Attorney's fees and other costs	Articles IX, XV, XVI and XVIII	Item 6

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Before you open your Franchise, we will:

- (1) Designate your Target Area which is described in Schedule B. (Franchise Agreement paragraph I.C).
- (2) Provide initial training to you and one (1) assistant at no additional charge. See below for additional information on training (Franchise Agreement paragraphs III.A and VI.A).
- (3) Loan you one (1) copy of our Brand Standards and online or DVD and CD-ROM Training Library. (Franchise Agreement paragraph III.D) (all of these are sometimes referred to as the "Brand Standards").

- (4) Provide access to the Fetch! Pet Care intranet (Franchise Agreement – paragraph III.D).

Continuing Obligations

During the operation of the Franchise, we will:

- (1) Make available to you the training program described below. (Franchise Agreement – paragraphs III.A and VI).
- (2) Make available advertising, promotional plans and materials for Local Territory Marketing. (Franchise Agreement paragraph III.C.).
- (3) Provide regular electronic, print or webinar communication to update and inform you of latest developments and news of general interest.
- (4) Offer to you one-on-one business assessment sessions (Franchise Agreement – paragraph III. F).
- (5) Facilitate ad-hoc support groups where you can discuss issues, ideas and achievements within your Franchise and gain the feedback of peers, as well as assist others with similar needs.
- (6) Periodically make available advisory assistance and materials concerning operation, promotion and management for your Franchise. (Franchise Agreement- paragraph III.B).
- (7) In our discretion, hold Franchise Owner Summits. (Franchise Agreement § IV).
- (8) In our discretion, make available to you communication and collaboration services that provide various business tools (such as email, a spreadsheet, a calendar and word processing) and communication and marketing tools (such as intranet access, bulletin board services, chat areas, news groups, forums, online communities, personal web pages, email marketing, reference library with Brand Standards and procedures, and message and communications facilities designed to enable you to communicate with the franchise network or with a group of clients or others). (Franchise Agreement, Schedule H).

Sales & Marketing Center

You are required to use the services of the Sales & Marketing Center. The Sales & Marketing Center services include the handling of all incoming calls and emails for both new and existing clients, scheduling pet care services, and coordinating billing according to the schedule set forth in the Service Level Agreement. All costs for the use of these services are included in the Franchise Operations Fee.

Consulting Agreement

You may, but are not obligated to, retain our affiliate Fetch! Managed Services LLC to provide certain consulting services for your franchised business pursuant to a Consulting Agreement in the form attached hereto as Exhibit L.

Advertising

You must participate in our brand development fund (“Brand Development Fund”) by paying your Franchise Operations Fee. Fetch! Pet Care Franchises owned by us or our affiliates will pay a Franchise Operations Fee on the same basis as our franchisees. A portion of the Franchise Operations Fee payments, in an amount to be determined in our discretion, may be allocated to the Brand Development Fund. We will control the Brand Development Fund.

You must pay a percentage of your Gross Sales as a Franchise Operations Fee, or the minimum Franchise Operations Fee as detailed in Item 6, on a weekly basis, whichever is higher. Some franchisees who entered into franchise agreements with us prior to the date of this disclosure document pay no or lower amounts of fees, portions of which may be allocated to the Brand Development Fund in our discretion, based on earlier forms of franchise agreements. The percentage rates and minimums detailed in Item 6 above will apply to all franchisees entering into or renewing franchise agreements with us after the date of this disclosure document, except as follows: If a franchisee has an existing franchise agreement (including addenda) that does not require either payment of a Franchise Operations Fee, Brand Development Fee, or payment to an advertising or similar cooperative fund, then for their initial renewal their contribution to the Brand Development Fund will be calculated at 1% of Gross Sales. Their contribution to the Brand Development Fund during further renewals would be the Franchise Operations Fee in effect at the time of the further renewal.

We will direct all programs that the Brand Development Fund finances, with sole control over the creative concepts, materials and endorsements used and their media placement and allocation. The Brand Development Fund may pay for preparing and producing advertisements, video, audio and written materials and electronic media; administering internet advertising programs (including using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); supporting public relations, market research and other advertising, promotion and marketing activities; maintaining our website; maintaining quality control (including but not limited to secret shopper programs); maintaining client satisfaction (such as gift cards to clients to resolve issues); providing collaboration and communication services (such as business tools and communication and marketing tools); and other related purposes.

We will account for the Brand Development Fund separately from our other funds and will not use the Brand Development Fund for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Brand Development Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Brand Development Fund. The Brand Development Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Development Fund or any other reason. We will not use the Brand Development Fund to pay for advertising that is principally a solicitation for the sale of franchises.

The Brand Development Fund may spend in any fiscal year more or less than the total amount of contributions to it in that year, borrow from us or others to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Development Fund contributions to pay costs before using the Brand Development Fund’s other assets. Any amounts in the Brand Development Fund at the end of any year will carry over to the next year. We will prepare an annual, unaudited statement of Brand Development Fund collections and expenses and give you the statement upon written request. We may

incorporate the Brand Development Fund or operate it through a separate entity whenever we deem appropriate.

We intend the Brand Development Fund to maximize recognition of the “Proprietary Marks” and patronage of Fetch! Pet Care Franchises as well as for other purposes. “Proprietary Marks” are the trade names, service marks, trademarks, logos and other commercial symbols, such as the Fetch! Pet Care logo, licensed to you for use in your franchised business. Although we will try to use the Brand Development Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Franchises, we do not need to make sure that Brand Development Fund expenditures in or affecting any geographic area are proportionate or equivalent to the contributions paid by Franchises operating in that geographic area or that any Franchise benefits directly or in proportion to its contribution to the Brand Development Fund from the development or placement of advertising and marketing materials. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Franchise Operations Fees at the Brand Development Fund’s expense. We also may forgive, waive, settle and compromise all claims by or against the Brand Development Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Brand Development Fund.

We may at any time defer or reduce the Brand Development Fund contributions from any Franchise and, upon 30 days’ prior written notice, reduce or suspend Brand Development Fund contributions and operations for one (1) or more periods of any length and terminate (and, if terminated, reinstate) the Brand Development Fund. If we terminate the Brand Development Fund, we will distribute all unspent monies to all Franchises (whether franchised or operated by us or our affiliates) in proportion to their respective contributions during the preceding 12-month period.

During the fiscal year ended December 31, 2022, the Brand Development Fund had expenses in the following categories: 72.2% for production, 27.5% for media placement, .3% for advertising services, and 0% for bad debt expense. No money was spent for advertising that is primarily a solicitation of franchise sales.

We have established an advertising council, which we call a “Marketing Advisory Committee,” which is comprised of our franchisees who review and provide input on all major marketing efforts but does not have decision making power. The franchisees on this committee may volunteer to participate or may be requested to participate, but we will have the final approval of all committee members. We can change or dissolve the Marketing Advisory Committee.

You must spend, for each Target Area, a minimum of \$7,500 on digital marketing in the first three months of opening your franchise, and then \$1,000 monthly for Local Territory Marketing, public relations, and promotion of your franchise. This amount is in addition to any contributions to the Brand Development Fund described above.

You may only use advertising materials that have been approved by us. We have the right to review and approve or disapprove all advertising and promotional materials that you propose to use. All advertising and promotion by you in any manner or medium shall be used in a dignified manner and shall conform to the standards and requirements specified by us. You must submit to us electronically or through the mail, return receipt requested, for our prior approval, samples of all advertising and promotional plans and materials that you desire to use which have not been prepared or approved by us within the immediately preceding 12 months. If you do not receive written disapproval by us within 20 days of the date of receipt by us of the samples or materials, then we have given our required approval. You must display the

Proprietary Marks in the manner prescribed by us on all signs and all other advertising and promotional materials you use in connection with the Franchise. We reserve the right to place information in all consumer marketing and advertising materials for the purpose of attracting prospects for other Franchises.

You may only use the telephone numbers and email accounts provided to you by us in any marketing or advertising materials and in the operation and marketing of your Franchise.

You must participate in all national programs established by us for the purpose of directing new clients to you. In addition, you must honor client discounts associated with national partnerships and/or programs as established by us periodically.

There are no regional advertising cooperatives that you are required to join.

Computer Hardware and Software

You must purchase the following required hardware and software pursuant to the standards articulated in our Brand Standards, which may be updated from time to time:

Required Hardware:

- Computer purchased that is not more than two (2) years old from signing of agreement
- Ability to back up local files to the cloud (that is, storing files on Google Drive)
- Internet – Minimum: 1.5Mbps Down/700 Kbps Up, Preferred: 3.0+ Mbps Down/1.5 Mbps Up
- Color printer
- Telephone and/or Smartphone (with data plan)
- Scanner or fax machine (or electronic fax service)

Required Software

- Windows 10 or higher, or emulator for Mac
- Online accounting package
- Cloud-based collaborative platform, such as Google for Work
- Online survey
- Email marketing
- Information management system
- Background/credit check software
- Virtual phone system
- Credit/debit processing
- Electronic fax service (or scanner or fax machine)

This equipment and software will be used in your Franchise to manage your clients, services, assignments, pet care providers, billing, receivables, payables and other related operations, as well as create word processing documents for use in daily operation of your Franchise. Some of the computer hardware and software may also be used to access the online services described in this Item 11 above. The cost of the computer system ranges from \$500 to \$2,000. The Franchise Agreement provides that we may require you, at any time in our sole discretion, to update computer software and hardware as technology evolves and you may incur additional costs associated with such updates. The estimated cost of maintenance, updating, upgrading or support contracts for the computer system can range from \$250 to \$600 per year. We will at all times have independent access and ownership to the information and data collected and/or

generated by your computer hardware, software and software services (including but not limited to accounting software and services) and you must make sure that we have this access, at your cost.

Site Location

A Fetch! Pet Care Franchise is generally run out of the franchisee’s home, and the home is generally the “Approved Office Location” for the Franchise. Consequently, you do not need to seek our approval for a site. We require only that the Approved Office Location be within the geographic boundaries of the Target Area. We do not evaluate your location; as a result, no site selection assistance is provided nor is any criteria issued.

Length of Time

You are required to begin operation of your franchise within 30 days after successful completion of the next available initial training session. The factors that affect the time that you can begin operations (in addition to your successful completion of the initial training program) are the ability to establish your home-based office, incorporating and acquiring a business license, recruiting and training pet care providers, and advertising to attract new business.

Training Program

TRAINING PROGRAM			
Subject	Hours of Training	Hours of On The Job Training	Location
5 P’s	2		Michigan
Culture	4		Michigan
Communication	2		Michigan
Traction	6		Michigan
Information Management System	8	8	Michigan/ Online
Accounting/Accounting Software	4	3	Michigan/ Online
Working with the Sales & Marketing Center	2		Michigan
Recruiting Employees Staffing	4	2	Michigan/ Online
Marketing	6	8	Michigan/ Online
Basic & Advanced Pet Care Techniques	4	4	Michigan/ Online
Survey Software	2	1	Michigan/ Online
Human Resources Management Training	2	4	Michigan/ Online
Legal	2	1.5	Michigan/ Online
Operations	5	6	Michigan/ Online
Criminal History Background Check Software	1	1	Online

TRAINING PROGRAM			
Subject	Hours of Training	Hours of On The Job Training	Location
Credit/Debit Card Processing Software	1	1	Online
Payroll	1	2	Online

Our Franchise Operations Manager oversees and facilitates our training program. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from four (4) to ten (10) years.

Prior to attending in-person training, you must complete an on-line module, which includes preparation of a business plan, marketing plan, cash-flow analysis and other information for the opening and operation of your Franchise. It typically takes between 35-45 hours to complete.

After completion of the online module to our satisfaction, you then must attend and complete to our satisfaction the training program which generally consists of two (2) to four (4) (as determined by us in our discretion) full days of training near our Franchise Support Center located in Michigan and two (2) to three (3) evenings of web-based training. You must attend training in person. We will pay for training supplies for you and one (1) additional attendee, and any other attendees are at your expense at a cost of \$500 per person. You must pay for your own transportation, lodging and some of your food. Training must be completed no less than 10 days before opening and training is typically held quarterly. Refresher training is offered periodically as we determine. Currently, refresher training is typically offered quarterly pending class availability. Currently, refresher training is not required. The materials we use in our initial training program includes our Franchise Brand Standards and any other materials that we believe will be beneficial to our franchisees in the training process.

We would prefer that you have one (1) other person trained by us to assist you or handle your Franchise in case you are not able to do so. Most franchisees invite a family member to training, so that another person is trained in the operation of the Franchise, even if not directly involved in the operation of the Franchise.

In our discretion, we may hold Franchisee Owner Summits, which may include some training. The attendance fee is up to \$500 per attendee. The franchisee must cover all other additional costs (such as room, board and travel). If neither the franchisee nor a principal of the franchisee attends, the franchisee will be required to pay to Franchisor an amount equal the attendance fee for one (1) attendee.

Brand Standards

The Table of Contents of the Brand Standards is attached to this disclosure document in Exhibit F, and consists of approximately 187 pages, including an index, and 91 pages of exhibits, including an index.

**ITEM 12
TERRITORY**

You will receive the right to establish and operate your franchise at an “Approved Office Location” within a “Target Area.” The Approved Office Location is typically your home. A Target Area is a geographic area that includes approximately 50,000 targeted households and is defined by ZIP Code. You

will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You may not relocate without our consent. This consent will be granted or withheld in our discretion. We anticipate that we will not grant consent to a relocation of the Approved Office Location except if the proposed new location will be located in the Target Area and there are no apparent reasons that the relocation would have a negative impact on the franchise.

A Target Area is defined by ZIP Code, so as to include approximately 50,000 targeted households that meet our current demographic criteria. The Target Area is an exclusive territory in which we will not operate or grant franchises for another Fetch! Pet Care franchise under our System or Proprietary Marks without your prior written consent. You are prohibited from soliciting or accepting assignments from clients who reside in another franchise owner's Target Area, including your family or friends who live in another franchise owner's Target Area. In the event another franchisee makes a complaint to us alleging a violation by you of this covenant, we, at our discretion, may conduct an audit of the revenue records of both you and the franchisee asserting encroachment. If the audit reveals that you served any client who resides in another franchisee's Target Area, whether intentional or not, we may, in our discretion, require you to pay to the franchisee from whose Target Area such revenue was generated (i) up to 100% of any revenue you generated from a single client in violation of this covenant and (ii) up to 300% of any revenue you generated for each additional client in violation of this covenant. Your failure to cooperate in any such audit(s) or to timely pay any amount determined by us will constitute a default under the Franchise Agreement. Notwithstanding the foregoing, any enforcement (or non-enforcement) of this covenant is within our sole discretion.

There are no minimum sales quotas, sales volume, level of market penetration or other similar contingencies that you must meet in order to maintain your Target Area. However, we have the right to terminate your Franchise Agreement upon certain defaults including, among others, failure to pay Royalty or Franchise Operations Fees or minimum aggregate payments (described in detail in Item 6), whichever is greater.

You shall be permitted to accept clients from outside of your Target Area provided those clients do not reside within a Target Area that is currently occupied by another franchisee. When you receive notice from us that an area has been sold to another franchisee, and if you have or are servicing clients in that area, you must turn over those clients to the new franchisee no later than 30 days after the date of the notice or other time period as we determine in our sole discretion. You are prohibited from continuing to service these clients, and you may not receive any payment from us or the new franchisee for turning the clients over to the franchisee/buyer. You will also have no further rights or entitlement to future revenues related to these clients. You agree to provide all information for all clients within franchisee/buyer's Target Area within 24 hours of opening of the Target Area by franchisee/buyer and you agree to assist in transitioning those clients to the franchisee/buyer within the required time period. Information regarding this process is included in the Brand Standards, which may be modified by us at any time.

You shall not be granted a first right of refusal on purchasing additional Target Area(s). Upon the satisfaction of certain conditions, you may be eligible to purchase one (1) or more additional Target Areas during the term of this Agreement, subject to our sole discretion. To purchase an additional Target Area, you will be required to meet our then-current criteria for such purchase, including, without limitation, being in good standing under any existing Franchise Agreement, and the Target Area you wish to purchase must be available. You will be required to enter into a separate franchise agreement in the then-current form of franchise agreement for each additional Target Area. In our discretion, we may require that the additional

Target Area be contiguous to your existing Target Area. If you choose to purchase an additional Target Area during the term of your Franchise Agreement, and we grant your request, the total fees will be based on then-current fees.

You may sell our services and products to clients and prospective clients who live in your Target Area. You may not engage in any promotional activities or sell our proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the “Electronic Media”); through catalogs or other mail order devices sent or directed to clients or prospective clients located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients located anywhere. You may not place advertisements in printed media, through or on the Internet, on the World Wide Web and on television and radio that are targeted to clients and prospective clients located outside of your Target Area. You have no options, rights of first refusal, or similar rights to acquire additional franchises.

We retain the right:

1. to use, and to license others to use, the System and Proprietary Marks for the operation of Fetch! Pet Care franchises at any location outside the Target Area;
2. to sell and distribute, directly or indirectly, products bearing the Proprietary Marks or any other proprietary marks:
 - i. to sell and distribute, directly or indirectly, products bearing the Proprietary Marks or any other proprietary marks in connection with a business which is located within or outside of the Target Area, including, without limitation, to grocery or specialty stores, pet stores, kennels, or veterinarians; or
 - ii. to sell and distribute, directly or indirectly, products bearing the Proprietary Marks or any other proprietary marks within or outside of the Target Area through any method of distribution other than a dedicated Fetch! Pet Care Franchise, including but not limited sales through channels of distributions such as the Internet, mail order or catalog sales, telemarketing and other direct marketing sales; and
3. to use and license the use of proprietary marks other than the Proprietary Marks licensed hereunder in connection with the operation inside or outside of the Target Area of franchised or other types of businesses that are the same as, similar to or different from Fetch! Pet Care franchises;
4. acquire, merge with, engage in joint ventures with, or otherwise affiliate with, and thereafter own and operate and franchise others the right to own and operate, any business of any kind regardless of location; and
5. use the Marks and System, and license others to use the Proprietary Marks and System to engage in any other activities not expressly prohibited in this Agreement.

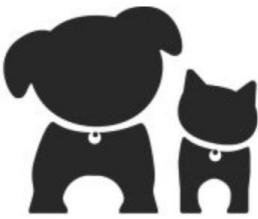

If we establish national partnerships or programs for which we designate client discounts and you fail to honor such discounts, we may ourselves, or appoint another franchisee to, service such national partnerships inside or outside your Target Area.

We have not established other franchises or company-owned outlets or businesses or another distribution channel selling or leasing similar products or services under a different trademark but reserve the right to do so.

Except for any other franchise programs that we may develop in the future, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned businesses that provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.


ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the right to operate the Franchise under the name Fetch! Pet Care. You may also use our other current or future Proprietary Marks to operate your Franchise. “Proprietary Marks” is defined in Item 11 and means trade names, service marks, trademarks, logos and other commercial symbols licensed to you for use in your franchise business. We have registered the service marks as noted below on the United States Patent and Trademark Office principal register:

Trademark	Registration Number	Registration Date
Fetch!	2820746	March 9, 2004
We've got your tail covered	4461475	January 7, 2014
Make Fetch! Happen	5858334	September 10, 2019
	6034923	April 14, 2020
	6034924	April 14, 2020
Fetch!	2820746	March 9, 2004

We have filed all affidavits and intend to renew our registrations for the trademarks listed above when they become due.

We are in the process of registering 1 trademark with the United States Patent and Trademark Office.

Trademark	Application Number	Filing Date
FETCH! PET CARE & DESIGN 	90/040,045	July 7, 2020

You must follow our rules when you use our Proprietary Marks. You cannot use any of our Proprietary Marks as a part of a corporate or other legal entity name or with modifying words, designs or symbols except as explicitly permitted by us in writing. You may not use our Proprietary Marks with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

No agreements limit our right to use or license the use of our Proprietary Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our Proprietary Marks. We are not obligated to take any action, but we shall respond with the action we think appropriate and control any litigation or other proceeding arising out of any infringement or challenge to the Proprietary Marks. You agree to execute any and all instruments and documents, to render all any assistance and to do all acts and things as may, in the opinion of our legal counsel, be necessary or advisable to protect our Proprietary Marks. We will reimburse you for reasonable out-of-pocket expenses (not including attorney's fees) pre-approved by us for doing so.

The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Proprietary Mark licensed by us to you, of if the proceeding is resolved unfavorably to you.

You must modify or discontinue the use of a Proprietary Mark if we modify or discontinue it. You must not directly or indirectly contest our right to our Proprietary Marks, trade secrets or business techniques that are part of our System.

We do not know of any infringing uses that could materially affect your use of our Proprietary Marks.

There are no currently effective material determinations of the patent and trademark office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; any pending infringement, opposition or cancellation; or any pending material litigation involving the principal trademarks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary information in the Brand Standards. The Brand Standards are described in Item 11. Although we have not filed an application for a copyright registration for the Brand Standards, we claim a copyright in it and the information is proprietary. Item 11 describes limitations on the use of these Brand Standards by you and your employees. You understand that an individual shall not be held criminally liable or civilly

liable under any United States federal or state trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

You must promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. We are not obligated to indemnify you for losses brought by a third party concerning your use of this information, but we will take all steps we think are appropriate to protect our copyright in the Brand Standards.

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

You must commit to working in your business for at least 20 hours per week. In addition to the time commitment, you must directly supervise the operation of the business, which includes the devotion of your energy and best efforts to the management and operation of your franchise.

You may hire an Assistant, such as a general manager. You do not have to obtain our prior approval of any Assistant, but the management personnel must meet our qualifications and have completed the training program described in Item 11 before participating in the management of the Franchise. The Assistant does not have to have an equity interest in the franchise.

The Assistant must also enter into an agreement with you not to engage in a competing business while employed by you and not to engage in a competing business in your Target Area or within 25 miles of the Target Area of you or other Fetch! franchisees for two (2) years after his/her employment ends, and an agreement not to reveal confidential information obtained while employed by you, a form of which is attached to the Franchise Agreement as Schedule E.

All of the shareholders, partners and members of a Franchisee, holders of beneficial interests in, and all spouses of the shareholders, partners and members of, and holders of beneficial interests in, a franchisee, and all directors and officers of a franchisee, that is a corporation, limited liability company or partnership must sign a Guaranty of the franchisee's obligations to us in the form that is attached to the Franchise Agreement as Schedule F.

Franchisee or a principal of franchisee is required to attend each Franchise Owner Summit (up to 1 per calendar year).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved as meeting our standards and specifications. You must receive our approval before selling any non- Fetch! goods or services under any Proprietary Mark or to Fetch! clients. Our standards and specifications for goods and services are contained in the Brand Standards.

We have the right to add additional authorized services or goods that you may be required to offer. There are no limits on our right to do so.

You and all of your staff must present a clean, neat appearance and provide competent and courteous service to clients at all times. Our current dress code is flexible but may consist of a Fetch! Pet Care branded shirt, sweatshirt, jacket, hat, and jeans, slacks or shorts.

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 Agreement	Summary
a. Length of the franchise term	§ II.A	The term is 10 years from the date of the Franchise Agreement.
b. Renewal or extension of the term	§§ II.B and II.C	You may renew for successive 10-year terms. With our written permission, which we may give or not give in our discretion, you may continue to operate at the end of the initial term or a renewal term prior to the execution of a new agreement, and your operation during that period will be on a month-to-month basis.
c. Requirements for franchisee to renew or extend	§§ II.B.(1-8)	Requirements include notice, must be in good standing, sign then-current form of Franchise Agreement, pay renewal fee, sign a general release, meet then-current training requirements. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your Target Area will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.

Provision	Section in Franchise Agreement	Summary
d. Termination by franchisee with cause	None	Not applicable
e. Termination by franchisor without cause	§ II.C	We have no right to terminate the Franchise Agreement without cause except that, during a month-to-month term, we may terminate the month-to-month term at any time with or without cause on no less than 30 days prior written notice.
f. Termination by franchisor with cause	§ XIV	Fetch! Pet Care may terminate only if franchisee defaults. Our agreements contain a cross default provision, which states that a default under one (1) agreement is a default under all agreements.
g. "Cause" defined – curable defaults	§ XIV	You will have 30 days to cure your failure to comply substantially with any requirements imposed by the Franchise Agreement or any Brand Standards or to carry out the terms of the Franchise Agreement in good faith, including but not limited to: failure to pay any money due, failure to submit financial information required by us, or failure to make expenditure for Local Territory Marketing; failure to maintain standards or procedures; failure to obtain our prior written approval or consent required by this agreement; misuse or unauthorized use or impairs the goodwill of the Proprietary Marks; engaging in any business or markets any service or product under a name or mark which is confusingly similar to our Proprietary Mark; if you permit a continued violation with the operation of the franchise of any law, ordinance, rule or regulation of a

Provision	Section in Franchise Agreement	Summary
		governmental agency, in the absence of a good faith dispute over application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief; if you violate the provisions of the Franchise Agreement limiting the location of clients you may service; if you fail to make any payment due in regard to any information management system required by us or if your information management system required by us is cancelled.
h. "Cause" defined – non-curable defaults	§ XIV.B	Failure to open; you stop operating or abandon the Franchise (this includes but is not limited to your failure to communicate with us for four (4) consecutive days or your failure to service clients as part of the Fetch! Franchise for seven (7) consecutive days); you are convicted of a felony, fraud, a crime involving moral turpitude, theft, burglary, or breaking and entering; threat to public health or safety; unapproved transfer; you do not comply with in-term covenants; failure to complete training program; disclosure of confidential information; failure to transfer after death or incompetency; falsifying reports; you contest trademarks; repeated defaults; you become insolvent, file for bankruptcy, receiver is appointed, unsatisfied judgment, dissolution, or foreclosure; or you or any of your employees or contractors commit any act which, in our reasonable opinion, threatens the reputation of us, our System or our network of pet care operations.

Provision	Section in Franchise Agreement	Summary
i. Franchisee’s obligations on termination/non-renewal	§ XV	Deidentification, payment of monies due, return manuals and business documents, possible sale of existing inventory to Fetch! Pet Care, provide us with client and employee information and comply with covenants (generally, non-competition covenants) in § XVI (§ XVI is described in this Item 17 at paragraphs q and r below).
j. Assignment of contract by franchisor	§ XIII.A	We have the right to assign or transfer any or all of our rights or obligations to any Party.
k. “Transfer” by franchisee – defined	§ XIII.B	Transfer of direct or indirect interest in franchise.
l. Franchisor approval of transfer by franchisee	§ XIII.B	Fetch! Pet Care has the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	§ XIII.B	All fees and obligations are current, no default, you sign general release, you and transferee sign franchisor’s then current assignment and assumption agreement, transferee signs a new Franchise Agreement, we review and do not object to a purchase agreement between you and transferee, new franchisee qualifies, transferee and staff complete training, selling franchisee pays transfer fee. If you wish to transfer the Franchise Agreement to a company formed by you, you must be the owner of all the voting stock and other ownership interests of that company and you and transferee must sign a transfer agreement (Exhibit K); in this case, there will be no transfer fee.
n. Franchisor’s right of first refusal to acquire franchisee’s business	§ XIII.E	Fetch! Pet Care can match any offer for your Franchise or purchase for a reasonable equivalent in cash.

Provision	Section in Franchise Agreement	Summary
o. Franchisor's option to purchase franchisee's business	§ XIII.E	Fetch! Pet Care has a right of first refusal as described in the previous Item 17.n.
p. Death or disability of franchisee	§ XIII.F	Arrange for an Assistant to provide uninterrupted business, franchise must be assigned to approved buyer within six (6) months.
q. Non-competition covenants during the term of the franchise	§ XVI, Schedule E of Franchise Agreement	No involvement with any competing Business.
r. Non-competition covenants after the franchise is terminated or expires	§ XVI, Schedule E of Franchise Agreement	For two (2) years after termination you may not divert any business to any competitor, employ or contract with any personnel of Fetch! Pet Care. For two (2) years after termination you may have no involvement with any competing company in your Target Area or within 25 miles of your Target Area or the Target Area of another franchisee.
s. Modification of the agreement	§§ IV, VIII and XXI	No modifications without approval by the parties in writing, except Brand Standards, policies, standards and specifications, which are subject to change.
t. Integration/merger clause	§ XXI	Only the terms of the franchise agreement are binding (subject to state and federal law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	§ XXIII	You must first bring any claim or dispute between you and us to our President and provide us with thirty (30) days' notice and opportunity to cure. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party.

Provision	Section in Franchise Agreement	Summary
		After exhausting this internal dispute resolution procedure, at our option, all claims or disputes must be submitted first to mediation, except for certain disputes involving our intellectual property or compliance with restrictive covenants. (subject to applicable state law).
v. Choice of forum	§ XXIV	Any and all suits, actions, or other proceedings with respect to, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Wayne County, Michigan (subject to applicable state law).
w. Choice of law	§ XXIV	The state of Michigan (subject to applicable state law).

Please see Exhibit G (State Specific Addendum) for information about certain limitations and conditions required by some states.

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.

As of December 31, 2022, there were 122 open Fetch! Pet Care franchisee in operation in the United States. Table 1 of this Item profiles the Gross Sales of 16 Franchisees operating a total of 36 Outlets (each Outlet operates in a single Target Area), all of whom were in operation for the entire 2022 calendar year and whom are operating their Outlets in accordance with our current standards and requirements as disclosed in this disclosure document.

Table 2 of this Item profiles the Gross Sales of 69 Franchisees operating a total of 69 Outlets all of whom were in operation for the entire 2022 calendar year. These 69 franchisees are not operating under the current model as they are owner operators performing independent dog walking services directly and do

not maintain the recommended staffing levels to service clients with the entire range of Fetch! Pet Care Services.

We have not audited or independently verified this data. We will provide you with written substantiation for the financial performance representation upon reasonable request.

TABLE 1

2022 Gross Sales for Franchisees Open Entire 2022 Calendar Year							
Quintile Group	Franchisee Count Average Number of Territories	Maximum	Average	Median	Minimum	Franchisees with Sales Greater than or Equal to Quintile Average	
						Franchisee Count	% Quintile
Top 33%	5 2.8	\$1,019,378.35	\$705,661.74	\$808,944.87	\$298,614.10	4	80.00%
Middle 33%	6 2	\$144,580.95	\$104,090.76	\$98,064.57	\$81,444.00	2	33.33%
Lowest 33%	5 2	\$72,637.49	\$42,982.35	\$68,925.58	\$620.00	3	60.00%

TABLE 2

2022 Gross Sales for Franchisees Open Entire 2022 Calendar Year							
Quintile Group	Franchisee Count Average Number of Territories	Maximum	Average	Median	Minimum	Franchisees with Sales Greater than or Equal to Quintile Average	
						Franchisee Count	% Quintile
Top 33%	23 1	\$487,835.73	\$209,934.09	\$162,719.28	\$113,466.25	9	39.13%
Middle 33%	23 1	\$109,890.80	\$78,918.24	\$76,249.75	\$45,464.69	11	47.83%
Lowest 33%	23 1	\$43,988.10	\$23,756.30	\$23,487.00	\$1,005.00	16	69.57%

EXPLANATORY NOTES – 2022 GROSS SALES CHARTS:

- Gross Sales are defined as gross revenues, less discounts, coupons, and refunds, from the sale of pet sitting, dog walking, and miscellaneous pet care services or any other services or product offered or sold from each location.
- The data was collected as reported by each location through the franchise system point-of-sale software.
- The data set in Table 1 is comprised of 16 franchisees operating 36 Outlets. These Outlets employ at least one W-2 employee to perform pet sitting, dog walking, and miscellaneous pet care services on behalf of the franchisee. These franchisee reporting units also utilize the required marketing services and otherwise comply with the current minimum marketing spend requirements in the current form of franchise agreement.
- The data set in Table 2 is comprised of 69 franchisees operating 69 Outlets. These units do not employ any W-2 employees to perform pet sitting, dog walking, and miscellaneous pet care services on behalf of the Franchisee. These franchisee reporting units also do not utilize the required current marketing services or comply with the minimum marketing spend requirements in the current form of franchise

agreement. Earlier versions of the form franchise agreement issued by us had a different, lower minimum marketing spend requirement.

5. Within each Table, the franchisee reporting units were divided evenly into quintiles by annual Gross Sales volume. The arithmetic operations presented were applied consistently on each quintile of quantitative data.

The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the disclosure document, may be one (1) source of this information.

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

We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a Fetch! franchise.

Other than the preceding financial performance representation, Fetch! Pet Care, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Greg Longe at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152-4294 and 866-338-2463, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary (Note 1)
For years December 31, 2020, 2021, 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	72	85	+13
	2021	85	115	+30
	2022	115	122	+7
Company-Owned	2020	1	1	0
	2021	1	5	+4
	2022	5	14	+9

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2020	73	86	+13
	2021	86	120	+34
	2022	120	136	+16

Note 1: For purposes of this Item 20, for franchisees one (1) outlet means one Target Area under (1) franchise agreement, regardless of the size of the Target Area. For company or affiliate owned outlet, one (1) outlet means each non-contiguous territory operated by the franchisor.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years December 31, 2020, 2021, 2022

State	Year	Number of Transfers
California	2020	1
	2021	0
	2022	0
Georgia	2020	1
	2021	0
	2022	0
Indiana	2020	0
	2021	0
	2022	1
Pennsylvania	2020	0
	2021	1
	2022	0
Virginia	2020	0
	2021	0
	2022	1
Total	2020	2
	2021	1
	2022	2

Table No. 3
Status of Franchised Outlets
For years December 31, 2020, 2021, 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Arizona	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	1	0	1
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	1	0	0
California	2020	12	1	3	0	0	0	10
	2021	10	1	0	0	0	0	11
	2022	11	1	0	0	1	0	11
Colorado	2020	0	1	0	0	0	0	1
	2021	1	4	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Delaware	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	1	0	1
	2022	1	0	0	0	0	0	1
District of Columbia (DC)	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	9	1	0	0	0	0	10
	2021	10	3	0	0	0	0	13
	2022	13	2	0	0	0	0	15
Georgia	2020	3	0	1	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	1	0	0	1	0	4
Idaho	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Illinois	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Indiana	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Iowa	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020	1	2	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Louisiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	1	0	0
	2022	0	0	0	0	0	0	0
Maryland	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	1	0	2
	2022	2	0	0	0	0	0	2
Massachusetts	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Michigan	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	1	0	2
Minnesota	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	1	0	0
Missouri	2020	3	0	1	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Montana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Nebraska	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
Nevada	2020	1	0	1	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	1	0	1
New Jersey	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
New Mexico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New York	2020	1	1	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
North Carolina	2020	3	0	0	0	0	0	3
	2021	3	6	0	0	0	0	9
	2022	9	0	0	0	0	0	9
Ohio	2020	0	2	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Oklahoma	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Oregon	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Pennsylvania	2020	6	0	0	0	0	0	6
	2021	6	1	0	0	1 ^{Note 2}	0	6
	2022	6	2	0	0	0	0	8
Rhode Island	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Tennessee	2020	1	1	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Texas	2020	5	4	0	0	0	0	9
	2021	9	5	0	0	0	0	14
	2022	14	2	0	0	0	0	16
Virginia	2020	4	0	0	0	0	0	4
	2021	4	2	0	0	2	0	4
	2022	4	2	0	0	1	0	5
Washington	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	1	0	1
Wisconsin	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Total	2020	72	20	7	0	0	0	85
	2021	85	36	0	0	6	0	115
	2022	115	17	1	0	9	0	122

Note 2: In 2021, Franchisor reacquired a franchise from Tonya Williams and sold such franchise to New PetCare Ventures LLC.

Table No. 4
Status of Company or Affiliate Owned Outlets
For years December 31, 2020, 2021, 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arkansas	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
California	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Delaware	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1
	2022	1	0	0	0	0	1
Georgia	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Louisiana	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1
	2022	1	0	0	0	0	1
Maryland	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1
	2022	1	0	0	0	0	1
Michigan	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Minnesota	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Nevada	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
New York	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Pennsylvania	2020	0	0	0	0	0	0
	2021	0	0	1	0	1	0
	2022	0	0	0	0	0	0
Virginia/DC	2020	0	0	0	0	0	0
	2021	0	0	2	0	0	2
	2022	2	0	1	0	1	2
Washington	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	6	0	1	6
	2022	6	0	9	0	1	14*

*These Outlets are owned by our affiliate, Fetch Pet Care Operating, LLC, a Delaware limited liability company, who operates these Outlets under franchise agreements with us.

**Table No. 5
Projected Openings as of December 31, 2022**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Georgia	1	2	0
Virginia	1	1	0
Pennsylvania	2	1	0
Florida	1	3	0
Totals	5	7	0

A list of the names of all franchisees and the addresses and telephone numbers of their Franchises is provided in Exhibit D to this disclosure document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a Franchise terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten (10) weeks of the issuance date of this disclosure document are listed on Exhibit E to this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Fetch! Pet Care System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. In our last three (3) fiscal years, some franchisees have entered into agreements with us with confidentiality clauses of this type.

There are no trademark-specific organizations formed by our franchisees that are associated with the Fetch! Pet Care System.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this disclosure document in Exhibit B are our audited financial statements for the fiscal years ending December 31, 2020, December 31, 2021 and December 31, 2022, as well as our unaudited financial statements as of June 30, 2023. Our fiscal year end is December 31. We used a new auditor for our financial statements for our fiscal year ended December 31, 2021, so there is not a tabular comparison between fiscal years ended December 31, 2020 and December 31, 2021.

ITEM 22 **CONTRACTS**

Attached as Exhibits to this disclosure document are the following contracts and their attachments:

<u>Exhibit</u>	<u>Item</u>
C	Franchise Agreement with State Addenda
H	General Release Agreement
J	Franchise Virtual Checking & Credit Card Authorization Form
K	Transfer Agreement
L	Consulting Agreement

ITEM 23 **RECEIPTS**

Two (2) copies of an acknowledgement of your receipt of this disclosure document appear at the end of the disclosure document. Please return one (1) signed copy to us and retain the other copy for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

STATE AUTHORITIES/ AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, Fetch! Pet Care, Inc. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Fetch! Pet Care, Inc. has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

CALIFORNIA

(state administrator)

California Department of Financial Protection and
Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500 Toll Free (866) 275-2677

Agent: Commissioner of Financial Protection and
Innovation

CONNECTICUT

State of Connecticut
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

Agent: Banking Commissioner

HAWAII

(state administrator)

Business Registration Division
Department of Commerce and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2744

(agent for service of process)

Commissioner of Securities
State of Hawaii
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681
Toll Free: 1-800-223-8791

(agent for service of process)
Indiana Secretary of State
200 West Washington Street, Room 201
Indianapolis, Indiana 46204

IOWA

(state administrator)

Iowa Attorney General
Hoover Building
1305 E. Walnut Street
Des Moines, IA 50319
(515) 281-5926

(for service of process)
Iowa Secretary of State
First Floor, Lucas Building
321 E. 12th Street
Des Moines, IA 50319

MICHIGAN

(state administrator)

Consumer Protection Division
Antitrust and Franchise Section
Michigan Department of Attorney General
525 W. Ottawa Street
P.O. Box 30213
Lansing, Michigan 48909
(517) 373-7117

MARYLAND

(state administrator)

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

(for service of process)
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

MINNESOTA

(state administrator)

Minnesota Department of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1638

(for service of process)
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

NEW YORK

(state administrator)

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8285

(for service of process)

Department of State of New York
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231-0001

OREGON

Department of Insurance and Finance
Corporate Securities Section
350 Winter Street NE, Room 410
Salem, Oregon 93701
(503) 378-4140

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505
(701) 328-2910

(for service of process)

North Dakota Securities Commissioner
600 East Boulevard
State Capitol, Fifth Floor
Bismarck, North Dakota 58505

RHODE ISLAND

Department of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue
Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

(for service of process)

Director
Rhode Island Department of
Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue
Building 68-2
Cranston, Rhode Island 02920

SOUTH DAKOTA

Division of Securities
124 S. Euclid Avenue, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(for service of process)
Director, Department of Financial Institutions
150 Israel Road S.W.
Tumwater, Washington 98501

VIRGINIA

(state administrator)

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

(for service of process)
Clerk of the State Corporation Commission
Tyler Building
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

WISCONSIN

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

(for service of process)
Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

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

8:37 PM

09/07/23

Accrual Basis

Fetch! Pet Care LLC

Balance Sheet

As of June 30, 2023

	<u>Jun 30, 23</u>
ASSETS	
Current Assets	4,786,621.31
Fixed Assets	357,060.97
Other Assets	91,588.98
TOTAL ASSETS	<u><u>5,235,271.26</u></u>
LIABILITIES & EQUITY	
Liabilities	6,292,318.93
Equity	-1,057,047.67
TOTAL LIABILITIES & EQUITY	<u><u>5,235,271.26</u></u>

Fetch! Pet Care LLC
Profit & Loss
January through June 2023

	<u>Jan - Jun 23</u>
Ordinary Income/Expense	
Income	1,238,797.95
Cost of Goods Sold	<u>5,062.74</u>
Gross Profit	1,233,735.21
Expense	
Call Center Expense	275,589.01
Computer expense	6,873.83
Employee Expenses	80,220.42
Equipment Lease Rental	1,196.48
Franchise Development Expense	928,387.36
Franchise Support Expenses	189,078.99
General & Administrative Expens	<u>362,085.44</u>
Total Expense	<u>1,843,431.53</u>
Net Ordinary Income	-609,696.32
Other Income/Expense	
Other Expense	<u>6,292.77</u>
Net Other Income	<u>-6,292.77</u>
Net Income	<u><u>-615,989.09</u></u>

**FETCH! PET CARE, INC.
LIVONIA, MICHIGAN**

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

FETCH! PET CARE, INC.

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Rochester

1214 N. Main Street
Rochester, MI 48307
248.601.9500 ~ 248.601.9501 fax
www.mkgpc.com



Certified Public Accountants

Lapeer

951 S. Main Street, Suite 3
Lapeer, MI 48446
810.664.4470 ~ 810.664.3601 fax
www.mkgpc.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fetch! Pet Care, Inc.
19500 Victor Parkway, Suite 400
Livonia, MI 48152

Opinion

We have audited the accompanying financial statements of Fetch! Pet Care, Inc. (a California Corporation), which comprise the balance sheet as of December 31, 2022 and 2021, and the related statements of operations, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fetch! Pet Care, Inc. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity 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 Fetch! Pet Care, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this 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 the 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 Fetch! Pet Care, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fetch! Pet Care Inc.’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fetch! Pet Care Inc.’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Franchising Related Expenses and the Schedule of Administrative Expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, for the years ended December 31, 2022 and 2021, has been subjected

to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mattina Kent & Gibbons P.C.

Mattina, Kent & Gibbons, P.C.

Certified Public Accountants

Lapeer, Michigan

September 7, 2023

FINANCIAL STATEMENTS

FETCH PET CARE, INC.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 13,104	\$ 43,829
Accounts Receivable, Net	124,842	186,281
Notes Receivable - Franchisees, Current	24,335	-
Prepaid Expenses	5,453	16,736
TOTAL CURRENT ASSETS	<u>167,734</u>	<u>246,846</u>
 PROPERTY AND EQUIPMENT		
Depreciable Assets		
Computer Equipment and Software	38,334	38,334
Proprietary Software	92,050	92,050
Office Furniture	84,993	41,007
Leasehold Improvements	4,559	-
Total Depreciable Assets	<u>219,936</u>	<u>171,391</u>
Less: Depreciation	<u>(123,778)</u>	<u>(105,381)</u>
Net Depreciable Assets	96,158	66,010
 Amortizable Assets		
Franchise Territories	-	44,451
Less: Accumulated Depreciation	-	(16,964)
Net Amortizable Assets	<u>-</u>	<u>27,487</u>
TOTAL PROPERTY AND EQUIPMENT	<u>96,158</u>	<u>93,497</u>
 OTHER ASSETS		
Prepaid Commissions	2,756,581	2,202,284
Receivable - Related Parties	770,810	209,321
Shareholder Loans Receivable	149,051	-
Notes Receivable - Franchises, Net of Current Portion	51,378	212,647
Deferred Tax Assets	226,095	243,000
Other Amortizable Assets		
Trademarks & Customer Lists	2,766	2,766
Goodwill	104,623	104,623
Total Other Amortizable Assets	<u>107,389</u>	<u>107,389</u>
Less: Accumulated Amortization	<u>(67,684)</u>	<u>(57,222)</u>
Net Other Amortizable Assets	<u>39,705</u>	<u>50,167</u>
TOTAL OTHER ASSETS	<u>3,993,620</u>	<u>2,917,419</u>
 TOTAL ASSETS	<u><u>\$ 4,257,512</u></u>	<u><u>\$ 3,257,762</u></u>

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

	2022	2021
CURRENT LIABILITIES		
Accounts Payable	\$ 121,778	\$ 299,057
Credit Cards Payable	211,089	35,372
Accrued Payroll	-	13,915
Sales Tax Payable	-	191
Gift Cards Redeemable	-	4,465
Federal Income Taxes Payable	20,493	-
Current Portion of Long-term Debt	17,697	3,196
TOTAL CURRENT LIABILITIES	371,057	356,196
LONG-TERM LIABILITIES		
Deferred Revenue/Franchise Fees	4,261,378	3,782,439
Notes Payable, Less Current Portion	30,563	5,780
TOTAL LONG-TERM LIABILITIES	4,291,941	3,788,219
OTHER LIABILITIES		
Payables - Related Parties	162,956	-
TOTAL OTHER LIABILITIES	162,956	-
TOTAL LIABILITIES	4,825,954	4,144,415
SHAREHOLDERS' EQUITY (DEFICIT)		
Capital Stock - Common (4,000 Shares Authorized, 1,000 Issued and Outstanding)	663,750	663,750
Additional Paid-In-Capital	221,483	221,483
Retained Earnings (Deficit)	(1,453,675)	(1,771,886)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	(568,442)	(886,653)
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$ 4,257,512	 \$ 3,257,762

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
STATEMENTS OF SHAREHOLDERS' EQUITY
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Issuance of Common Stock</u>			Additional Paid-in Capital	Retained Earnings (Deficit)	Preferred Stock - Cash Dividends	Total
	Common Stock	Common - Treasury Stock	Total Common Stock				
Balance December 31, 2020	\$ 663,750	\$ -	\$ 663,750	\$ 250,864	\$ (1,216,265)	\$ (225,553)	\$ (527,204)
Net Income/(Loss)	-	-	-	-	(330,068)	-	(330,068)
Reclassification	-	-	-	-	(225,553)	225,553	-
Shareholder Contributions	-	-	-	-	-	-	-
Shareholder Distributions	-	-	-	(29,381)	-	-	(29,381)
Balance December 31, 2021	<u>663,750</u>	<u>-</u>	<u>663,750</u>	<u>221,483</u>	<u>(1,771,886)</u>	<u>-</u>	<u>(886,653)</u>
2022 Activity							
Net Income/(Loss)	-	-	-	-	318,211	-	318,211
Shareholder Contributions	-	-	-	-	-	-	-
Shareholder Distributions	-	-	-	-	-	-	-
Balance December 31, 2022	<u><u>\$ 663,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 663,750</u></u>	<u><u>\$ 221,483</u></u>	<u><u>\$ (1,453,675)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (568,442)</u></u>

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
STATEMENTS OF OPERATIONS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
INCOME/(LOSS) FROM COMPANY		
OWNED PET-CARE OPERATIONS		
Gross Revenues from Operations	\$ 76,104	\$ 80,320
Costs of Sales	(70,519)	(72,785)
GROSS PROFIT FROM COMPANY		
OWNED PET-CARE OPERATIONS	5,585	7,535
INCOME/(LOSS) FROM		
FRANCHISING OPERATIONS		
Franchise Related Revenue		
Royalties	1,603,082	715,972
Franchise Fees - Initial, Renewals and Transfers	1,167,561	316,837
Franchise Territory Expansion Fees	2,500	59,875
Client Concierge Center Fees	77,126	49,630
Brand Development Fees	212,623	173,240
Reimbursed Expenses	1,161,478	124,303
Total Franchise Related Revenues	4,224,370	1,439,857
Franchisor Expenses	2,484,396	1,657,212
NET INCOME/(LOSS) FROM		
FRANCHISING OPERATIONS	1,739,974	(217,355)
NET INCOME/(LOSS) FROM OPERATIONS		
AND FRANCHISING ACTIVITIES BEFORE		
ADMINISTRATIVE EXPENSES	1,745,559	(209,820)
Administrative Expenses	1,313,904	482,503
NET ORDINARY INCOME (LOSS)	431,655	(692,323)
OTHER INCOME/(EXPENSES)		
Interest Income	123	587
Interest Expense	-	(192)
Rent Income	52,000	-
Paycheck Protection Program Loan Forgiveness	-	278,520
Loss on Resale of Acquired Franchise Territories	(131,253)	-
Other Income	3,884	5,140
NET OTHER INCOME/(EXPENSES)	(75,246)	284,055
NET INCOME (LOSS) BEFORE TAX PROVISIONS	356,409	(408,268)
TAX PROVISIONS (BENEFITS)		
Federal Income Tax (Benefit)	37,398	(79,000)
State Income Tax	800	800
TOTAL TAX PROVISIONS (BENEFITS)	38,198	(78,200)
NET INCOME (LOSS)	\$ 318,211	\$ (330,068)

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
NET INCOME/(LOSS)	\$ 318,211	\$ (330,068)
Adjustment for items not affecting cash flows:		
Depreciation and Amortization Expense	30,094	30,459
Loss on Sale of Assets	131,253	-
Reclassification of Capital Asset	-	497
	479,558	(299,112)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Increase)/Decrease in:		
Accounts Receivable, Net	61,439	(78,411)
Notes Receivable	136,934	(91,343)
Prepaid Expenses	11,283	(11,283)
Prepaid Commissions	(554,297)	(1,599,705)
Related Party Receivables	(561,489)	(209,321)
Shareholder Receivable	(149,051)	-
Deferred Tax Assets	16,905	(79,000)
Increase/(Decrease) in:		
Accounts and Credit Cards Payable	(1,562)	128,249
Payroll and Sales Taxes Payable	(14,106)	(4,085)
Gift Cards Redeemable	(4,465)	-
Deferred Revenue/Franchise Fees	478,939	2,369,663
Federal Income Taxes Payable	20,493	-
Related Party Payables	162,956	-
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	83,537	125,652
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Franchise Territory	(105,000)	(10,000)
Purchases of Depreciable Fixed Assets	(48,546)	-
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	(153,546)	(10,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in PPP Loans Payable	-	(139,260)
Increase/(Decrease) in Other Notes Payable	39,284	8,976
Increase/(Decrease) in Additional Paid-in Capital	-	(29,381)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	39,284	(159,665)
NET CHANGE IN CASH AND EQUIVALENTS	(30,725)	(44,013)
CASH AT BEGINNING OF PERIOD	43,829	87,842
CASH AT END OF PERIOD	\$ 13,104	\$ 43,829

See Independent Auditor's Report and Accompanying Notes

NOTES TO FINANCIAL STATEMENTS

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Fetch! Pet Care, Inc. (the Company) was incorporated as a Close Corporation in California on November 1, 2002 under the name of Fetch! Pet Care, Inc. The Company's primary business is as a franchisor and operator of Professional Pet Care services.

The company had a total of 144 Franchise units and no Company owned units in operation in 38 States and the District of Columbia (DC) as of December 31, 2022.

Accounting Method/Basis of Presentation – The accompanying financial statements have been prepared on the accrual method of accounting, with revenues being recorded when earned and expenses when incurred.

Cash and Equivalents – The Company considers all highly liquid investments purchased with original maturities of ninety days or less to be cash equivalents. The Company maintains its cash in bank deposit accounts which, from time to time throughout the year, may exceed amounts insured by the Federal Deposit Insurance Corporation.

Accounts Receivable – Trade – Trade accounts receivable are uncollateralized franchisee obligations due under normal trade terms. Trade accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company provides for probable uncollectable amounts through a charge to earnings and a credit to a valuation allowance based on management's assessment of the current status of individual accounts. Balances that are still outstanding after management has attempted reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management recorded an allowance for uncollectible accounts of \$26,223 and \$8,193 in 2022 and 2021.

Advertising Costs – Advertising costs are expensed as incurred. Advertising costs were \$248,648 and \$78,557 for the years ending December 31, 2022 and 2021.

Use of Estimates – The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition – In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (codified as ASC 606), which, along with subsequent amendments issued after May 2014, replaced substantially all the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, the steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations (promise to provide a distinct good or service, or a series of distinct goods or services) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfied a performance obligation.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Company has determined the following in respect to the above five step model.

The Company has determined that the franchise agreements entered by the company with the franchisees meet the definition of a contract as defined under Topic 606, and hence ASC 606 needs to be incorporated in the financial statements.

Included within the franchise agreement are the following bundle of promises that the Company accounted for as a single distinct performance obligation under the License to the Franchisor's Intellectual Property.

- Franchise License
- Advertising and Marketing Services
- Use of Centralized Concierge Center
- Ongoing Operational Support

The transaction price includes the initial franchise fee (as defined in the franchise agreement), weekly/monthly royalty (as defined in the franchise agreement) of the franchisee's sales for the term of the agreement, and weekly/monthly franchise operations fee (as defined in the franchise agreement) of the Franchisee's sales for the term of the agreement. The Company determined that the franchise license is the predominant item in the arrangement. Therefore, the guidance for a sales-based or usage-based royalty in FASB ASC 606-10-55-65 applies. The weekly/monthly royalty and weekly/monthly franchise operations fees (variable consideration) are not estimated and are not included in the transaction price at contract inception until sales occur. The weekly/monthly fees will be allocated to appropriate performance obligations as the sales occur.

The franchise license provides the franchisee customer with a right to access the franchisor's IP. The Company should account for a promise to provide a customer with a right to access the Company's IP as a performance obligation satisfied over time because the customer simultaneously will receive and consume the benefit from the Company's performance of providing access to its IP as the performance occurs. The franchisor recognizes the fixed consideration (initial franchise fee) allocable to the franchise license bundle performance obligation over the period of time that the franchisee customer has access to the IP, which would be 5 to 10 years (as agreed to in the franchise agreement). The Company will use time as its measure of progress and will recognize the initial franchise fee on a straight-line basis.

Revenue Recognition – Pet Care Services – Revenue for pet care services is recognized when invoiced at the completion of a service ticket with the customer's credit card being charged the same day. Policy is daily billing with corresponding credit card batch processing, so typically there are no significant accounts receivable generated from pet care services.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Revenue Recognition – Initial Franchise Fee Income – The Company grants Fetch! Pet Care franchises to approved franchisees. The franchise includes the license to use the brand, initial and ongoing training, access to branded websites and marketing materials, use of proprietary client and employee scheduling software, established business processes and procedures, ongoing business consultation and support, and a protected Target Area territory, among other features and benefits. A military discount is available when applicable.

Deferred Initial Franchise Fee Revenues:

	<u>2022</u>	<u>2021</u>
Deferred Revenue/Franchise Fees – Beginning	\$3,782,439	\$1,353,276
Less – Revenue Recognized on Existing Contracts	<u>1,007,725</u>	<u>149,610</u>
Sub-total	2,774,714	1,203,666
New Contracts – Current Year	1,646,500	2,746,000
Less – Contract Revenue from New Contacts	<u>159,836</u>	<u>167,227</u>
Deferred Revenue/Franchise Fees – Ending	<u>\$4,261,378</u>	<u>\$3,782,439</u>

Revenue Recognition – Royalty Income – The ongoing royalty fee is 7% of adjusted revenue, and there is a brand development fee charged as a percent of revenue.

Revenue Recognition – Client Concierge Center – In 2015, the Company introduced a new client concierge center providing sales coordination services to Company and select franchisee locations. The client concierge center delivers central call center/logistics/dispatching services to all company locations and 7 select franchisee locations. Participating locations are charged as a percentage of sales by the company for this concierge service which is in addition to the royalty fee charged by the Company.

Cost of Sales & Company Location Revenue – A historical breakdown of the pet sitting sales and cost of sales for company-owned operations follows:

	<u>2022</u>	<u>2021</u>
Revenue – Company Owned	<u>\$ 76,104</u>	<u>\$ 80,320</u>
Cost of Sales	<u>\$ 70,519</u>	<u>\$ 72,785</u>
Cost of Sales %	<u>92.66%</u>	<u>90.62%</u>

As of June 30, 2022 the Company sold all of its existing and thereafter acquired franchise locations to another entity and does not operate any company owned locations.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment – Fixed assets are carried at net cost to the Company. All fixed assets are owned by the Company. Depreciation will be provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives or lease term whichever is earlier, by use of the straight-line method for financial reporting purpose. The company has elected to maintain GAAP depreciation for the books, and separate Tax depreciation for the tax returns. In 2021 the Company did not purchase any depreciable assets.

The following table is a summary of the Company’s Property, Plant, Equipment and Accumulated Depreciation:

2022			
Category	Cost	Accumulated Depreciation	Net
Computer Equipment and Software	\$ 38,334	\$ 37,039	\$ 1,295
Proprietary Software	92,050	59,832	32,218
Office Furniture	84,993	26,822	58,171
Leasehold Improvements	4,559	85	4,474
Total	\$ 219,936	\$ 123,778	\$ 96,158
2021			
Category	Cost	Accumulated Depreciation	Net
Computer Equipment and Software	\$ 38,334	\$ 34,887	\$ 3,447
Proprietary Software	92,050	50,627	41,423
Office Furniture	41,007	19,867	21,140
Total	\$ 171,391	\$ 105,381	\$ 66,010

Depreciation expense recognized in the financial statements was \$9,192 and \$8,217 for 2022 and 2021.

Other Assets – Trademarks – The Company owns seven trademarks. Two trademarks were registered March 3, 2004, two were registered January 7, 2014, one was registered September 10, 2019 and two were registered April 14, 2020. The trademarks are fully amortized and the total amortization expense for the trademarks were \$-0- and \$-0- for 2022 and 2021.

Long Lived Assets – The impairment of long-lived assets is reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. The Company has not identified any such impairment losses.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Franchise Territories – As of December 31, 2022, the Company owns and operates -0- locations. The cost of reacquiring the assets and operations of these territories is recorded at cost and amortized over 10 years. Cost and related accumulated amortization is expensed when a company owned location is sold. Amortization expense on franchise territories for the years ended December 31, 2022 and 2021 was \$1,235 and \$2,575.

During 2022, the Company sold all of its acquired franchise territories to Fetch Pet Care Operating, LLC, a related party by ownership, an incurred a loss of \$131,253. This loss is non-deductible for tax purposes.

Income Taxes – The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred tax assets and liabilities represent the future tax consequences for those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income.

A valuation allowance, when necessary, is established to reduce deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions.

The Company records uncertain tax positions on the basis of a two-step process in which: (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position; and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authorities.

The Company recognizes interest and penalties related to unrecognized tax positions as part of the income tax provision in the accompanying consolidated statements of income and retained earnings (deficit), and includes accrued interest and penalties in income taxes payable in the accompanying consolidated balance sheets.

The Company has no uncertain tax positions as of December 31, 2022.

Currently, the 2022, 2021 and 2020 tax years are open and subject to examination by the taxing authorities. However, the Company is not currently under audit nor has the Company been contacted by any of the taxing authorities.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases – At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee:

At the commencement or upon the modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected to account for the leases and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost plus any initial direct costs incurred for making the asset ready for use.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Company's incremental borrowing rate. Generally the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As a lessor:

At inception or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each leases is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case then the lease is finance lease; if not, then it is an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of Rent Income.

Subsequent Events/Date of Management Review – Management has evaluated the events and transactions that occurred after the balance sheet date, December 31, 2022, for potential recognition and disclosure through September 7, 2023, the date on which the financial statements were available to be issued.

NOTE 2 – NOTES RECEIVABLE - FRANCHISEES

The Company provides short term financing for a portion of the initial franchise fee for qualified franchisees. These note are generally of a duration of less than 3 years.

There was a total of \$75,713 of Notes Receivable comprised of 5 franchisees as of the balance sheet date ending in 2022. The Company received payments on the notes totaling \$216,934 during 2022 which were comprised entirely of principal.

There was a total of \$212,647 of Notes Receivable comprised of 4 franchisees as of the balance sheet date ending in 2021. The Company received payments on the notes totaling \$50,572 during 2021 which were comprised entirely of principal.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – DEFERRED FRANCHISE FEE INCOME AND PREPAID COMMISSIONS

Deferred revenue is comprised of unamortized upfront fees received from franchisees. The Company expects to recognize deferred revenue as revenue over the remaining term of the associated franchise agreements as follows:

Year Ended December 31	
2023	\$ 549,922
2024	546,744
2025	531,138
2026	472,300
2027	458,433
Thereafter	1,702,841
	<u>\$ 4,261,378</u>

The total amount of \$4,261,378 is comprised of \$1,486,664 in contracts from 2022, \$1,945,462 in contracts from 2021, \$710,556 in contracts from 2020 and \$118,696 of prior year contracts still outstanding as adjusted per ASC 606.

Prepaid commissions are comprised of unamortized commission paid by the Company on the sales of franchises. Under FASB ASC 606 and FASB ASC 340-40, the incremental costs of obtaining a contract with a customer are recognized as an asset if the entity expects to recover those costs.

The Company expects to recognize prepaid commissions as expense over the remaining term of the associated franchise agreements as follows:

Year Ended December 31	
2023	\$ 344,405
2024	344,405
2025	335,888
2026	302,289
2027	295,055
Thereafter	1,134,539
	<u>\$ 2,756,581</u>

NOTE 4 – DEFERRED INCOME TAXES

As of December 31, 2022 and 2021, Company has available a net operating loss for federal income taxes in the amount of approximately \$1,077,000 and \$1,467,000. Under the Tax Cuts and Jobs Act of 2017 and the Coronavirus Aid, Relief, and Economic Security Act of 2020 net operating losses are carried forward indefinitely. Due to the indefinite carryforward of the net operating losses management does not believe a valuation allowance is necessary.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEFERRED INCOME TAXES (Continued)

The components of deferred tax assets as of December 31, 2022 are as follows:

Net Operating Losses	\$ 226,095
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NOTE 5 – NOTES PAYABLE

Notes payable as of December 31, 2022 and 2021 are as follows:

	2022	2021
Note payable to a former franchisee for the repurchase of their territory by the Company, dated August 17, 2021, Matures August 17, 2024, \$10,000 face value, bearing interest at 6% per annum, 36 monthly payments of \$304.	\$ 5,505	\$ 8,976
Note payable to a former franchisee for the repurchase of their territory by the Company, dated June 15, 2022, Matures May 15, 2026, \$40,000 face value, bearing interest at 8% per annum, 36 monthly payments of \$900.	35,672	-
Note payable to a former franchisee for the repurchase of their territory by the Company, dated May 25, 2022, Matures May 25, 2023, \$17,000 face value, bearing interest at -0% per annum, 12 monthly payments of \$1,417.	7,083	-
Total	48,260	8,976
Less: Current Portion	17,697	3,196
Notes Payable, Less Current Portion	\$ 30,563	\$ 5,780

The scheduled future minimum principal maturities for the notes payable are as follows:

Year Ended December 31		
2023	\$	17,697
2024		10,936
2025		9,576
2026		10,051
	\$	48,260

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SALE OF STOCK

On March 4, 2020 Shareholders unanimously agreed to a new shareholder's purchase of a controlling interest of the Company in an equity transaction including the sale of all Company treasury stock and the majority of the shares issued and outstanding. Out of the 1,000 shares of stock issued, Longe Acquisitions, LLC, the new majority owner, owns 750 voting shares of common stock. Minority shareholders own 250 of the remaining voting shares outstanding. Some of the shares were bought outside of the company from the individual previous owners of the stocks of the company. A corresponding reorganization of corporate officers and key management followed with the intent to take the Company to the next level of development.

NOTE 7 – ISSUANCE OF COMMON AND PREFERRED STOCKS

As of the audit date, the Company has common stock of 4,000 shares authorized and 1,000 shares issued, comprised of 1,000 shares outstanding and -0- shares in treasury. The Company has one class of common voting stock, eliminating its non-voting common stock and its preferred stock of 1,000 shares authorized and -0- shares issued.

The history of those shares are as follows:

- A. On July 5, 2003, the Company repurchased into the treasury 50 shares of a minority shareholder's stock totaling \$14,323.
- B. On June 15, 2011, the Company amended its Articles of Incorporation to authorize up to 1,000 shares of preferred stock, then issued all 1,000 shares of preferred stock as well as 450 shares of new issue Class B common stock. Prior to June 15, 2011, the Company had only one class of common stock with 4,000 shares authorized and 200 shares issued, comprised of 150 shares outstanding and 50 shares in treasury.
- C. On December 31, 2014, the Company completed a comprehensive funding round including the new issue of non-voting Class A common stock and new working capital line of credit facilities. The Company issued 400 shares of Class A common stock at \$1,000 per share valuation, raising \$325,000 in cash, and using \$75,000 as partial consideration related to an asset acquisition.
- D. On April 24, 2017, the Company repurchased into the treasury 75 shares of an officer and minority shareholder's stock totaling \$75,000.
- E. On May 1, 2018, the Company redeemed and retired the Preferred Stock for \$275,000.
- F. March 4, 2020 Shareholders unanimously agreed to a new Shareholder's purchase of controlling interest of the Company in an equity transaction including the sale of all Company Treasury Stock and the majority of the shares issued and outstanding. Out of the 1,000 shares of stock issued, the new majority owner owns 750 shares voting common stock. Minority shareholders own 250 of the remaining shares outstanding.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – ISSUANCE OF COMMON AND PREFERRED STOCKS (Continued)

Holders of Class B common shares have one vote for each share of common stock held at all meetings of the shareholders.

NOTE 8 – BUSINESS COMBINATION

A business combination occurs when an acquirer obtains a controlling interest of an acquiree. In the stock purchase of March 2, 2020, Longe Acquisitions LLC, as the acquirer, gained a controlling interest of Fetch! Pet Care, Inc, the acquiree.

Under Subtopic 805-50, when a business combination occurs, an acquiree has a choice regarding how to measure its assets, liabilities and equity instruments in its separate financial statements. The acquiree can choose either:

- To continue to measure these amounts using their historical bases OR
- To measure these amounts using a new basis by applying pushdown accounting. Under pushdown accounting, the acquiree uses the same basis used by the acquirer to measure these amounts

Fetch! Pet Care, Inc has elected to continue to measure its assets, liabilities and equity instruments at their historical bases in regards to the current sale of stock.

NOTE 9 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to a concentration of credit risk principally consist of cash held in bank. The Company invests available cash in banks with high credit ratings and generally maintains cash balances within FDIC limits. The Company’s primary bank account balance as of the end of December 31, 2022 and 2021 was \$13,104 and \$43,829 and below the \$250,000 FDIC insured limits, however at times may exceed the insured limits.

NOTE 10 – COMMITMENTS

The Company has commitments to its franchisees as detailed in their franchise agreements and to its common stock shareholders.

The company has leased an office space dated May 29, 2020 with approximate monthly payments of \$4,000 varying depending on CAM charges. This commitment is for 39 months.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – PROPRIETARY SOFTWARE

The Company continually reinvests in concept development with those costs generally expensed as incurred. In 2016, the Company elected to capitalize a significant identifiable portion of costs related to the development of the next generation cloud-based software application critical to the core operations of the business. The Company capitalized the cost of the MyFetch!TM Information Management System (IMS) Internal-Use Proprietary Software of \$92,050. The company amortizes using the straight-line method over a ten year useful life on a GAAP basis of accounting. Amortization expense for the year ending December 31, 2022 and 2021 was \$9,205 and \$9,205 on this asset.

NOTE 12 – GOODWILL

The Company has recognized goodwill on various acquisitions of franchised locations. The goodwill remaining on the Company's financial statements is from 2016 when the company acquired a large competitor's operation as well as two franchisee operations in the Washington, DC region, in order to consolidate and optimize service and revenues in that area.

As a private company, under ASU 2014-02, the Company elects to amortize goodwill on assets acquired on a straight line basis over 10 years. There was no triggering event that occurred indicating that the fair value of the goodwill may be less than its carrying value and that the 10 year amortization approach represent a better matching of revenues and expenses.

Amortization expense on goodwill was \$10,462 and \$10,462 for the years ended December 31, 2022 and 2021.

NOTE 13 - RELATED PARTY TRANSACTIONS

The below is a list of Related Party Transactions:

- A. In 2022, the company paid or accrued salaries and bonuses of \$165,615 and payments of \$3,964 toward the automobile as an officer to Mr. Greg Longe. Mr. Longe is an officer and majority common stock holder of the company.
- B. The Company has advanced funds to officer and majority common stock holder, Greg Longe. There are currently no payback terms or required payments. The amounts shown on the balance sheet as of December 31, 2022 and 2021 were \$149,051 and \$-0-, respectively.
- C. The Company has advanced funds to Door Renew International, LLC, (DRI), which is majority owned and controlled by Greg Longe, majority shareholder of the Company. As of December 31, 2022 and 2021, total amounts owed by DRI to the Company total \$514,379 and \$209,321, respectively, and is shown on the balance sheet as *Receivables – Related Parties*.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - RELATED PARTY TRANSACTIONS (Continued)

- D. The Company has advanced funds to Fetch Pet Care Managed Services, LLC, (FPCMS), which is majority owned and controlled by Greg Longe, majority shareholder of the Company. As of December 31, 2022 and 2021, total amounts owed by FPCMS to the Company total \$500 and \$-0-, respectively, and is shown on the balance sheet as *Receivables – Related Parties*.
- E. The Company has advanced funds to Fetch Pet Care Operating, LLC, (FPCO), which is owned by all shareholders of the Company. As of December 31, 2022 and 2021, total amounts owed by FPCO to the Company total \$120,629 and \$-0-, respectively, and is shown on the balance sheet as *Receivables – Related Parties*.
- F. The Company has advanced funds to Furry Cuts Petmobile International, LLC, (FCPI), which is majority owned and controlled by Greg Longe, majority shareholder of the Company. As of December 31, 2022 and 2021, total amounts owed by FCPI to the Company total \$103,303 and \$-0-, respectively, and is shown on the balance sheet as *Receivables – Related Parties*.
- G. The Company has advanced funds to Spray Foam Genie International, LLC, (SFG), which is 20% owned by Greg Longe, majority shareholder of the Company. As of December 31, 2022 and 2021, total amounts owed by SFG to the Company total \$31,999 and \$-0-, respectively, and is shown on the balance sheet as *Receivables – Related Parties*.
- H. Phoenix Franchise Brands, LLC. (PFB) has advanced funds to the Company. PFB is owned and controlled by Greg Longe, majority shareholder of the Company. As of December 31, 2022 and 2021, total amounts owed by the Company to PFB total \$162,956 and \$-0-, respectively, and is shown on the balance sheet as *Payables – Related Parties*.
- I. Phoenix Franchise Brands, LLC. (PFB) leases employees to the Company and provides management services. PFB is owned and controlled by Greg Longe, majority shareholder of the Company. During 2022, the Company paid or accrued \$75,000 in management fees and \$393,340 in payroll wages and taxes. During 2021, the Company paid or accrued \$-0- in management fees and \$-0- in payroll wages and taxes to PFB.

NOTE 14 – BRAND DEVELOPMENT FUND FEES AND EXPENSES

The Company manages a brand development fund for the purpose of building the national brand through cooperative national marketing. The brand development fund revenue includes brand development fees collected from both franchisees and company locations, and vendor contributions consisting of substantially all rebates and commissions received from vendors. The brand development fee is charged as a percentage of the Franchisee's adjusted revenue.

Brand development fund expenses are marketing and operational expenses paid by the company on behalf of the brand development fund. No brand development funds are used for franchise development purposes. Brand development fund expenses are broken out separately on the financial statements. These expenses included payments to third party web enhancement firms, public relations providers, online advertising, and marketing staff. Total brand development fund expenses were \$93,620 and \$98,506 for 2022 and 2021.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – EMPLOYEE HEALTH INSURANCE

The Company offers a fixed dollar allowance toward certain individual health insurance policies provided through third party insurers.

NOTE 16 – PPP LOANS PAYABLE

In April of 2020, the Company received a Paycheck Protection Program Loan of \$139,260 from the Small Business Administration as part of the Cares Act. This loan was forgiven in January of 2021. The Company subsequently applied for and received a 2nd PPP loan in the February of 2021 for the same amount. The 2nd PPP loan was subsequently forgiven in November 2021.

NOTE 17 – COVID-19

The World Health Organization declared the outbreak of the novel-coronavirus (COVID-19) as a global pandemic in March of 2020 which has affected most business operations globally. The Coronavirus pandemic affected the Company's royalty income during 2020 with a decline in royalty revenue from \$599,447 in 2019 and \$612,945 in 2018 to \$391,396 in 2020. Royalty revenue increased in 2021 to \$715,972 and increased again in 2022 to \$1,603,082.

Management has evaluated the significance of the above conditions and has instituted a new website and more efficient digital marketing and increased the level of support and training to the network on all fronts making the systems stronger and more efficient. Management believes the consumer trend of workers returning to travel and go back to the office help drive the consumer sales in pet walking and sitting. New franchisees brought in are required to be capitalized significantly stronger than those of prior management. Management is very confident in the on-going viability of the Company for 2023 and beyond.

NOTE 18 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW STATEMENTS

During the years ended December 31, 2022 and 2021, net cash paid for interest and federal and state income taxes were as follows:

	<u>2022</u>	<u>2021</u>
Income Taxes	<u>\$ 800</u>	<u>\$ 800</u>
Interest	<u>\$ 2,286</u>	<u>\$ 2,084</u>

NOTE 19 – RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 20 – LITIGATION

A complaint was filed against the Company alleging a claim for indemnification and damages in the case of a dog walker being bitten by their dog and them being sued by the dog walker. The Company filed an answer denying all allegations of the complaint, asserting it had no contract or agreement with plaintiffs and deny any liability to plaintiffs. In January 2020, the Company tendered defense in the matter to its insurer and an Order of Dismissal with Prejudice was filed on October 13, 2021.

On September 30, 2021, the Company entered into a settlement agreement with a plaintiff to settle a dispute about its website issues with ADA compliance. On December 30, 2021 the settlement was consummated and thereafter, the lawsuit was dismissed with prejudice.

On March 1, 2022 the Company received a demand letter on behalf of 2 franchisees claiming the Company violated certain franchise laws and demanded a return of their franchise investments plus damages. The parties executed Asset Purchase Agreements resolving and releasing all claims in May 2022.

NOTE 21 - NEW ACCOUNTING PRONOUNCEMENT

(Lessee) In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for based on prior guidance. The Company adopted this standard during the year ending December 31, 2022.

SUPPLEMENTAL INFORMATION

FETCH PET CARE, INC.
SCHEDULES OF FRANCHISING RELATED EXPENSES
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Awards and Recognitions	\$ 183	\$ 2,812
Bad Debt	13,196	19,967
Brand Development	93,620	98,506
Employee Health Insurance	16,670	31,625
Equipment Maintenance and Repair	3,003	9,067
Franchise Sales Expenses	652,088	204,770
Franchise Support Services Expense	159,385	48,817
Interest Expense	2,286	1,892
Legal and Professional - Franchising	52,064	87,884
Marketing - Advertising - Franchisee	230,494	62,450
Marketing - Advertising and Public Relations	18,154	16,107
Other Sales Expenses	-	21,948
Recruiting, Training and Education	25,910	8,928
Leased Employee Expenses	993,304	854,341
Social Media	3,065	-
Software Development and Franchise Website	54,810	17,871
Travel	30,730	23,392
Travel, Meetings and Conventions	135,434	146,835
	<u>135,434</u>	<u>146,835</u>
Total Franchising Related Expenses	<u><u>\$ 2,484,396</u></u>	<u><u>\$ 1,657,212</u></u>

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Automobile Expense	\$ 10,736	\$ 14,751
Bookkeeping	77,291	22,938
Building Maintenance	8,221	1,463
Consulting Expense	13,798	1,000
Credit Card and Bank Fees	15,684	9,277
Depreciation and Amortization	30,094	30,459
Dues and Subscriptions	91,509	35,663
Insurance - Admin	8,982	832
Licenses and Penalties	9,594	5,969
Management Fee	75,000	-
Meals and Entertainment	93,464	35,603
Miscellaneous	3,134	-
Office Expenses and Supplies	71,945	54,589
Payroll Processing	11,134	31,189
Postage and Delivery	6,631	9,977
Rent - Equipment	1,921	1,221
Rent - Office	52,329	41,740
Leased - Officers'	631,845	141,040
Shareholder and Board Expenses	50,403	7,087
Shareholder Benefits	32,935	10,918
Telephone and Internet	14,708	24,922
Utilities	2,546	1,865
Total Administrative Expenses	<u><u>\$ 1,313,904</u></u>	<u><u>\$ 482,503</u></u>

See Independent Auditor's Report and Accompanying Notes

**FETCH! PET CARE, INC.
LIVONIA, MICHIGAN**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021**

FETCH! PET CARE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fetch! Pet Care, Inc.
19500 Victor Parkway, Suite 350
Livonia, MI 48152

Opinion

We have audited the accompanying financial statements of Fetch! Pet Care, Inc. (a California Corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in shareholders' equity and cash flows for the year then ended, and the related notes to the financial statements,

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fetch! Pet Care, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity 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 Fetch! Pet Care, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this 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 the 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 Fetch! Pet Care, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

-I-

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fetch! Pet Care Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fetch! Pet Care Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Franchising Related Expenses and the Schedule of Administrative Expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, for the year ended December 31, 2021, has been subjected to the

auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mattina, Kent & Gibbons, P.C.

Mattina, Kent & Gibbons, P.C.

Certified Public Accountants

Lapeer, Michigan

June 3, 2022

FINANCIAL STATEMENTS

FETCH PET CARE, INC.
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 43,829
Accounts Receivable, Net	186,281
Renewal Notes Receivable - Franchisees	-
Prepaid Expenses	16,736
TOTAL CURRENT ASSETS	<u>246,846</u>
PROPERTY AND EQUIPMENT	
Depreciable Assets	
Computer Equipment and Software	38,334
Proprietary Software	92,050
Office Furniture	41,007
Total Depreciable Assets	<u>171,391</u>
Less: Depreciation	<u>(105,381)</u>
Net Depreciable Assets	66,010
Amortizable Assets	
Franchise Territories	44,451
Less: Accumulated Depreciation	<u>(16,964)</u>
Net Amortizable Assets	<u>27,487</u>
TOTAL PROPERTY AND EQUIPMENT	<u>93,497</u>
OTHER ASSETS	
Prepaid Commissions	2,202,284
Receivable - Related Party	209,321
Notes Receivable - Franchises	212,647
Deferred Tax Assets	243,000
Other Amortizable Assets	
Trademarks & Customer Lists	2,766
Goodwill	104,623
Total Other Amortizable Assets	<u>107,389</u>
Less: Accumulated Amortization	<u>(57,222)</u>
Net Other Amortizable Assets	<u>50,167</u>
TOTAL OTHER ASSETS	<u>2,917,419</u>
TOTAL ASSETS	<u>\$ 3,257,762</u>

See Independent Auditor's Report and Accompanying Notes

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FETCH PET CARE, INC.
BALANCE SHEET
DECEMBER 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts Payable	\$ 299,057
Credit Cards Payable	35,372
Accrued Payroll	13,915
Sales Tax Payable	191
Gift Cards Redeemable	4,465
Current Portion of Long-term Debt	<u>3,196</u>
TOTAL CURRENT LIABILITIES	356,196
LONG-TERM LIABILITIES	
Deferred Revenue/Franchise Fees	3,782,439
Notes Payable, Less Current Portion	<u>5,780</u>
TOTAL LONG-TERM LIABILITIES	<u>3,788,219</u>
TOTAL LIABILITIES	4,144,415
SHAREHOLDERS' EQUITY (DEFICIT)	
Capital Stock - Common	
(4,000 Shares Authorized,	
1,000 Issued and Outstanding)	663,750
Additional Paid-In-Capital	221,483
Retained Earnings (Deficit)	<u>(1,771,886)</u>
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	<u>(886,653)</u>
TOTAL LIABILITIES AND	
SHAREHOLDERS' EQUITY	<u>\$ 3,257,762</u>

See Independent Auditor's Report and Accompanying Notes

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FETCH PET CARE, INC.
STATEMENT OF SHAREHOLDERS' EQUITY
FOR YEAR ENDED DECEMBER 31, 2021

	Issuance of Common Stock			Additional Paid-in Capital	Retained Earnings (Deficit)	Preferred Stock - Cash Dividends	Total
	Common Stock	Common - Treasury Stock	Total Common Stock				
Balance December 31, 2020	\$ 663,750	\$ -	\$ 663,750	\$ 250,864	\$ (1,374,315)	\$ (225,553)	\$ (685,254)
Adjustment to Retained Earnings					158,050		158,050
Restated - December 31, 2020	663,750	-	663,750	250,864	(1,216,265)	(225,553)	(527,204)
2021 Activity							
Net Income/(Loss)	-	-	-	-	(330,068)	-	(330,068)
Reclassification	-	-	-	-	(225,553)	225,553	-
Shareholder Contributions	-	-	-	-	-	-	-
Shareholder Distributions	-	-	-	(29,381)	-	-	(29,381)
Balance December 31, 2021	<u>\$ 663,750</u>	<u>\$ -</u>	<u>\$ 663,750</u>	<u>\$ 221,483</u>	<u>\$ (1,771,886)</u>	<u>\$ -</u>	<u>\$ (886,653)</u>

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
STATEMENT OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2021

INCOME/(LOSS) FROM COMPANY	
OWNED PET-CARE OPERATIONS	
Gross Revenues from Operations	\$ 80,320
Costs of Sales	<u>(72,785)</u>
GROSS PROFIT FROM COMPANY	
OWNED PET-CARE OPERATIONS	<u>7,535</u>
INCOME/(LOSS) FROM	
FRANCHISING OPERATIONS	
Franchise Related Revenue	
Royalties	715,972
Franchise Fees - Initial, Renewals and Transfers	316,837
Franchise Territory Expansion Fees	59,875
Client Concierge Center Fees	49,630
Brand Development Fees	<u>173,240</u>
Total Franchise Related Revenues	1,315,554
Franchisor Expenses	<u>1,532,909</u>
NET INCOME/(LOSS) FROM	
FRANCHISING OPERATIONS	<u>(217,355)</u>
NET INCOME/(LOSS) FROM OPERATIONS	
AND FRANCHISING ACTIVITIES BEFORE	
ADMINISTRATIVE EXPENSES	(209,820)
Administrative Expenses	<u>482,503</u>
NET ORDINARY INCOME (LOSS)	(692,323)
OTHER INCOME/(EXPENSES)	
Interest Income	587
Interest Expense	(192)
Paycheck Protection Program Loan Forgiveness	278,520
Other Income	<u>5,140</u>
NET OTHER INCOME/(EXPENSES)	<u>284,055</u>
NET INCOME (LOSS) BEFORE TAX PROVISION	<u>(408,268)</u>
TAX PROVISIONS (BENEFITS)	
Federal Income Tax (Benefit)	(79,000)
State Income Tax	<u>800</u>
TOTAL TAX PROVISIONS (BENEFITS)	<u>(78,200)</u>
NET INCOME (LOSS)	<u>\$ (330,068)</u>

See Independent Auditor's Report and Accompanying Notes

FETCH PET CARE, INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31, 2021

NET INCOME/(LOSS)	\$ (330,068)
Adjustment for items not affecting cash flows:	
Depreciation and Amortization Expense	30,459
Reclassification of Capital Asset	497
	<u>(299,112)</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
(Increase)/Decrease in:	
Accounts Receivable, Net	(78,411)
Prepaid Expenses	(11,283)
Prepaid Commissions	(1,599,705)
Related Party Receivables	(209,321)
Other Notes Receivable	(91,343)
Deferred Tax Assets	(79,000)
Increase/(Decrease) in:	
Accounts and Credit Cards Payable	128,249
Payroll and Sales Taxes Payable	(4,085)
Deferred Revenue/Franchise Fees	2,369,663
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>125,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Franchise Territory	(10,000)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>(10,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase/(Decrease) in PPP Loans Payable	(139,260)
Increase/(Decrease) in Other Notes Payable	8,976
Increase/(Decrease) in Additional Paid-in Capital	(29,381)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	<u>(159,665)</u>
NET CHANGE IN CASH AND EQUIVALENTS	(44,013)
CASH AT BEGINNING OF PERIOD	<u>87,842</u>
CASH AT END OF PERIOD	<u>\$ 43,829</u>
 SUPPLEMENTAL CASH FLOW INFORMATION	
Cash Paid for Taxes	<u>\$ 800</u>
Interest Paid	<u>\$ 2,084</u>

See Independent Auditor's Report and Accompanying Notes

NOTES TO FINANCIAL STATEMENTS

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Fetch! Pet Care, Inc. (the Company) was incorporated as a Close Corporation in California on November 1, 2002 under the name of Fetch! Pet Care, Inc. The Company's primary business is as a franchisor and operator of Professional Pet Care services.

The company had a total of 98 Franchise units and 5 Company owned units in operation in 33 States and the District of Columbia (DC) as of December 31, 2021.

Franchise development activity in 2021 included opening 33 new Franchise units, renewing 1 Franchise units, transferring 1 Franchise unit, acquiring 4 Franchise units, 2 Franchise units ceased operations, and non-renewal of 0 Franchise units.

Company-owned location pet care services revenue was \$80,320 in 2021 and represents 0.6% of total company revenue for 2021.

Accounting Method/Basis of Presentation – The accompanying financial statements have been prepared on the accrual method of accounting, with revenues being recorded when earned and expenses when incurred.

Cash and Equivalents – The Company considers all highly liquid investments purchased with original maturities of ninety days or less to be cash equivalents. The Company maintains its cash in bank deposit accounts which, from time to time throughout the year, may exceed amounts insured by the Federal Deposit Insurance Corporation.

Accounts Receivable – Trade – Trade accounts receivable are uncollateralized franchisee obligations due under normal trade terms. Trade accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company provides for probable uncollectable amounts through a charge to earnings and a credit to a valuation allowance based on management's assessment of the current status of individual accounts. Balances that are still outstanding after management has attempted reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management recorded an allowance for uncollectible accounts of \$8,193 in 2021.

Advertising Costs – Advertising costs are expensed as incurred. Advertising costs were \$78,557 for the year ending December 31, 2021.

Use of Estimates – The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition – In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (codified as ASC 606), which, along with subsequent amendments issued after May 2014, replaced substantially all the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model. The steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations (promise to provide a distinct good or service, or a series of distinct goods or services) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfied a performance obligation.

The company has determined the following in respect to the above five step model.

The company has determined that the franchise agreements entered by the company with the franchisees meet the definition of a contract as defined under Topic 606, and hence ASC 606 needs to be incorporated in the financial statements.

Included within the franchise agreement are the following bundle of promises that the company accounted for as a single distinct performance obligation under the License to the Franchisor's Intellectual Property.

- Franchise License
- Advertising and Marketing Services
- Use of Centralized Concierge Center
- Ongoing Operational Support

The transaction price includes the initial franchise fee (as defined in the franchise agreement), weekly/monthly royalty (as defined in the franchise agreement) of the franchisee's sales for the term of the agreement, and weekly/monthly franchise operations fee (as defined in the franchise agreement) of the Franchisee's sales for the term of the agreement. The Company determined that the franchise license is the predominant item in the arrangement. Therefore, the guidance for a sales-based or usage-based royalty in FASB ASC 606-10-55-65 applies. The weekly/monthly royalty and weekly/monthly franchise operations fees (variable consideration) are not estimated and are not included in the transaction price at contract inception until sales occur. The weekly/monthly fees will be allocated to appropriate performance obligations as the sales occur.

The franchise license provides the franchisee customer with a right to access the franchisor's IP. The Company should account for a promise to provide a customer with a right to access the Company's IP as a performance obligation satisfied over time because the customer simultaneously will receive and consume the benefit from the Company's performance of providing access to its IP as the performance occurs. The franchisor recognizes the fixed consideration (initial franchise fee) allocable

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

to the franchise license bundle performance obligation over the period of time that the franchisee customer has access to the IP, which would be 5 to 10 years (as agreed to in the franchise agreement). The Company will use time as its measure of progress and will recognize the initial franchise fee on a straight-line basis.

Revenue Recognition – Pet Care Services – Revenue for pet care services is recognized when invoiced at the completion of a service ticket with the customer’s credit card being charged the same day. Policy is daily billing with corresponding credit card batch processing, so typically there are no significant accounts receivable generated from pet care services.

Revenue Recognition – Initial Franchise Fee Income – The Company grants Fetch! Pet Care franchises to approved franchisees. The franchise includes the license to use the brand, initial and ongoing training, access to branded websites and marketing materials, use of proprietary client and employee scheduling software, established business processes and procedures, ongoing business consultation and support, and a protected Target Area territory, among other features and benefits. A military discount is available when applicable. Total franchise fee income was \$316,837, for 2021.

Deferred Initial Franchise Fee Revenues:

Deferred Revenue/Franchise Fees – Beginning	\$1,353,276
Less – Revenue Recognized on Existing Contracts	<u>149,610</u>
Sub-total	1,203,666
New Contracts – Current Year	2,746,000
Less – Contract Revenue from New Contacts	<u>167,227</u>
Deferred Revenue/Franchise Fees – Ending	<u>\$3,782,439</u>

Revenue Recognition – Royalty Income – The ongoing royalty fee is 7% of adjusted revenue, and there is a brand development fee of 2% of adjusted revenue. Total royalty income amounted to \$715,972 in 2021.

Revenue Recognition – Client Concierge Center – In 2015, the Company introduced a new client concierge center providing sales coordination services to Company and select franchisee locations. The client concierge center delivers central call center/logistics/dispatching services to all company locations and 7 select franchisee locations. Participating locations are charged 8% of sales by the company for this concierge service which is in addition to the royalty fee charged by the company. Client concierge center revenue totaled \$49,630 in 2021.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost of Sales & Company Location Revenue – A historical breakdown of the pet sitting sales and cost of sales for company-owned operations follows:

	2021
Revenue – Company Owned	\$ 80,320
Cost of Sales	
Direct Pet Care Provider Wages & Contractors	\$ 61,808
Direct Dispatch	10,977
Total Cost of Sales	\$ 72,785
Cost of Sales %	90.62%

Property, Plant and Equipment – Fixed assets are carried at net cost to the Company. All fixed assets are owned by the Company. Depreciation will be provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives or lease term whichever is earlier, by use of the straight-line method for financial reporting purpose. The company has elected to maintain GAAP depreciation for the books, and separate Tax depreciation for the tax returns. In 2021 the Company did not purchase any depreciable assets.

The following table is a summary of the Company’s Property, Plant, Equipment and Accumulated Depreciation:

Category	Cost	Accumulated Depreciation	Net
Computer Equipment and Software	\$ 38,334	\$ 34,887	\$ 3,447
Proprietary Software	92,050	50,627	41,423
Office Furniture	41,007	19,867	21,140
Total	\$ 171,391	\$ 105,381	\$ 66,010

Depreciation expense recognized in the financial statements was \$8,217 for 2021.

Other Assets – Trademarks – The Company owns seven trademarks. Two trademarks were registered March 3, 2004, two were registered January 7, 2014, one was registered September 10, 2019 and two were registered April 14, 2020. The trademarks are fully amortized and the total amortization expense for the trademarks was \$0 for 2021.

Long Lived Assets – The impairment of long-lived assets is reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. The Company has not identified any such impairment losses.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Franchise Territories – The Company owns and operates 5 locations. The cost of reacquiring the assets and operations of these territories is recorded at cost and amortized over 10 years. Cost and related accumulated amortization is expensed when a company owned location is sold. Amortization expense on franchise territories for the year ended December 31, 2021 was \$2,575.

Income Taxes – The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred tax assets and liabilities represent the future tax consequences for those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income.

A valuation allowance, when necessary, is established to reduce deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions.

The Company records uncertain tax positions on the basis of a two-step process in which: (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position; and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authorities.

The Company recognizes interest and penalties related to unrecognized tax positions as part of the income tax provision in the accompanying consolidated statements of income and retained earnings (deficit), and includes accrued interest and penalties in income taxes payable in the accompanying consolidated balance sheets.

The Company has no uncertain tax positions as of December 31, 2021.

Currently, the 2021, 2020 and 2019 tax years are open and subject to examination by the taxing authorities. However, the Company is not currently under audit nor has the Company been contacted by any of the taxing authorities.

Subsequent Events/Date of Management Review – Management has evaluated the events and transactions that occurred after the balance sheet date, December 31, 2021, for potential recognition and disclosure through June 3, 2022, the date on which the financial statements were available to be issued.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – FRANCHISEE RENEWAL NOTES RECEIVABLES

The franchisee renewal notes are short-term notes, net of principal payments, from franchisees renewing their franchise agreement contracts. Total balance as of December 31, 2021 was \$-0-.

NOTE 3 – NOTES RECEIVABLE - FRANCHISEES

There was a total of \$212,647 of Notes Receivable comprised of 4 franchisees as of the balance sheet date ending in 2021. The Company received payments on the notes totaling \$50,572 during 2021 which were comprised entirely of principal.

Additionally, the Company wrote off \$7,042 of the outstanding balance of the notes from 2020 when the Company determined the notes to be uncollectible and repossessed the franchisees territory.

NOTE 4 – DEFERRED FRANCHISE FEE INCOME AND PREPAID COMMISSIONS

Deferred revenue is comprised of unamortized upfront fees received from franchisees. The Company expects to recognize deferred revenue as revenue over the remaining term of the associated franchise agreements as follows:

Year Ended December 31	
2022	\$ 479,362
2023	478,377
2024	475,199
2025	459,593
2026	376,880
Thereafter	1,513,028
	<u>\$ 3,782,439</u>

The total amount of \$3,782,439 is comprised of \$2,627,134 in contracts from 2021, \$993,423 in contracts from 2020 and \$161,882 of prior year contracts still outstanding as adjusted per ASC 606.

Prepaid commissions are comprised of unamortized commission paid by the Company on the sales of franchises. Under FASB ASC 606 and FASB ASC 340-40, the incremental costs of obtaining a contract with a customer are recognized as an asset if the entity expects to recover those costs.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEFERRED FRANCHISE FEE INCOME AND PREPAID COMMISSIONS (Continued)

The Company expects to recognize prepaid commissions as expense over the remaining term of the associated franchise agreements as follows:

Year Ended December 31		
2022	\$	292,405
2023		292,405
2024		292,405
2025		283,888
2026		206,022
Thereafter		835,159
	\$	2,202,284

NOTE 5 – DEFERRED INCOME TAXES

As of December 31, 2021, Company has available a net operating loss for federal income taxes in the amount of approximately \$1,156,000. Under the Tax Cuts and Jobs Act of 2017 and the Coronavirus Aid, Relief, and Economic Security Act of 2020 net operating losses are carried forward indefinitely. Due to the indefinite carryforward of the net operating losses management does not believe a valuation allowance is necessary.

The components of deferred tax assets as of December 31, 2021 are as follows:

Net Operating Losses	\$ 243,000
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NOTE 6 – NOTES PAYABLE

Notes payable as of December 31, 2021 are as follows:

	2021
Note payable to a former franchisee for the repurchase of their territory by the Company, Dated August 17, 2021, Matures August 17, 2024, \$10,000 face value, bearing interest at 6% per annum, 36 monthly payments of \$304	\$ 8,976
Total	8,976
Less: Current Portion	3,196
Notes Payable, Less Current Portion	\$ 5,780

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – NOTES PAYABLE (Continued)

The scheduled future minimum principal maturities for the notes payable are as follows:

Year Ended December 31	
2022	\$ 3,196
2023	3,394
2024	2,386
Thereafter	-
	<u>\$ 8,976</u>

NOTE 7 – SALE OF STOCK

On March 4, 2020 Shareholders unanimously agreed to a new shareholder's purchase of a controlling interest of the Company in an equity transaction including the sale of all Company treasury stock and the majority of the shares issued and outstanding. Out of the 1,000 shares of stock issued, Longe Acquisitions, LLC, the new majority owner, owns 750 voting shares of common stock. Minority shareholders own 250 of the remaining voting shares outstanding. Some of the shares were bought outside of the company from the individual previous owners of the stocks of the company. A corresponding reorganization of corporate officers and key management followed with the intent to take the Company to the next level of development.

NOTE 8 – ISSUANCE OF COMMON AND PREFERRED STOCKS

As of the audit date, the Company has common stock of 4,000 shares authorized and 1,000 shares issued, comprised of 1,000 shares outstanding and -0- shares in treasury. The Company has one class of common voting stock, eliminating its non-voting common stock and its preferred stock of 1,000 shares authorized and -0- shares issued.

The history of those shares are as follows:

- A. On July 5, 2003, the Company repurchased into the treasury 50 shares of a minority shareholder's stock totaling \$14,323.
- B. On June 15, 2011, the Company amended its Articles of Incorporation to authorize up to 1,000 shares of preferred stock, then issued all 1,000 shares of preferred stock as well as 450 shares of new issue Class B common stock. Prior to June 15, 2011, the Company had only one class of common stock with 4,000 shares authorized and 200 shares issued, comprised of 150 shares outstanding and 50 shares in treasury.
- C. On December 31, 2014, the Company completed a comprehensive funding round including the new issue of non-voting Class A common stock and new working capital line of credit facilities. The Company issued 400 shares of Class A common stock at \$1,000 per share valuation, raising \$325,000 in cash, and using \$75,000 as partial consideration related to an asset acquisition.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – ISSUANCE OF COMMON AND PREFERRED STOCKS (Continued)

- D. On April 24, 2017, the Company repurchased into the treasury 75 shares of an officer and minority shareholder's stock totaling \$75,000.
- E. On May 1, 2018, the Company redeemed and retired the Preferred Stock for \$275,000.
- F. March 4, 2020 Shareholders unanimously agreed to a new Shareholder's purchase of controlling interest of the Company in an equity transaction including the sale of all Company Treasury Stock and the majority of the shares issued and outstanding. Out of the 1,000 shares of stock issued, the new majority owner owns 750 shares voting common stock. Minority shareholders own 250 of the remaining shares outstanding.

Holders of Class B common shares have one vote for each share of common stock held at all meetings of the shareholders.

NOTE 9 – BUSINESS COMBINATION

A business combination occurs when an acquirer obtains a controlling interest of an acquiree. In the stock purchase of March 2, 2020, Longe Acquisitions LLC, as the acquirer, gained a controlling interest of Fetch! Pet Care, Inc, the acquiree.

Under Subtopic 805-50, when a business combination occurs, an acquiree has a choice regarding how to measure its assets, liabilities and equity instruments in its separate financial statements. The acquiree can choose either:

- To continue to measure these amounts using their historical bases OR
- To measure these amounts using a new basis by applying pushdown accounting. Under pushdown accounting, the acquiree uses the same basis used by the acquirer to measure these amounts

Fetch! Pet Care, Inc has elected to continue to measure its assets, liabilities and equity instruments at their historical bases in regards to the current sale of stock.

NOTE 10 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to a concentration of credit risk principally consist of cash held in bank. The Company invests available cash in banks with high credit ratings and generally maintains cash balances within FDIC limits. The Company's primary bank account balance as of the end of December 31, 2021 was \$43,829 and below the \$250,000 FDIC insured limits, however at times may exceed the insured limits.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – COMMITMENTS

The Company has commitments to its franchisees as detailed in their franchise agreements and to its common stock shareholders.

The company has leased an office space dated May 29, 2020 with approximate monthly payments of \$4,000 varying depending on CAM charges. This commitment is for 39 months.

NOTE 12 – PROPRIETARY SOFTWARE

The Company continually reinvests in concept development with those costs generally expensed as incurred. In 2016, the Company elected to capitalize a significant identifiable portion of costs related to the development of the next generation cloud-based software application critical to the core operations of the business. The Company capitalized the cost of the MyFetch!TM Information Management System (IMS) Internal-Use Proprietary Software of \$92,050. The company amortizes using the straight-line method over a ten year useful life on a GAAP basis of accounting. Amortization expense for the year ending December 31, 2021 was \$9,205 on this asset.

NOTE 13 – GOODWILL

The Company has recognized goodwill on various acquisitions of franchised locations. The goodwill remaining on the Company's financial statements is from 2016 when the company acquired a large competitor's operation as well as two franchisee operations in the Washington, DC region, in order to consolidate and optimize service and revenues in that area.

As a private company, under ASU 2014-02, the Company elects to amortize goodwill on assets acquired on a straight line basis over 10 years. There was no triggering event that occurred indicating that the fair value of the goodwill may be less than its carrying value and that the 10 year amortization approach represent a better matching of revenues and expenses.

Amortization expense on goodwill was \$10,462 for the year ended December 31, 2021.

NOTE 14 - RELATED PARTY TRANSACTIONS

The below is a list of Related Party Transactions:

- A. In 2021, the company paid or accrued salaries and bonuses of \$66,192 and payments of \$9,561 toward the automobile as an officer to Mr. Greg Longe. Mr. Longe is an officer and majority common stock holder of the company.
- B. In 2020 and 2019, the Company paid Cybeck Capital Partners, LLC interest on a Working Capital Line of Credit. Cybeck Capital Partners, LLC is the managing member of Cybeck Capital Fund, LLC, and a common stock shareholder. The agreement with Cybeck Capital Partners, LLC ended in January 2021 and no more payments are being paid after this date.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - RELATED PARTY TRANSACTIONS (Continued)

- C. During 2021 the company accrued salary reimbursements from Door Renew International, LLC in the amount of \$189,074. Also, during 2021, the Company paid expenses of Door Renew International, LLC totaling \$19,617. Greg Longe, officer and majority common stock holder of the Company is also the majority owner of Door Renew International, LLC. Total amounts due from Door Renew International, LLC as of December 31, 2021 was \$209,321, and is shown on the balance sheet as *Receivable – Related Party*.
- D. During 2021, total distributions to Greg Longe were \$29,381, net of contributions.

NOTE 15 – BRAND DEVELOPMENT FUND FEES AND EXPENSES

The Company manages a brand development fund for the purpose of building the national brand through cooperative national marketing. The brand development fund revenue includes brand development fees collected from both franchisees and company locations, and vendor contributions consisting of substantially all rebates and commissions received from vendors. The brand development fee is currently 2% of Franchisee’s adjusted revenue. Total brand development fund revenue was \$173,240 for 2021.

Brand development fund expenses are marketing and operational expenses paid by the company on behalf of the brand development fund. No brand development funds are used for franchise development purposes. Brand development fund expenses are broken out separately on the financial statements. These expenses included payments to third party web enhancement firms, public relations providers, online advertising, and marketing staff. Total brand development fund expenses were \$98,506 for 2021.

NOTE 16 – EMPLOYEE HEALTH INSURANCE

The Company offers a fixed dollar allowance toward certain individual health insurance policies provided through third party insurers.

NOTE 17 – PPP LOANS PAYABLE

In April of 2020, the Company received a Paycheck Protection Program Loan of \$139,260 from the Small Business Administration as part of the Cares Act. This loan was forgiven in January of 2021. The Company subsequently applied for and received a 2nd PPP loan in the February of 2021 for the same amount. The 2nd PPP loan was subsequently forgiven in November 2021.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 18 – COVID-19

The World Health Organization declared the outbreak of the novel-coronavirus (COVID-19) as a global pandemic in March of 2020 which has affected most business operations globally. The Coronavirus pandemic affected the Company's royalty income during 2020 with a decline in royalty revenue from \$599,447 in 2019 and \$612,945 in 2018 to \$391,396 in 2020. Royalty revenue increased in 2021 to \$715,972.

Management has evaluated the significance of the above conditions and has instituted a new website and more efficient digital marketing and increased the level of support and training to the network on all fronts making the systems stronger and more efficient. Management believes the consumer trend of workers returning to travel and go back to the office help drive the consumer sales in pet walking and sitting. New franchisees brought in are required to be capitalized significantly stronger than those of prior management. Management is very confident in the on-going viability of the Company for 2022 and beyond.

NOTE 19 – RESTATEMENT OF PREVIOUSLY AUDITED FINANCIAL STATEMENTS

During its preparation for the 2021 audit, the Company became aware of certain accounting errors in the 2020 financial statements that were determined to be material. The 2020 financial statements were audited by other accountants who expressed an unmodified opinion on them. The Company has restated its beginning retained earnings to correct those errors. In addition, certain prior year amounts have been reclassified to conform to current year presentation.

The following shows the impact of these modifications to line items on the 2020 financial statements:

	<u>As Previously Stated</u>	<u>Modifications</u>	<u>As Restated (Unaudited)</u>
BALANCE SHEET			
Other Assets:			
Note Receivable – Franchises	\$ 121,304	\$ (59,500)	\$ 61,804
Deferred Tax Assets	\$ -	\$ 164,000	\$ 164,000
Total Other Assets	\$ 784,512	\$ 104,500	\$ 889,012
Long-term Liabilities:			
Deferred Revenue/Franchise Fees	\$ 1,406,826	\$ (53,550)	\$ 1,353,276
Total Long-term Liabilities	\$ 3,788,219	\$ (53,550)	\$ 3,734,669
Retained Earnings (Deficit)	\$ (1,374,315)	\$ 158,050	\$ (1,216,265)

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 19 – RESTATEMENT OF PREVIOUSLY AUDITED FINANCIAL STATEMENTS (Continued)

STATEMENT OF OPERATIONS	As Previously Stated	Modifications	As Restated (Unaudited)
Franchise Fee Income	\$ 77,842	\$ (5,950)	\$ 71,892
Total Franchisor Related Revenues	\$ 733,023	\$ (5,950)	\$ 727,073
Franchisor Related Net Income (Loss)	\$ 733,023	\$ (5,950)	\$ 727,073
Net Income from Operations & Franchising Activities before Administrative Expenses	\$ (365,777)	\$ (5,950)	\$ (371,727)
Net Ordinary Income Before Taxes & Extraordinary Items	\$ (697,932)	\$ (5,950)	\$ (703,882)
Provision for Federal Income Tax (Benefit)	\$ -	\$ (164,000)	\$ (164,000)
Net Income (Loss)	\$ (762,232)	\$ 158,050	\$ (604,182)

NOTE 20 – LITIGATION

A complaint was filed against the Company alleging a claim for indemnification and damages in the case of a dog walker being bitten by their dog and them being sued by the dog walker. The Company filed an answer denying all allegations of the complaint, asserting it had no contract or agreement with plaintiffs and deny any liability to plaintiffs. In January 2020, the Company tendered defense in the matter to its insurer and an Order of Dismissal with Prejudice was filed on October 13, 2021.

On September 30, 2021, the Company entered into a settlement agreement with a plaintiff to settle a dispute about its website issues with ADA compliance. On December 30, 2021 the settlement was consummated and thereafter, the lawsuit was dismissed with prejudice.

NOTE 21 – SUBSEQUENT EVENT

On March 1, 2022 the Company received a demand letter on behalf of 2 franchisees claiming the Company violated certain franchise laws and demanded a return of their franchise investments plus damages. The Company has reached an agreement with each of the franchisees to purchase their respective franchise territories for \$35,000 and \$25,000, pursuant to purchase agreement between each of the franchisees and the Company that will provide for full mutual releases.

SUPPLEMENTAL INFORMATION

FETCH PET CARE, INC.
SCHEDULE OF FRANCHISING RELATED EXPENSES
FOR YEAR ENDED DECEMBER 31, 2021

Awards and Recognitions	\$ 2,812
Bad Debt	19,967
Brand Development	98,506
Employee Health Insurance	31,625
Equipment Maintenance and Repair	9,067
Franchise Sales Expenses	204,770
Franchise Support Services Expense	48,817
Interest Expense	1,892
Legal and Professional - Franchising	87,884
Marketing - Advertising - Franchisee	62,450
Marketing - Advertising and Public Relations	16,107
Other Sales Expenses	21,948
Payroll Tax Expense	71,479
Recruiting, Training and Education	8,928
Reimbursed Expenses	64,772
Salaries and Wages	782,862
Less: Reimbursed Wages	<u>(189,075)</u>
Net Salaries and Wages	593,787
Software Development and Franchise Website	17,871
Travel	23,392
Travel, Meetings and Conventions	<u>146,835</u>
Total Franchising Related Expenses	<u><u>\$ 1,532,909</u></u>

See Independent Auditor's Report and Accompanying Notes

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FETCH PET CARE, INC.
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR YEAR ENDED DECEMBER 31, 2021

Automobile Expense	S 14,751
Bookkeeping	22,938
Building Maintenance	1,463
Consulting Expense	1,000
Credit Card and Bank Fees	9,277
Depreciation and Amortization	30,459
Dues and Subscriptions	35,663
Insurance - Admin	832
Licenses and Penalties	5,969
Meals and Entertainment	35,603
Office Expenses and Supplies	54,589
Payroll Processing	31,189
Postage and Delivery	9,977
Rent - Equipment	1,221
Rent - Office	41,740
Salaries - Officers'	141,040
Shareholder and Board Expenses	7,087
Shareholder Benefits	10,918
Telephone and Internet	24,922
Utilities	<u>1,865</u>
Total Administrative Expenses	<u>S 482,503</u>

See Independent Auditor's Report and Accompanying Notes
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KASHANI & COMPANY CPA, INC.

A PROFESSIONAL CORPORATION

433 N. Camden Drive, Suite 400

Beverly Hills, CA 90210

T: (310) 202-1010

April 30, 2021

FETCH! PET CARE, INC.
19500 Victor Parkway, Suite 350
Livonia, MI 48152-7011

RE: CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

We hereby consent to the use of our audit reports dated April 30, 2021 for FETCH! PET CARE, INC. as of December 31, 2020, 2019 and, 2018 and the years ended December 31, 2020, 2019 and, 2018 to appear in FETCH! PET CARE, INC.'s Franchise Disclosure Document dated April 30, 2021 for distribution to prospective franchisees as required by the Federal Trade Commission.

Kashani & Co, CPA, Inc

Steve A. Kashani CPA
Kashani & Company CPA, Inc. A PROFESSIONAL CORPORATION
Accountant to FETCH! PET CARE, INC.
Beverly Hills, California

FETCH! PET CARE, INC.
INDEPENDENT AUDITOR'S REPORT
AND
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2020 to DECEMBER 31, 2018

KASHANI & COMPANY CPA, INC. A PROFESSIONAL CORPORATION
433 N. Camden Drive, Suite 400
Beverly Hills, CA 90210
(310) 202-1010

FETCH! PET CARE, INC.

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KASHANI & COMPANY CPA, INC. APC

CERTIFIED PUBLIC ACCOUNTANT

433 N. Camden Dr, Suite 400
Beverly Hills, CA 90210
T:(310) 202-1010

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
of Fetch! Pet Care, Inc. .
(A California Corporation)**
19500 Victor Parkway, Suite 350
Livonia, MI 48152-7011

Opinion

We have audited the accompanying financial statements of Fetch Pet Care, Inc. (a California Corporation), (the Company), which comprise the balance sheets as of December 31, 2020, 2019 and 2018 and the related statements of operations, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Fetch! Pet Care, Inc. as of December 31, 2020, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fetch! Pet Care, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, Fetch! Pet Care, Inc has changed its method of accounting for revenue from contracts with customers by adopting Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Fetch! Pet Care, Inc adopted the new revenue standard using a modified retrospective approach. Our opinion is not modified with respect to this matter

Responsibilities of Management for the Financial Statements

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

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 within one year after the date that the financial statements are issued or available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary information

The supplementary information included in Supplemental Schedule of Revenues, Supplemental Schedule of Operating Expenses, and Supplemental Schedule of General & Administrative Expenses are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the audit procedures applied in my audits of the basic financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Kashani & Co, CPA, Inc

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Steve A. Kashani CPA
KASHANI & COMPANY CPA, INC. A PROFESSIONAL CORPORATION
Beverly Hills, CA 90210

FETCH! PET CARE, INC
BALANCE SHEETS
DECEMBER 31, 2020, 2019 and 2018

ASSETS

	12/31/20	12/31/19	12/31/18
CURRENT ASSETS			
Cash in bank	\$ 87,842	\$ 122,800	\$ 52,993
Account Receivable	107,870	94,492	100,317
Bad Debt Reserve	0	(3,240)	0
Account Receivable, Net	107,870	91,252	100,317
Franchise Renewal Notes Receivables (Note 2)	0	5,146	7,939
Prepaid Expenses & Prepaid Income Tax Expense	5,453	0	5,406
Total Current Assets	<u>201,165</u>	<u>219,198</u>	<u>166,655</u>
PROPERTY AND EQUIPMENT			
Computer Equipment & Software	38,334	37,168	31,612
Proprietary Software (Note 1, 15)	92,050	92,050	92,050
Office Furniture	41,007	24,256	24,256
Gross	171,391	153,474	147,918
Accumulated Depreciation	(87,959)	(72,614)	(56,713)
Total Equipment	<u>83,432</u>	<u>80,860</u>	<u>91,205</u>
Franchise Territories (Note 1, 16)	34,451	34,451	45,000
Accumulated Amortization - Franchise Territories	(14,389)	(11,389)	(11,875)
Leasehold Improvements	497	0.00	
Total Property	<u>103,991</u>	<u>103,922</u>	<u>124,330</u>
OTHER ASSETS			
Prepaid Commissions (Note 1)	602,579	0	0
Notes Receivable (Note 4)	121,304	20,638	13,758
Trademarks & Customer lists	2,766	2,766	2,766
Accumulated Amortization	(2,766)	(2,766)	(2,766)
Goodwill (Note 16)	104,623	104,623	104,623
Accumulated Amortization - Goodwill	(43,994)	(33,532)	(26,865)
Total Other Assets	<u>784,512</u>	<u>91,729</u>	<u>91,516</u>
TOTAL ASSETS	<u>\$ 1,089,668</u>	<u>\$ 414,849</u>	<u>\$ 382,501</u>

See Accountant's Audit Report, Supplemental Schedules, and Notes to Financial Statements

FETCH! PET CARE, INC
BALANCE SHEETS
DECEMBER 31, 2020, 2019 and 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

	12/31/20	12/31/19	12/31/18
CURRENT LIABILITIES			
Accounts Payables	177,195	54,108	16,863
Credit Card / Lines Payable	28,985	9,999	21,311
Payroll & Sales Tax Liabilities	18,191	36,927	44,372
Contested CPEO Liabilities (Note 11A)	0	40,793	0
Working Capital Line of Credit (Note 5, 13)	0	0	170,000
PPP Loan Payable (Note 18)	139,260	0	0
Gift Cards Redeemable	4,465	4,365	4,265
Total Current Liabilities	368,096	146,192	256,811
LONG-TERM LIABILITIES			
Deferred Revenue / Franchise Fees (Note 1)	1,406,826	0	0
Notes Payable (Note 12, 15)	0	92,896	125,071
Shareholder Notes Payable (Note 5, 13, 16)	0	170,000	0
Total Long Term Liabilities	1,406,826	262,896	125,071
Total Liabilities	1,774,922	409,088	381,882
SHAREHOLDERS' EQUITY			
Capital Stock - Common (Note 14, 16):			
(4,000 Shares authorized, 1,000 issued & outstanding)	663,750	663,750	663,750
Capital Stock - Treasury	0	(89,323)	(89,323)
Capital Stock - Preferred (Note 14, 14E, 16):			
(1,000 Preferred Shares authorized, issued & outstanding)		0	0
Additional Paid-In Capital	214,624	0	
Shareholder Contributions / (Distributions) (Note 7G)	36,240		
Retained Earnings Beginning of Period	(343,114)	(348,255)	(280,070)
Adjustment for effects of Implementing ASC 606 (Note 1)	(268,969)		
Current Earnings/(Loss)	(762,232)	5,142	(68,185)
Dividends - Preferred (Note 14)	(225,553)	(225,553)	(225,553)
Total Shareholder's Equity	(685,254)	5,761	619
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,089,668	\$414,849	\$382,501

See Accountant's Audit Report, Supplemental Schedules, and Notes to Financial Statements

FETCH! PET CARE, INC
STATEMENTS OF SHAREHOLDERS' EQUITY
DECEMBER 31, 2020, 2019 and 2018

	Issuance of Common Stock		Preferred Stock	Additional Paid In Capital	Retained Earnings	Preferred Stock - Cash Dividends	Total	
	Common -	Net <A>						
	Common Stock	Treasury Stock	Common Stock					
Balance December 31, 2017	\$663,750	(\$89,323)	\$574,427	\$275,000	\$0	(\$280,071)	(\$214,500)	\$354,857
2018 Activity:								
Net Income/(Loss)					(68,185)			(68,185)
Preferred Stock -						(11,053)		(11,053)
Purchase of Preferred Treasury Stock (Note 14, 14E)				(275,000)				(275,000)
Balance December 31, 2018	\$663,750	(\$89,323)	\$574,427	\$0	\$0	(\$348,256)	(\$225,553)	\$619
2019 Activity:								
Net Income/(Loss)					5,142			5,142
Preferred Stock -								-
Balance December 31, 2019	\$663,750	(\$89,323)	\$574,427	\$0	\$0	(\$343,113)	(\$225,553)	\$5,761
2020 Activity:			<A>					
Adjustment for effects of implementing ASC 606 (Note 1)						(268,969)		(268,969)
Net Income/(Loss)						(762,232)		(762,232)
Preferred Stock -								-
Additional Paid In Capital (Note 8, 14F)					214,624			214,624
Purchase of Treasury (Note 8, 14, 14F)		89,323	<C>					89,323
Shareholder Contributions					40,272			40,272
Shareholder Distributions					(4,032)			(4,032)
Balance December 31, 2020	\$663,750	\$0	\$663,750	\$0	\$250,864	(\$1,374,314)	(\$225,553)	(\$685,254)

Prior to 03/04/2020:

<A> Common Stock: Prior to 03/04/2020: 4,000 Shares authorized, 925 outstanding. Notes 13 & 15.
 Preferred Stock: 1,000 Preferred Shares authorized & outstanding. No shares issued. Notes 13, 13E, & 15.

After 03/04/2020 Stock Sale:

<C> Common Stock: After 03/04/2020: 4,000 Shares authorized, 1000 outstanding. Notes 13 & 15.
 Preferred Stock: 1,000 Preferred Shares authorized & outstanding. No shares issued. Notes 13, 13E, & 15.

See Accountant's Audit Report, Supplemental Schedules, and Notes to Financial Statements

FETCH! PET CARE, INC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019 and 2018

	01/01/2020- 12/31/2020	01/01/2019- 12/31/2019	01/01/2018- 12/31/2018
INCOME / LOSS FROM LOCAL PET-CARE OPERATIONS:			
Gross Revenues from Operations (Local Pet Care) (Note 1)	\$18,953	\$125,460	\$174,961
Cost of Sales (Pet Sitters & Dispatchers) (Note 1)	(12,910)	(85,301)	(113,611)
Gross Profit from Pet Care Operations	<u>6,042</u>	<u>40,159</u>	<u>61,350</u>
Operating Expenses (See Schedule)			
Net Ordinary Income Before Administrative Expenses	6,042	<u>40,159</u>	<u>61,350</u>
INCOME / LOSS FROM FRANCHISING OPERATIONS:			
Franchise Related Revenues:			
Training Fee Income	0	12,000	4,082
Franchise Fee Income (See Note 1 for effect of ASC 606)	77,842	46,000	19,000
Franchise Renewal Fees Income (Note 1, 2)	0	19,000	38,000
Transfer Fee Income (Note 1)	14,250	14,250	19,000
Brand Development Fees (Note 10)	180,971	260,337	213,904
Client Concierge Center Revenue (Note 1)	68,564	130,094	124,279
Royalty Income (Note 1)	391,396	599,447	612,945
Territory Expansion Fee Income	0	13,653	3,582
Total Franchisor Related Revenues	<u>733,023</u>	<u>1,094,781</u>	<u>1,034,792</u>
Franchisor Expenses (See Schedule)	<u>(1,098,800)</u>	<u>(707,629)</u>	<u>(638,875)</u>
Franchisor Related Net Income	(365,777)	387,153	395,917
Net Income from Operations & Franchising Activities			
Before Administrative Expenses	(359,734)	427,311	457,267
Administrative Expenses (See Schedule)	(\$338,198)	(\$424,241)	(\$525,248)
Net Ordinary Income Before Taxes & Extraordinary Items	(697,932)	3,070	(67,981)
Interest Income	4,029	2,122	2,885
Other Income	695	750	679
Contested Payroll Liabilities (Note 11A)	40,793	0	0
Sale of Business Expenses	(109,017)	0	0
Provision for Federal Income Tax	0	0	(2,012)
Provision for State Income Tax	(800)	(800)	(1,756)
Net Income	<u>(\$762,232)</u>	<u>\$5,142</u>	<u>(\$68,185)</u>

See Accountant's Audit Report, Supplemental Schedules, and Notes to Financial Statements

FETCH! PET CARE, INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019 and 2018

	12/31/20	12/31/19	12/31/18
NET INCOME/(LOSS)	\$ (762,232)	\$ 5,142	(\$68,185)
Adjustment for items not affecting cash flows:			
Depreciation and Amortization Expense	<u>28,807</u>	<u>22,082</u>	<u>25,012</u>
	(733,425)	27,224	(43,173)
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Increase)/ decrease in Accounts Receivables	(13,378)	5,824	14,702
Increase/ (decrease) in Bad Debt Reserves	(3,240)	3,240	(9,945)
Increase in Prepaid Commissions ASU 606 adjustment (Not	(602,579)		
(Increase)/ decrease in Prepaid Expenses & Prepaid Income Tax Expe	(5,453)	5,405	(299)
(Increase)/ decrease in Franchise Renewal Notes Receivable	5,146	2,793	395
Net decrease (increase) in Notes Receivable (Note 2, 4, 16)	(100,666)	(6,880)	39,146
Increase (decrease) in Accounts Payables	123,087	37,245	(3,568)
Increase in Deferred Franchise Fees ASU 606 (Note 1)	1,406,826		
Less Prior year Deferred Revenue included in above ASC 60	(268,969)		
Increase (decrease) in Credit Cards Payable	18,986	(11,212)	2,425
Increase (decrease) in Payroll Liabilities	(18,736)	(6,513)	(463)
Increase (decrease) in Contested CPEO Liabilities (Note 11)	(40,793)	40,493	0
Increase (decrease) in Sales Tax Payable		(632)	(563)
Net cash provided by/(used in) operating activities	<u>(233,195)</u>	<u>96,988</u>	<u>(1,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Depreciation Recapture of Retirement of Equipment	0	0	(600)
Amort. & Depr. Recapture of Sale of Company Operations (Note	0	0	0
Payments for Purchases of Property and Investments	(16,751)	0	0
Net (Purchases) Retirement of Computer Equipment & Soft	(1,166)	(5,555)	600
Payments for Purchases of Proprietary Software (Note 1, 15)		0	0
Net (Purchases) Receipts of Company Operations (Note 15)		10,549	0
Payments for Purchases of Leasehold Improvements	(497)	0	0
Net (Purchases) Receipts of Goodwill/Company Operations (No	0	0	0
Net cash provided by/(used in) investing activities	<u>(18,414)</u>	<u>4,994</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in Working Capital Line Credit (Note 5, 13)		(170,000)	(80,000)
Increase in PPP Loans Payable (Note 17)	139,260	0	0
Increase in Gift cards redeemable	100		
Increase (decrease) in Shareholder Notes Payable (Note 5, 1	(170,000)	170,000	0
Net increase (decrease) in Notes Payable (Note 12, 16)	(92,896)	(32,175)	78,476
Dividends (paid to) Preferred Shareholders (Note 14)	0	0	(11,053)
Shareholder Contributions	40,272		
Shareholder Distributions	(4,032)		
Additional Paid in Capital (Notes 8, 13)	214,624	0.00	0.00
(Increase in) Preferred Treasury Stock (Note 13, 13E, 15)	0	0	(275,000)
Purchase of Treasury Stock (Notes 8, 14)	89,323	0	0
Net cash provided by/(used in) financing activities	<u>216,651</u>	<u>(32,175)</u>	<u>(287,577)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(34,958)	69,807	(288,920)
CASH AT BEGINNING OF PERIOD	<u>122,800</u>	<u>52,993</u>	<u>341,913</u>
CASH AT END OF PERIOD	<u>\$87,842</u>	<u>\$122,800</u>	<u>\$52,993</u>

See Accountant's Audit Report, Supplemental Schedules, and Notes to Financial Statements

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fetch! Pet Care, Inc. (the "Company") was incorporated as a Close Corporation in California on November 1, 2002 under the name of Fetch! Pet Care, Inc. The Company's primary business is as a franchisor and operator of Professional Pet Care services.

The company had a total 71 Franchise units and 2 Company owned units in operation in 24 States and the District of Columbia (DC) as of December 31, 2018, and 72 Franchise units and 2 Company owned units in operation in 24 States and the District of Columbia (DC) as of December 31, 2019, and 85 Franchise units and 1 Company owned units in operation in 25 States and the District of Columbia (DC) as of December 31, 2020. Franchise development activity in 2018, 2019 and 2020, respectively included opening 1, 6 and 17 new Franchise units, renewing 8, 3 and 0 Franchise units, transferring 4, 4 and 3 Franchise units, acquiring 1, 0 and 0 Franchise units, 3, 2 and 8 Franchise units ceased operations, and non-renewal of 3, 1 and 0 Franchise units respectively.

Transfer Fee Income totaled \$14,250 in 2020, \$14,250 in 2019 and \$19,000 in 2018 with the Company transferring a total of 2 Franchise units in 2020, 4 Franchise units in 2019 and 4 Franchise units in 2018. Franchise Renewal Fee Income totaled \$0 in 2020, \$19,000 in 2019 and \$38,000 in 2018. The Company renewed the franchises of 0 Franchise units in 2020, 3 Franchise units in 2019, and 8 Franchise units in 2018.

The company purchased 5 Franchise units (Manhattan, NY, Washington, DC, Philadelphia, PA, Palm Beach, FL, and Birmingham, AL) on December 31, 2014 which all continued operations during 2017. In 2016, the Company implemented an optimization plan in the Washington, DC market which included additionally acquiring one competitor and three existing franchise units in that market. These acquisitions were absorbed into the existing Washington, DC Company Operating Unit, increasing the Company Location's revenue but not the Company Location unit count. In 2017 the Company successfully completed the Washington, DC market optimization plan by refranchising the reconfigured optimized territory. The Company also refranchised the Birmingham, AL, Palm Beach County, FL, and Downtown Seattle-Bellevue territories in 2017. Total refranchising activities in 2017 resulted in a net gain on sale of \$98,140.79 (Note 16). On December 4, 2019 the Philadelphia, PA company territory was refranchised. (Note 16).

Company Location Pet Care Services Revenue:

Company location pet care services revenue was \$18,953 in 2020, \$125,460 in 2019 and \$174,961 in 2018 and represents 1%, 10.3% and 14.5% of total company revenue for 2020, 2019 and 2018, respectively.

Revenue for pet care services is recognized when invoiced at the completion of a service ticket with the customer's credit card being charged the same day. Policy is daily billing with corresponding credit card batch processing, so typically there is no significant accounts receivable generated from pet care services.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-
Continued**

Initial Franchise Fee & Royalty Income

The Company grants Fetch! Pet Care® Franchises to approved Franchisees. The Franchise includes the license to use the brand, initial and ongoing training, access to branded websites and marketing materials, use of proprietary client and employee scheduling software, established business processes and procedures, ongoing business consultation and support, and a protected Target Area territory, among other features and benefits. A military discount is available when applicable. Total Franchise Fee Income was \$77,842, \$46,000 and \$19,000 for 2020, 2019 and 2018 respectively. The 2020 Franchise fee income is adjusted for ASC 606 adjustments shown in the below, with 17 new franchise agreements underwritten in 2020 worth \$1,215,699 of Franchise Fee contracts to be recognized ratably over the term of the franchise agreements, starting upon signing of the sale, resale or renewal agreement, less \$1,137,857 of ASC 606 adjustments in ratably recognizing these contract revenues over time, equaling \$77,842 franchise fee income recognized in 2020.

The ongoing royalty fee was revised to 7% from 6% starting in 2019, of adjusted revenue, and there is a Brand Development Fee of 2% of adjusted revenue. Total royalty income amounted to \$391,396 in 2020, \$599,447 in 2019 and \$612,945 in 2018.

Client Concierge Center Services

In 2015, the Company introduced a new Client Concierge Center providing sales coordination services to Company and select Franchisee Locations. The Client Concierge Center delivers central call center/logistics/dispatching services to all Company Locations and 7 select Franchisee locations. Participating locations are charged 8% of sales by the company for this concierge service which is in addition to the Royalty fee charged by the company. Client Concierge Center Revenue totaled \$68,564 in 2020 comprising of \$67,082 from Franchisees and \$1,482 from the Company. Client Concierge Center Revenue totaled \$130,094 in 2019 comprising of \$120,153 from Franchisees and \$9,941 from the company. Client Concierge Center Revenue totaled \$124,279 for 2018 comprising of \$110,282 from Franchisees and \$13,997 from the company. The company locations are charged 8% of sales, the same as Franchisee locations. Company location client concierge revenues are offset with cost of goods sold in the company location financial reporting. The Cost of Goods Sold on Sales Coordination Services was \$1,492, \$9,941 and \$13,997, in 2020, 2019 and 2018, respectfully.

Basis of Presentation

The Company maintains its books on the accrual basis of accounting. All financial statements in this report are on the accrual basis, except for the statement of cash flows, which is on the cash basis of accounting.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Continued

Change in accounting principle

In May 2014, the “Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606) (codified as ASC 606), which, along with subsequent amendments issued after May 2014, replaced substantially all the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, the steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations (promise to provide a distinct good or service, or a series of distinct goods or services) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfied a performance obligation.

The company has determined the following in respect to the above five step model.

The company has determined that the franchise agreements entered by the company with the franchisees meet the definition of a contract as defined under Topic 606, and hence ASC 606 needs to be incorporated in the financial statements.

Included within the franchise agreement are the following bundle of promises that the company accounted for as a single distinct performance obligation under the License to the Franchisor’s Intellectual Property.

- Franchise license
- Advertising and marketing services
- Use of centralized concierge center
- Ongoing operational support

The transaction price includes the initial franchise fee (as defined in the franchise agreement), weekly/monthly royalty (as defined in the franchise agreement) of the franchisee’s sales for the term of the agreement, and weekly/monthly franchise operations fee (as defined in the franchise agreement) of the franchisee’s sales for the term of the agreement. The Company determined that the franchise license is the predominant item in the arrangement. Therefore, the guidance for a sales-based or usage-based royalty in FASB ASC 606-10-55-65 applies. The weekly/monthly royalty and weekly/monthly franchise operations fees (variable consideration) are not estimated and are not included in the transaction price at contract inception until sales occur. The weekly/monthly fees will be allocated to appropriate performance obligations as the sales occur

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-
Continued**

Change in accounting principle

The transaction price is allocated to the performance obligation (License to Franchisor's IP) as follows:

- Initial Franchise Fee – The Company determines that the initial franchise fee (as defined in the franchise agreement) relates to the pre-opening services and the franchise license, which are bundled together in one performance obligation

Sales-Based Fees: Royalty and Franchise Operations – The Company concludes that the sales-based fees should be allocated entirely to the franchise license because the variable consideration relates entirely to the Company's promise to grant the franchise license. The sales-based fees are allocated to the franchise license bundle performance obligation as the sales occur

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The franchise license provides the franchisee customer with a right to access the franchisor's IP. The Company should account for a promise to provide a customer with a right to access the Company's IP as a performance obligation satisfied over time because the customer simultaneously will receive and consume the benefit from the Company's performance of providing access to its IP as the performance occurs. The franchisor recognizes the fixed consideration (initial franchise fee) allocable to the franchise license bundle performance obligation over the period of time that the franchisee customer has access to the IP, which would be 5 to 10 years (as agreed to in the franchise agreement). The Company will use time as its measure of progress and will recognize the initial franchise fee on a straight-line basis

On January 1, 2020, the Company adopted the **ASC 606** standard, as amended, using the modified retrospective method, which requires that the cumulative effect of the changes related to the adoption be charged to beginning equity. The Company applied the guidance provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2020. Adoption of the new guidance resulted in changes to the Company's accounting policies for initial franchise fees. **Accordingly, results for the reporting period beginning after December 31, 2019 are presented in accordance with ASC 606, while prior period amounts have not been adjusted and continue to be reported under the accounting standards that were in effect for the prior periods.**

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FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-
Continued**

Change in accounting principle - Continued

The adoption of the new revenue recognition guidance resulted in the following change to the equity balance as of January 1, 2020:

Retained earnings, as previously reported, at January 1, 2020	\$ (343,113)
Adjustment for effects of implementing ASC 606	<u>(268,969)</u>
Retained earnings, at January 1, 2020	<u>\$ (612,082)</u>

Also, the effect of this adoption on the 2020 financials is a decrease in the 2020 initial franchise fee revenue by \$1,137,857 and an increase in the contract liability (deferred revenue / deferred franchise fees) at December 31, 2020 of \$1,406,826. The Company has no customer contract modifications that had an effect on the Company's transition to the new guidance.

The following are the line items from the Company's statement of operations and cash flows for the year ended December 31, 2020, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	Amounts that would have been Reported	Effects of Applying New Guidance	As Reported
Franchise Revenues	<u>1,870,880</u>	<u>(1,137,857)</u>	<u>733,023</u>
Franchise Sales Expenses	<u>681,429</u>	<u>(602,579)</u>	<u>78,850</u>
Net Loss	<u>(226,954)</u>	<u>(535,278)</u>	<u>(762,232)</u>
Cash Flows			
Net Loss	(226,954)	(535,278)	(762,232)
Prepaid commissions		(602,579)	(602,579)
Deferred Revenue		1,406,826	1,406,826

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FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-
Continued**

Change in accounting principle - Continued

The following are line items from the Company's balance sheet as of December 31, 2020, that were affected, the amounts that would have been reported under the former revenue recognition guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
Asset			
Prepaid commissions	\$ -	\$ 602,579	\$ 602,579
Liabilities			
Contract liabilities (deferred revenue)	\$ -	\$ 1,406,826	\$ 1,406,826
Equity			
Retained earnings	\$ (589,533)	\$ (804,247)	\$ (1,393,780)

Deferred Revenue

Deferred revenue is comprised of unamortized upfront fees received from franchisees. The Company expects to recognize deferred revenue as revenue over the remaining term of the associated franchise agreement for the year ended December 31 as follows:

2021	\$ 181,813
2022	179,132
2023	174,497
2024	172,193
2025	151,085
Thereafter	<u>548,106</u>
	1,406,826

Total amount of \$1,406,826 is comprised of \$1,137,857 contract underwritten in 2020 and \$268,969 of prior year contracts still outstanding as adjusted and explained in ASC 606 in above.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-
Continued**

As noted in the above, under ASC 606, the timing of the recognition of revenue and the related cost of revenue associated with goods or services provided to customers with no alternative use are recognized over time utilizing an input method that compares the cost of the cumulative work-in-progress to date to the most current estimate for the entire cost of the performance obligation. By contrast, in the prior periods, revenue and the related costs were recognized upon completion of the performance obligation in accordance with accounting standards that were in effect in the prior periods. Under these customer contracts the customer retains control of the product as it is being created or enhanced by our services and/or we are entitled to compensation for progress to date that includes an element of profit margin.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Initial Franchise Fees –

Franchise fees for sales, renewals and resales are recognized ratably over the term of the franchise agreement, starting upon signing of the sale, resale or renewal agreement. Typical contracts are either 10 year or 5 years (with an option to renew for additional five year periods). See Note 1 on change in accounting policies in ASC 606 adjustments to recognize revenue over the terms of the franchise agreement.

Royalty Income –

Pursuant to various franchise agreements, franchisees are required to pay the company royalties based on a percentage of gross sales, as defined in the individual agreements. These amounts are recognized in the current year as they pertain to current year percent of sales.

Fixed Assets

Fixed assets are carried at net cost to the organization. All fixed assets are owned by the Company. Depreciation will be provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives or lease term whichever is earlier, by use of the straight-line method for financial reporting purpose. The company has elected to maintain GAAP depreciation for the books, and separate Tax depreciation for the tax returns. In 2020, the Company purchased \$1,166 of computers and \$16,751 of office furniture. In 2019, the Company purchased \$5,555 of new technology equipment. During 2018, the company disposed of a technology asset purchased in 2011 for \$600.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Continued

Other Assets - Trademarks

The company owns seven trademarks. Two trademarks were registered March 3, 2004, two were registered January 7, 2014, one was registered September 10, 2019, and two were registered April 14, 2020. The trademarks are fully amortized and the total amortization expense for the trademarks was \$0 for 2020, 2019, and 2018.

Cost of Sales & Company Location Revenue

A historical breakdown of the pet sitting sales and cost of sales for company-owned operations follows:

<u>Company Location Pet Care Services</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue - Company Owned	\$18,953	\$125,460	\$174,961
Cost of Sales			
Direct Pet Care Provider Wages & Contractors	10,963	75,360	99,614
Direct Dispatch (Sales Coordination Services)	1,947	9,941	13,997
Total Cost of Sales	<u>\$12,910</u>	<u>\$85,301</u>	<u>\$113,611</u>
Cost of Sales %	68.12%	67.99%	64.94%

Income Taxes

The Company is taxed as a C-Corporation. . In 2018, the company adjusted the 2017 provisional entries to actual taxes and made a provision of \$0 in federal corporation income tax and \$800 in the State of California corporation income tax. In 2019, the company made a provision of \$0 in federal corporation income tax and \$800 (inclusive \$53 prior-year carryover credit) in the State of California corporation income tax. In 2020, the company made a provision of \$0 in federal corporation income tax and \$800 in the State of California corporation income tax. As a C-Corporation, the losses either get carried back or have to elect to carryforward such losses to future years. The company elects to carryforward the current 2020 Net Operating Loss to the future years.

Cash Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid certificate of deposits purchased with an original maturity of one year or less to be cash equivalents. The carrying amount approximates fair value because of the short maturity of those instruments. As of the balance sheet date, there were no investments in securities or other investments held by the company.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-

Continued

Long Lived Assets

The impairment of long-lived assets is reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. The Company has not identified any such impairment losses.

NOTE 2 - FRANCHISEE RENEWAL NOTES RECEIVABLES

The franchisee renewal notes are short-term notes, with maximum original principal of \$4,750 each and net of principal payments, from Franchisees renewing their Franchise Agreement contracts. Total balance as of December 31, 2020, 2019 and 2018 was \$0, \$5,146 and \$7,939, on 0, 3 and 5, new notes respectively. The account also includes three separate cognovit promissory notes to Jay Barrett for disputed royalties regarding Franchisee territories Washington, DC and Birmingham, AL.

NOTE 3 - COMMITMENTS

The Company has commitments to its Franchisees as detailed in their Franchise Agreements, to its Preferred Shareholder under the Amendment to Articles of Incorporation (Note 14), and to a Class A Common Shareholder (Note 14).

The company has leased an office space dated 5/29/2020 with approximate monthly payments of \$4,000 varying depending on CAM charges. This commitment is for 39 months.

NOTE 4 - NOTES RECEIVABLE

There was a total of \$121,304 of Notes Receivable comprised of 5 franchisees as of the balance sheet dates ending in 2020. As of end of 2019, the notes receivable balance was \$20,638 and \$13,758 in 2018. The Company received payments on the new notes totaling \$8,639 during 2020 which were comprised of \$5,482 of principal and \$3,157 of interest.

NOTE 5 - ADVANCES DUE TO OFFICERS / SHAREHOLDER

Renewal of Revolving Loan Agreement/working capital line of credit \$170,000 on August 1, 2019 to a long-term basis, due July 31, 2022 with .67% monthly interest (Note 13). This Revolving Loan Agreement/working capital line of credit was paid-off and extinguished on March 4, 2020.

NOTE 6 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to a concentration of credit risk principally consist of cash held in bank. The Company invests available cash in banks with high credit ratings and generally maintains cash balances within FDIC limits. The Company's primary bank account balance as of the end of December 31, 2020 was \$87,842 and below the \$250,000 FDIC insured limits.

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FETCH! PET CARE, INC.
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NOTE 7 - RELATED PARTY TRANSACTIONS

The below is a list of Related Party Transactions:

- A. The Company paid or accrued salaries and bonuses to Paul Mann, James B. Mowery, and Joseph M. O'Hara from 2018 through 2019. A portion of Mr. Mann's officer salary payroll taxes and benefits, \$0, \$0 and \$18,932 in 2020, 2019 and 2018 respectively, was subject to an interdepartmental allocation to the Brand Development Fund (Note 10). Mr. Mann, Mr. Mowery, and Mr. O'Hara were officers and common stock shareholders (Note 14) of the Company. In 2020, the company paid or accrued salaries and bonuses and payment toward the automobile as an officer to Mr. Greg Longe. Mr. Longe is an officer and majority common stock holder of the company.
- B. In 2020, 2019 and 2018, the Company paid Cybeck Capital Partners, LLC interest on a Working Capital Line of Credit (Note 13) and preferred dividends. Cybeck Capital Partners, LLC in 2018 was a preferred stock shareholder of the Company (Note 14) and is the managing member of Cybeck Capital Fund, LLC, a common stock shareholder. The agreement with Cybeck Capital Partners, LLC ended in January 2021 and no more payments are being paid after this date.
- C. Contra Payroll: During 2020, 2019 and 2018, the Company received payments of \$7,000, \$42,000 and \$42,000 from Cybeck Capital Partners, LLC as reimbursement for payroll. In addition, the company allocated payments of \$54,000 in 2020, \$63,600 in 2019 and \$42,400 in 2018 from Salaries & Commissions to Brand Fund Administrative Interdepartmental allocation.
- D. The Company had Working Capital Lines of Credit with Paul Mann and Cybeck Capital Partners, LLC. The two Lines of Credit were converted to Notes Payable and Shareholder Notes Payable (Note 13) and both subsequently fully paid and extinguished on March 4, 2020. Cybeck Capital Partners, LLC in 2018 was a preferred stock shareholder of the Company (Note 14) and is the managing member of Cybeck Capital Fund, LLC. Paul Mann and Cybeck Capital Fund, LLC are common stock shareholders of the Company.
- E. The Company paid LG Management Corporation rent totaling \$16,000, \$35,200 and \$26,800, in 2020, 2019 and 2018 respectfully. LG Management Corporation's principal shareholder is a member of Cybeck Capital Partners, LLC which was the previous owners of Fetch! Pet Care, Inc up to March 2020. The agreement with LG Management Company ended in January 2021 and no more payments are being paid after this date.
- F. In 2020, the Company paid or accrued salaries and bonuses of \$51,601 to the Majority Shareholder / Officer (Note 14) of the Company.
- G. During 2020, total distributions to Greg Longe totaled \$4,032 and total contributions by Mr. Longe, which is separate and in addition to the stock purchase totaled \$40,272. Mr. Longe is the Majority Shareholder / Officer (Note 14) of the Company.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 – SALE OF STOCK

March 4, 2020 Shareholders unanimously agreed to a new Shareholder’s purchase of controlling interest of the Company in an equity transaction including the sale of all Company Treasury Stock and the majority of the shares issued and outstanding. Out of the 1,000 shares of stock issued, Longe Acquisitions, LLC, the new majority owner owns 750 shares which includes 125 shares of non-voting and 550 shares of voting common stock. Minority shareholders own 250 of the remaining shares outstanding. Some of the shares were bought outside of the company from individual previous owners of stocks of the company. A corresponding reorganization of corporate officers and key management followed with the intent to take the Company to the next level of development.

NOTE 8B – BUSINESS COMBINATION

A business combination occurs when an Acquirer obtains a controlling interest of an acquiree. In the current stock purchase of March 2, 2020, Longe Acquisitions LLC, as the acquirer, gained a controlling interest of Fetch! Pet Care, Inc, the acquiree.

Under Subtopic 805-50, when a business combination occurs, an acquiree has a choice regarding how to measure its assets, liabilities and equity instruments in its separate financial statements. The acquiree can choose either:

- To continue to measure these amounts using their historical bases or
- To measure these amounts using a new basis by applying pushdown accounting. Under pushdown accounting, the acquiree uses the same basis used by the acquirer to measure these amounts

Fetch! Pet Care, Inc has elected to continue to measure its assets, liabilities and equity instruments at their historical bases in regards to the current sale of stock.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent to the balance sheet date and to the date of issuance of the audit,.

In mid-March 2020 the Company faced the COVID 19 pandemic. While this COVID 19 situation has had a horrible impact on our planet, management believes the effect on Fetch! Pet Care, Inc. will be relatively moderate and the Company will be in a good position when the national economy reopens. Meanwhile, most states have classified pet care as a Critical Infrastructure Business.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 - SUBSEQUENT EVENTS -Continued

In January of 2021, the first PPP loan of \$139,260 which was received in 2020, was forgiven by the SBA. During February of 2021, the Company received a Second Draw PPP loan in the amount of \$139,260. To be forgiven, the company has 24 weeks from receiving the funds to spend it at least 60% on payroll and 40% on other qualifying expenses. This loan is also anticipated to be fully forgiven as a grant in the future.

The agreements as shown under Related Parties footnotes with LG Management Company and Cybek Capital Partners (related parties), ended in January 2021 and no more payments are being paid after this date.

During the subsequent period, a total 16 franchisees were newly underwritten by the company and a total of 4 terminated.

NOTE 10 – BRAND DEVELOPMENT FUND FEES AND EXPENSES

The Company manages a Brand Development Fund for the purpose of building the national brand through cooperative national marketing. The Brand Development Fund revenue includes Brand Development Fees collected from both Franchisees and Company Locations, and Vendor Contributions consisting of substantially all rebates and commissions received from vendors. The Brand Development Fee is currently 2% of Franchisee's adjusted revenue. Total Brand Development Fund revenue was \$180,971, \$260,337 and, \$213,904, for 2020, 2019 and 2018, respectively.

- A. Brand Development Fund Expenses are marketing and operational expenses paid by the Company on behalf of the Brand Development Fund. No Brand Development Funds are used for Franchise Development purposes. Brand Development Fund expenses are broken out separately on the financial statements. These expenses included payments to third party web enhancement firms, public relations providers, online advertising, and marketing staff. Total Brand Development Fund expenses were \$239,910, \$241,997 and \$186,742 for 2020, 2019 and 2018 respectively (Note 7C: Brand Fund Administrative Allocation).

NOTE 11 – EMPLOYEE HEALTH INSURANCE

The Company offers a fixed dollar allowance toward certain individual health insurance policies provided through third party insurers.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 11A – CONTESTED CPEO LIABILITY

Fetch! Pet Care, Inc.'s Human Resources provider is Infiniti HR LLC, an Internal Revenue Service Certified Professional Employer Organization (CPEO). Infiniti HR is the employer of record for all Fetch! Pet Care, Inc. personnel. In October 2019, Infiniti HR had an issue with one of its third-party vendors resulting in Infiniti HR declaring Fetch! Pet Care, Inc.'s account paid in full while Fetch! Pet Care, Inc. believed three transactions totaling \$40,792.78 remained outstanding. Management intends to carry this liability until Infiniti HR closes their 2019 books at which time the liability will be extinguished. In Management's opinion, this treatment is the most conservative and transparent financial representation of

NOTE 11A – CONTESTED CPEO LIABILITY-Continued

this matter. In 2020, Infiniti HR determined that such a liability does not exist anymore and so the amount of \$40,792.78 was reversed from a liability and shown as income.

NOTE 12 – PENDING OR THREATENED LITIGATION AND LEGAL FEES

The Company incurred legal fees, comprising primarily of franchise administration and trademark registration related activity, of \$85,340, \$23,096 and \$20,383 in 2020, 2019 and 2018 respectively. Of the amount of \$85,340 paid in 2020, \$16,103 was related to the Stock Purchase that occurred in March 2020, \$67,437 is related to the franchising activities and \$1,800 other legal fees.

A summary of pending and threatened litigation and unasserted claims during 2019 and subsequent to the balance sheet date is as follows:

PENDING OR THREATENED LITIGATION

On 11/18/2019 received notice of a civil complaint. This matter was resolved without any liability to Fetch Pet Care Inc in 2020.

UNASSERTED CLAIMS AND ASSESSMENTS

The Company has no unasserted claims and assessments.

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 – WORKING CAPITAL LINE OF CREDIT

As part of the stock purchase agreement in March 2020, the line of credit described below has been closed as of March 1, 2020. The below is a narrative of line of credit matters that occurred before this date.

On May 1, 2018, the company amended the Mann revolving credit facility to a limit of \$170,000, bearing interest 1% per month, due April 30, 2019 which was converted to a shareholder notes payable on August 1, 2019, bearing interest of 0.67% per month, due July 31, 2022. Also, converted the Cybeck facility to a note of \$120,000 on May 1, 2018, bearing interest of 0.67% per month and fully amortizing on May 1, 2023.

The total balance of all Working Capital Lines of Credit outstanding was \$0, \$170,000, and \$250,000, as of December 31, 2019, 2018, and 2017 respectively. Total interest paid on the Working Capital Lines of Credit was \$11,900, \$19,000, and \$28,472 for 2019, 2018, and 2017 respectively.

Both credit facilities were subsequently paid in full and extinguished on March 4, 2020.

NOTE 14 – ISSUANCE OF COMMON AND PREFERRED STOCKS

As of the audit dates, the Company has common stock of 4,000 shares authorized and 1,000 shares issued, comprised of 1,000 shares outstanding and 0 shares in treasury. The Company has one class of common voting stock, eliminating its non-voting common stock and its preferred stock of 1,000 shares authorized and 0 shares issued.

The history of those shares are as follows:

- A. On July 5, 2003, the Company repurchased into the treasury 50 shares of a minority shareholder's stock totaling \$14,323.
- B. On June 15, 2011, the Company amended its Articles of Incorporation to authorize up to 1,000 shares of preferred stock, then issued all 1,000 shares of preferred stock as well as 450 shares of new issue Class B common stock. Prior to June 15, 2011, the Company had only one class of common stock with 4,000 shares authorized and 200 shares issued, comprised of 150 shares outstanding and 50 shares in treasury.
- C. On December 31, 2014, the Company completed a comprehensive funding round including the new issue of non-voting Class A common stock and new working capital line of credit facilities. The Company issued 400 shares of Class A common stock at \$1,000 per share valuation, raising \$325,000 in cash, and using \$75,000 as partial consideration related to an asset acquisition.

FETCH! PET CARE, INC.
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NOTE 14 – ISSUANCE OF COMMON AND PREFERRED STOCKS – Continued

D. On April 24, 2017, the Company repurchased into the treasury 75 shares of an officer and minority shareholder's stock totaling \$75,000 (Note 16).

E. On May 1, 2018, the Company redeemed and retired the Preferred Stock for \$275,000.

F. March 4, 2020 Shareholders unanimously agreed to a new Shareholder's purchase of controlling interest of the Company in an equity transaction including the sale of all Company Treasury Stock and the majority of the shares issued and outstanding. Out of the 1,000 shares of stock issued, the new majority owner owns 750 shares which includes 125 shares of non-voting and 550 shares of voting common stock. Minority shareholders own 250 of the remaining shares outstanding.

The preferred shares had by definition preference to common stock but are subordinate to any amounts payable in terms of claim or rights to their share of the assets of the company. The voting, dividend and liquidation rights of holders of Class A and Class B common shares were subject to and qualified by the rights, preferences and privileges of the preferred shares. Holders of Class B common shares have one vote for each share of common stock held at all meetings of the shareholders.

A summary of the rights, preferences and privileges that were granted to, and the restrictions imposed upon the preferred shares are as follows:

- A. Holders of preferred shares were entitled to payment of dividends of \$33 per share per year.
- B. No dividends were to be paid to the common shareholders without preferred shareholder consent.
- C. In the event of liquidation of the Company, preferred shareholders were to receive \$275 per share before any amounts are paid to common shareholders.
- D. Preferred shares could have been converted to common shares at the option of the record holders at any time after December 31, 2017.

Other conditions and limitations to the preferred shares had applied. Refer to Amended Articles of Incorporation for details of rights, preferences and privileges that were granted to Preferred Shares. The 1,000 shares of preferred stock had entitled the preferred shareholders to \$0, \$0 and \$11,053 of annual preferred dividends, all of which was paid until retired to the preferred shareholders in 2020, 2019 and 2018 respectively.

FETCH! PET CARE, INC.
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NOTE 15 – PROPRIETARY SOFTWARE

The Company continually reinvests in concept development with those costs generally expensed as incurred. In 2016, the Company elected to capitalize a significant identifiable portion of costs related to the development of the next generation cloud-based software application critical to the core operations of the business. The MyFetch!™ Information Management System (IMS) Internal-Use Proprietary Software capitalized expense of \$92,050. The company amortizes using the straight-line method over a ten year useful life on a GAAP basis of accounting. During 2019 and prior years, for income tax purposes, the company had expensed the \$92,050 as \$41,808 of officer payroll and payroll tax expense plus \$50,242 in vendor invoices, and kept the capitalized expenditure treatment for the audit (GAAP).

NOTE 16 – ASSET ACQUISITIONS & DISPOSITIONS

On December 31, 2014, the Company successfully completed an asset purchase of one of its largest Franchisee's centralized dispatching operations as well as its multiple territory company operations in five regions: Manhattan, NY, Washington, DC, Philadelphia, PA, Palm Beach, FL, and Birmingham, AL. The Company simultaneously completed a comprehensive funding round including additional issues of a new non-voting Class A common stock and new working capital line of credit facilities.

The assets acquired included intellectual property, equipment, fixtures, leasehold improvements, Franchise territories, and goodwill. In consideration, the Company paid a combination of cash, non-voting Class A common stock, and a contingent liability payable upon certain acquisition performance conditions recorded as a shareholder note payable of \$75,000. The contingency was satisfied and the earn-out was paid in full on January 28, 2016.

During 2016, the Company embarked on a strategy to consolidate and optimize service and revenues in the Washington, DC region for both the Franchisees and company-owned location in the market. The Company acquired a large competitor's operation as well as two Franchisee operations and consolidated all under the Company's existing operation. The Company gained significant revenue and employee resources resulting in a \$103,096 increase of Goodwill and a \$30,000 increase in Franchise Territories. As a private company, under ASU 2014-02, Fetch! Pet Care, Inc. elects to amortize goodwill on assets acquired on a straight line basis over 10 years. There is no triggering event that occurred indicating that the fair value of the goodwill may be less than its carrying value and that the 10 year amortization approach represents a better matching of revenues and expenses.

On July 14, 2017 the Company completed the Washington, DC region consolidation and optimization strategy with the franchising and asset sale of the Washington, DC and Birmingham, AL company owned and operated locations to a corporation solely owned by a former officer of the Company (Note 7). The \$300,000 all cash asset sale transaction resulted in the realization (intangible asset conversion to cash) of \$167,764 of Goodwill, \$75,000 of Franchise Territory, and \$86,126 gain on sale.

On October 15, 2017 the Company refranchised the Palm Beach, FL territory to an existing Franchisee, in exchange for an option to purchase his existing franchise territory.

On October 3, 2017 the Company completed an asset purchase and on November 30, 2017 immediately refranchised and completed an asset sale of the franchise territory of Downtown Seattle-Bellevue.

On December 4, 2019 the Philadelphia, PA company territory was refranchised. (Note 16).

FETCH! PET CARE, INC.
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YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

NOTE 17 – TAX YEARS SUBJECT TO EXAMINATION

The Company has adopted the income standard regarding the recognition and measurement of uncertain tax positions.

The company's policy is to classify interest and penalties associated with uncertain tax positions in our provision for income taxes. For the period of December 31, 2017 through December 31, 2019 the Company does not have and did not recognize accrued interest and penalties that are associated with our tax positions.

There is not a reasonable possibility that the total amount of unrecognized tax benefits as of December 31, 2019 will significantly change within the next year. The Company's income tax returns remain open to examination by US. Federal and State tax authorities for 3 years or 4 years, respectively after the date that the returns are filed.

The Company has elected to treat certain items, including capitalized expenditures, depreciation, and amortization, on a tax basis for income tax reporting and according to generally accepted accounting principles (GAAP) for management and audit reporting. Management's tax accrual is based on its estimate of tax liability before the tax returns are prepared and may differ from the actual tax liability after the tax returns are prepared. Any differences will be adjusted in the subsequent reporting period.

NOTE 18 - PPP LOANS PAYABLE

In April of 2020, the Company received a Paycheck Protection Program Loan of \$139,260 from the Small Business Administration as part of the Cares Act. This loan was forgiven in January of 2021. The Company subsequently applied for and received a 2nd PPP loan in the February of 2021 for a similar amount.

NOTE 19 – COVID-19

The World Health Organization has declared the outbreak of the novel-coronavirus (COVID-19) as a global pandemic in March of 2020 which has affected most business operations globally. The Coronavirus pandemic affected the company's royalty income during 2020 with a decline in royalty revenue from \$599,447 in 2019 and \$612,945 in 2018 to \$391,396 in 2020.

Management has evaluated the significance of the above conditions and has instituted a new website and more efficient digital marketing and increased the level of support and training to the network on all fronts making the systems stronger and more efficient. Management believes the consumer trend of workers returning to travel and go back to the office help drive the consumer sales in pet walking and sitting. New franchisees brought in are required to be capitalized significantly stronger than those of prior management. During the subsequent period of 2021, the company saw a consistent increase in royalty revenue arising from growth in same locations sales. Management is very confident in the on-going viability of the company for 2021 and beyond.

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See Accountant's Audit Report, Audited Financial Statements, & Supplemental Schedules

FETCH! PET CARE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER, 31 2020, 2019 and 2018

NOTE 20 – DATE OF MANAGEMENT REVIEW AND FINDING

Management evaluated events and transactions that occurred after the balance sheet date, December 31, 2018 to December 31, 2020, for potential recognition and disclosure through April 30, 2021, the date on which the financial statements were available to be issued.

FETCH! PET CARE, INC
SUPPLEMENTAL SCHEDULE OF FRANCHISING RELATED EXPENSES
DECEMBER 31, 2020, 2019 and 2018

	01/01/2020- <u>12/31/2020</u>	01/01/2019- <u>12/31/2019</u>	01/01/2018- <u>12/31/2018</u>
Recruiting, Training & Education	\$ 6,130	\$ 2,785	\$ 2,664
Awards & Recognitions	44	0	0
Marketing / Advertisement & Public Relations	1,645	8,097	13,432
Marketing / Advertisement - Franchisee	61,141	11,792	0
Brand Development (Note 10)	241,966	241,997	186,742
Franchise Training	108	859	887
Franchisee Room Rental	7,974	1,137	1,554
Franchise Communications	0	55	84
Franchise Sales Expenses (See Note 1 for ASC 606)	78,850	10,074	4,112
Salaries & Wages	516,115	309,376	267,435
Contra/Reimbursed Payroll (Note 7C)	<u>(70,600)</u>	<u>(105,600)</u>	<u>(84,400)</u>
Net Salaries & Wages	445,515	203,776	183,035
Employee Health Insurance (Note 11)	20,686	63,173	64,454
Payroll Tax Expense	28,591	51,194	52,892
Payroll Processing	0	0	189
Human Resources Consulting	6,509	11,086	11,184
Meeting & Convention	0	9,242	22,961
Franchise Support Services Expense	28,896	23,202	16,278
Brand Merchandise	311	449	0
Interest Expense	7,621	34,844	32,832
Legal & Professional - Franchising (Note 12)	85,340	23,096	20,383
Equipment Maintenance & Repair	1,405	470	2,171
Software Devpt. & Franchise Devpt. Website	7,408	4,122	10,069
Travel	<u>68,659</u>	<u>6,179</u>	<u>12,952</u>
Total Franchising Related Expenses	<u>\$ 1,098,800</u>	<u>\$ 707,629</u>	<u>\$ 638,875</u>

See Accountant's Audit Report, Financial Statements, and Notes to Financial Statements

FETCH! PET CARE, INC
SUPPLEMENTAL SCHEDULE OF ADMINISTRATIVE EXPENSES
DECEMBER 31, 2020, 2019 and 2018

	01/01/2020- <u>12/31/2020</u>	01/01/2019- <u>12/31/2019</u>	01/01/2018- <u>12/31/2018</u>
Audit Expense	9,100	8,680	8,350
Automobile Expense	9,684	-	-
Bad Debts, NSF & A/R Adjustments		0	4,012
Bookkeeping	30,693	34,293	36,579
Consulting Expense	41,947	13,379	10,000
Depreciation and Amortization	28,807	22,082	25,012
Dues & Subscriptions	4,939	5,690	10,485
Charitable contributions	550		
Insurance - Admin	1,169	1,503	1,665
(Over)/ Short	(306)	(4,187)	12,388
Office Supplies	10,253	2,041	772
Postage & Delivery	1,601	526	1,016
Licenses & Penalties	(59)	0	278
Meals and Entertainment	14,400	188	1,119
Salaries - Officers' (Note 7A)	124,854	274,760	376,602
Salaries - Interdepartmental Allocation		0	(18,932)
Net Salaries - Officers'	124,854	274,760	357,670
Credit card Fees	2,495	4,617	6,373
Concept Development	0	2,250	328
Rent (Note 7F)	30,958	35,200	26,800
Utilities	774	0	0
Building Maintenance	2,881	0	0
Shareholder & Board Expenses	17	0	1,449
Facility Expense: Telephone & Internet	23,440	23,220	20,952
Total Administrative Expenses	<u>\$338,198</u>	<u>\$424,241</u>	<u>\$525,248</u>

See Accountant's Audit Report, Financial Statements, and Notes to Financial Statements

XHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



Fetch!

FETCH! PET CARE, INC.

FRANCHISE AGREEMENT

FRANCHISEE ENTITY NAME ENTITY ID

FRANCHISE AGREEMENT ID

TARGET AREA ID(s)



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SCHEDULES:

- A - Approved Location
- B - Target Area
- C - Initial and Renewal Fees, Royalty and Franchise Operations Fee Payment Schedule
- D - State Specific Addenda
- E - Confidentiality and Non-Competition Agreement
- F - Guaranty
- G - Owners, Officers, Directors and Managers of Franchisee
- H - Collaboration and Communication Services Agreement



FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into between Fetch! Pet Care, Inc. a California corporation with offices at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152 (the “Franchisor”), and _____, [an individual] [a corporation organized in _____] [a limited liability company organized in _____] [select one] located at _____ (the “Franchisee”) as of _____, 20__ .

WITNESSETH

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a specialized system (the “System”) relating to the establishment, development, and operation of franchises which feature the professional care of client’s pets and homes;

WHEREAS, the distinguishing characteristics of the System include, without limitation, specially developed service procedures, techniques and training programs for caring for animals and homes and for providing related, temporary custodial care services; distinctive branding; guidance for licensing and insurance and personal property coverage; comprehensive operations and training manuals (the “Brand Standards”); and methods and techniques for recordkeeping and financial reporting, purchasing, sales promotion and advertising; all of which may be changed, improved and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark and Fetch! Pet Care logo, and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the System (the “Proprietary Marks”):

WHEREAS, Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance, and service;

WHEREAS, Franchisee desires to enter into the business of operating a franchise under Franchisor’s System and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality, professionalism, reliability, cleanliness, appearance, and service and the necessity of operating the franchise in conformity with Franchisor’s standards and specifications;

NOW, THEREFORE, the parties in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

II. GRANT

A. Franchise

1. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right, license, and privilege, and Franchisee undertakes the obligation, to operate a Fetch! Pet Care franchise (the “Franchise”) and to use solely in connection therewith the Proprietary Marks and the System, as they may be changed, improved, and further developed from time to time, only within the “Target Area” (as defined below) from the “Approved Location” designated below.

B. Approved Location

The street address, telephone number and emails of the location approved hereunder are designated on Schedule A to this Agreement (the “Approved Location”). Franchisee shall not change or relocate the Approved Location without the express prior written consent of Franchisor. Franchisee may not use any telephone number or email accounts in connection with the operation and marketing of the Franchise except for the telephone numbers and email accounts approved by Franchisor as set forth on Schedule A, as may be amended from time to time. All telephone numbers provided to Franchisee by Franchisor and email accounts maintained on Franchisor’s email system are the property of Franchisor.

C. Territorial Limitations

1. Franchisee shall operate the Franchise in the territory set forth in Schedule B (the “Target Area”). Franchisor will seek to design Target Areas so that each Target Area has approximately fifty thousand (50,000) targeted households.

2. Subject to Section I.D.2, below, during the term of this Agreement, Franchisor shall not, without Franchisee’s prior written consent: (i) establish, nor license another to establish, a Fetch! Pet Care franchise under the System and Proprietary Marks at any location within the Target Area; nor (ii) do business, or license another to do business, under the System and Proprietary Marks at any location within the Target Area. Notwithstanding the foregoing, Franchisor shall not be liable for any solicitation or sales by another current or former franchisee in Franchisee’s Target Area.

3. Franchisee shall not solicit or accept assignments from clients who reside in another franchisee’s Target Area, including family or friends of Franchisee who live in another franchise owner’s Target Area. In the event any franchisee makes a complaint to Franchisor alleging a violation by Franchisee of this covenant, Franchisor, at its discretion, may conduct an audit of the revenue records of both Franchisee and the franchisee asserting encroachment by the Franchisee. If the audit reveals that Franchisee served any client who resides in another franchisee’s Target Area, whether intentional or not, Franchisor, at its discretion, may require Franchisee to pay to the franchisee from whose Target Area such revenue was generated (i) up to 100% of any revenue Franchisee generated from a single client in violation of this covenant and (ii) up to 300% of any revenue Franchisee generated for each additional client in violation of this covenant. Failure of Franchisee to cooperate in any such audit(s) or to pay any amount determined by Franchisor within ten (10) days’ notice of such determination by Franchisor shall constitute a default under Section XIV.C. Notwithstanding the foregoing, any enforcement (or non-enforcement) of this covenant is within Franchisor’s sole discretion. Franchisee must also turn over any client it has serviced or is continuing to service that is located in another franchisee’s Target Area, plus any information regarding potential clients located in another franchisee’s territory, to that franchisee immediately upon becoming aware of the

violation or receipt of notice from Franchisor, whether in connection with an audit or otherwise. Such transfer shall be made in accordance with Brand Standards. After the transfer, Franchisee shall be prohibited from communicating with or servicing such clients and potential clients and may not receive any remuneration for turning them over to the appropriate franchisee. Franchisee agrees to provide all information for any such clients, and otherwise assist in transitioning those clients, to the appropriate franchisee, as well as pay any costs or fees for the transfer of any such client.

4. Franchisee shall be permitted to accept clients from outside of their Target Area provided those clients do not reside within a Target Area that is currently occupied by another franchisee. When you receive notice from us that a territory has been sold to another franchisee, and if you previously have or are then currently servicing clients in that territory, you must turn over those clients, and all information regarding potential clients located in such territory, to the new franchisee no later than thirty (30) days after the date of the notice, or other time period as Franchisor determines in its sole discretion, in accordance with Brand Standards. After such transfer, Franchisee shall be prohibited from communicating with or servicing said clients and potential clients and may not receive any remuneration for turning them over to the franchisee/buyer. Franchisee agrees to provide all information for all clients within franchisee/buyer's territory and assist in transitioning those clients to the franchisee/buyer. The franchisee/buyer shall pay any fees or costs incurred as a result of the client transfer. Information regarding this process is included in the Brand Standards, which may be modified by Franchisor at any time.

5. Franchisee shall not be granted a first right of refusal on purchasing additional Target Area(s). However, Franchisor shall fairly review and compare to the average of other franchisees who have been in operation for a similar amount of time, Franchisee's historic revenue performance, servicing of zip codes within territory, advertising spends, number of active clients and staff engaged, as well as client satisfaction scores, and length of time in business as a means to gauge whether Franchisee is eligible to purchase more territory if Franchisee requests such.

6. Franchisee shall not make sales of products or services that are the same as or similar to products or services offered as part of the System or Franchise, or that utilize any Proprietary Marks, over the Internet, in mail order or catalog sales, by telemarketing or by other direct marketing means, except in accordance with policies established by Franchisor from time to time.

D. Rights Retained

Franchisee expressly acknowledges and agrees that except as provided in Section I.C. of this Agreement, the rights granted Franchisee by this Agreement are non exclusive. Franchisor shall retain the right, among others, on any terms and conditions as Franchisor deems advisable, and without granting Franchisee any rights therein:

1. to use, and to license others to use, the System and Proprietary Marks for the operation of Fetch! Pet Care franchises at any location outside the Target Area;

2. to sell and distribute, directly or indirectly, products bearing the Proprietary Marks or any other proprietary marks:

i. to sell and distribute, directly or indirectly, products bearing the Proprietary Marks or any other proprietary marks in connection with business which is located within or outside of the

Target Area, including, without limitation, to grocery or specialty stores, pet stores, kennels, or veterinarians; or

ii. to sell and distribute, directly or indirectly, products bearing the Proprietary Marks or any other proprietary marks within or outside of the Target Area through any method of distribution other than a dedicated Fetch! Pet Care Franchise, including but not limited sales through channels of distributions such as the Internet, mail order or catalog sales, telemarketing and other direct marketing sales; and

3. to use and license the use of proprietary marks other than the Proprietary Marks licensed hereunder in connection with the operation inside or outside of the Target Area of franchised or other types of businesses that are the same as, similar to or different from Fetch! Pet Care franchises;

4. acquire, merge with, engage in joint ventures with, or otherwise affiliate with, and thereafter own and operate and franchise others the right to own and operate, any business of any kind regardless of location; and

5. use the Marks and System, and license others to use the Proprietary Marks and System to engage in any other activities not expressly prohibited in this Agreement.

III. TERM AND RENEWAL

A. Term

Except as otherwise provided herein, the term of this Agreement shall commence on the date first set forth above and continue for a term of ten (10) years.

B. Renewal

Franchisee may, at its option, renew this Agreement for successive terms of ten (10) years each, subject to the following conditions, which must be met prior to each renewal;

1. Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term or any renewal term;

2. Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates; and Franchisee shall have substantially complied with all the provisions and conditions of such agreements during the terms thereof;

3. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates and shall have timely met those obligations throughout the term of this Agreement;

4. Franchisee shall present satisfactory evidence that Franchisee has the right to remain in possession of the Approved Location for the duration of the renewal term of this Agreement or, in the

alternative, shall obtain Franchisor's approval of a new location for the Approved Location, which approval shall not be unreasonably withheld;

5. Franchisee shall execute Franchisor's then current form of franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee, minimum royalty payment, Franchise Operations Fee, and local territory marketing requirement; provided, however, that the Target Area provided for herein shall remain the same;

6. Franchisee shall pay to Franchisor, a renewal fee in an amount equal to twenty-five percent (25%) of the full, undiscounted then-current Franchise Fee charged to new franchises;

7. Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents and employees; and

8. Franchisee shall comply with Franchisor's training requirements as discussed during the renewal approval process.

IV. DUTIES OF FRANCHISOR

All duties of Franchisor under this Agreement are to Franchisee, and no other party is entitled to rely on, enforce, or obtain relief for breach of such obligation, either directly or by subrogation. Franchisor shall undertake the following duties:

A. Training

Franchisor shall provide an initial training program for Franchisee or, if Franchisee is a corporation, limited liability company, partnership or other legal entity (collectively, a "Legal Entity"), for a principal of Franchisee as set forth in Section VI.A below. Franchisor may also provide refresher training programs as set forth in Section VI.B below.

B. Operational Assistance

Franchisor shall provide from time to time as it deems appropriate, from its corporate offices, advisory assistance and materials concerning operation, promotion and management of the Franchise.

C. Advertising

Franchisor shall make available, from time to time, examples of advertising, promotional plans and materials for local territory marketing in your Target Area.

D. Brand Standards

Franchisor shall provide Franchisee, on loan, one copy of the Fetch! Pet Care Brand Standards and online training courses from Franchisor's Training Library or on CD/DVD (collectively, the "Brand Standards"), as more fully described in Section VIII hereof. Franchisee shall also have access to the Brand Standards via the intranet.

E. Inspections

Franchisor shall seek to maintain the highest standards of quality, appearance, professionalism, reliability and service of the System, and to that end shall conduct, as it deems advisable, inspections of the Franchise, and evaluations of the services rendered and the products sold in connection therewith. Such inspections and evaluations may include secret shopper surveys, communications with clients and other means determined by Franchisor in its discretion.

As a means to gauge the above standards, Franchisor may require Franchisee to utilize a client feedback platform as specified by Franchisor. Franchisee understands such platform may extract and make available to Franchisor information about Franchisee's clients. Franchisee understands there may be a monthly charge for such platform. Both Franchisee and Franchisor shall have access to survey results, which Franchisor may use to take remedial action with Franchisee and for other purposes, if necessary or advisable.

F. Business Assessment

Franchisor shall offer to Franchisee, at no additional charge, one-on-one business coaching sessions to assist Franchisee in the development and operation of the Franchise.

V. DUTIES OF FRANCHISEE

Franchisee understands and acknowledges that every detail of the Franchise is important to Franchisee, Franchisor, and other franchisees in order to maintain high and uniform operating standards, to increase the demand for the products and services sold by Franchisor and all franchisees, and to protect Franchisor's reputation and goodwill. Toward that end, Franchisee acknowledges and accepts the following duties:

A. Training

Franchisee shall attend and successfully complete all of Franchisor's required training programs as set forth in Section VI below. Franchisee will be solely responsible for training all non-managerial employees of Franchisee.

B. Cleanliness

Franchisee shall dress in accordance with Franchisor's standards, as set forth in the Brand Standards, at all times while conducting the business of the Franchise, and shall present a clean, neat appearance and render competent and courteous service to clients.

C. Service and Product Quality

1. Franchisee shall sell or offer for sale only such services and products as meet Franchisor's uniform standards of quality and as have been expressly approved for sale in writing by Franchisor. Franchisee shall provide services only in accordance with Franchisor's methods and techniques. Franchisee shall refrain from any deviation from Franchisor's standards and specifications for the provision of services or the type or quality of products, without Franchisor's prior written consent. Franchisee shall

discontinue selling or offering for sale such services or products as Franchisor may, in its discretion, disapprove in writing at any time.

2. Franchisee shall provide to Franchisor or its agents, at any reasonable time, samples of items without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent third party to determine whether said samples meet Franchisor's then current standards and specifications. Samples shall be provided to Franchisor prior to Franchisee publicly using or offering said items for sale. Franchisee shall bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

3. Franchisee shall have the right to offer and sell its services and products at any price Franchisee may determine and shall in no way be bound by any price which may be recommended or suggested by Franchisor.

D. Operation

1. Franchisee shall commence operation of the Franchise within thirty (30) days after successful completion of the next available initial training program.

2. Franchisee shall strictly comply with such mandatory methods, standards, and specifications as Franchisor may from time to time prescribe in the Brand Standards or otherwise in writing, to insure that the highest degree of quality, professionalism, reliability and service is uniformly maintained.

3. Notwithstanding any other provision of this Agreement, the methods, standards and specifications of Franchisor that Franchisee is required to follow (whether in the Brand Standards or otherwise) do not include any personnel policies or procedures. While the Franchisor by means of the Brand Standards or otherwise, may make available for Franchisee's optional use certain personnel policies and procedures, it is the Franchisee's decision to determine to what extent, if any, Franchisee will use any of such personnel policies and procedures.

4. Franchisee shall comply with all policies adopted by Franchisor from time to time, including but not limited to email and social media policies, in order to protect the business and reputation of Franchisor and its franchisees.

5. Franchisee agrees to maintain in sufficient supply and use at all times only such products, materials, supplies, and methods of service as conform to Franchisor's standards and specifications; and to refrain from deviating therefrom by using non-conforming items or methods without Franchisor's prior written consent, which will not be unreasonably withheld.

6. Franchisee shall keep the Franchise open and in normal operation for such minimum hours and days as Franchisor may from time to time specify in the Brand Standards or as Franchisor may otherwise approve in writing, subject to local ordinances or restrictions, if any. Franchisee acknowledges and agrees that Franchisee or its designated assistant ("Assistant"), such as a general manager, must be able to respond to client and/or Sales & Marketing Center requests during normal business hours, and off business hours for emergencies.

7. Franchisee shall only affix signs, markings or other advertising to any vehicles used in the Franchise as provided by Franchisor. Franchisee shall submit to Franchisor any sample items for Franchisor's approval prior to affixing to any vehicles used in the Franchise.

8. Franchisee shall, at its own expense, comply with all applicable laws, ordinances, and regulations of municipal, county, state, or federal authority.

9. Franchisee shall, concurrent with the execution of this Agreement, engage the services of the Sales & Marketing Center.

E. Approved Equipment and Suppliers

Franchisor shall have the right to require that certain equipment, hardware, software, fixtures, furnishings, signs, supplies, other products and materials and services required for the operation of the Franchise be purchased and used by Franchisee and, in some cases, be purchased solely from suppliers (including manufacturers, distributors, other sources and us), who demonstrate to the continuing reasonable satisfaction of Franchisor the ability to meet Franchisor's then current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have first been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase items, other than Core Products (as defined in the Brand Standards), from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, which approval Franchisor shall not unreasonably withhold, and have such supplier acknowledge in writing that Franchisee is an independent entity from Franchisor and that Franchisor is not liable for debts incurred by Franchisee. Franchisor encourages Franchisee to submit requests for approval of new suppliers where Franchisee believes it could improve the System. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent third party designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee of the supplier. Franchisor may also require that the supplier comply with such other reasonable requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs. Franchisor reserves the right, at its option, to re-inspect the facilities, products and services of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then current criteria. Franchisor makes no warranty on any items purchased or leased by Franchisee from any third-party source, regardless of any approval by Franchisor.

Franchisor shall have the right to require Franchisee to update computer software and hardware at any time in Franchisor's sole discretion. Franchisee may incur additional costs associated with these required updates.

F. Inspections

Franchisee shall grant Franchisor and its agents the right, at any reasonable time to enter upon the Franchise premises and to accompany Franchisee or Franchisee's employees or agents on any service call to a client's home or Franchise, to inspect, photograph, or videotape the Franchise and Franchise operations therein to insure compliance with all requirements of this Agreement. Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably

request. Upon reasonable notice from Franchisor, and without limiting Franchisor's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct immediately the deficiencies detected during any such inspection, including, without limitation, immediately desisting from the further use of any equipment, advertising materials, products; or supplies that do not conform with Franchisor's then-current specifications, standards, or requirements.

G. Harmful Business Practices Prohibited; Non-Disparagement

Franchisee shall not engage in any trade practice or other activity which is harmful to the goodwill or reflects unfavorably on the reputation of Franchisee or Franchisor, the Franchise, or the services and products sold in connection therewith, or which constitutes deceptive or unfair competition, consumer fraud or misrepresentation or otherwise is in violation of any applicable laws. Franchisee shall not at any time make, publish or communicate to any person or entity or in any public forum in any manner, whether by publication, mail, email, Internet postings or otherwise any defamatory or disparaging remarks, comments, or statements concerning Franchisor or its business or any of its officers, directors or employees now or in the future; provided, however, that nothing in this Agreement is intended to restrict Franchisee from communicating with Franchisor and/or other franchisees in a good faith effort to improve the System.

H. Corporate, Limited Liability or Partnership Franchisees

1. If Franchisee is a Legal Entity, it shall comply, except as otherwise approved in writing by Franchisor, with the following requirements throughout the term of this Agreement:

2. Franchisee shall furnish Franchisor with its Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement or the like and other documents Franchisor may reasonably request, and any amendments thereto.

3. Franchisee shall confine its activities to operating the Franchise, and its governing documents shall at all times provide that its activities are confined exclusively thereto.

4. Franchisee shall maintain stop transfer instructions against the transfer on its records of any equity securities, membership interests, partnership interests or the like and shall issue no securities, membership interests or partnership interests upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this _____ is subject to the terms and conditions of a Franchise Agreement with Fetch! Pet Care, Inc. Dated _____.

Reference is made to the provisions of the said Franchise Agreement and to the _____ of this _____.

5. Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting stock, membership interests, partnership interests or the like of Franchisee and shall furnish the list to Franchisor upon request.

6. All of the shareholders, partners and members of, and all holders of beneficial interests in, the Franchisee, and the spouses of each of the foregoing, and the officers and directors of the

Franchisee, shall sign a guaranty of the Franchisee's obligations to Franchisor in the form of Schedule F attached to this Agreement.

I. Franchise Owner Summit

1. Franchisor may, in its discretion, hold meetings of Fetch! Pet Care franchisees ("Franchise Owner Summits") at locations designated by Franchisor for team-building, training, idea exchanges, and any other purposes determined by Franchisor. Franchisee or a principal of Franchisee shall attend each Franchise Owner Summit or, if there is more than one Franchise Owner Summit in the same calendar year, shall attend at least one Franchise Owner Summit during that calendar year.

2. Franchisee shall pay Franchisor the Franchise Owner Summit Attendance Fee for each person who attends the Franchise Owner Summit on behalf of Franchisee. Even if neither Franchisee nor a principal of Franchisee attend the required Franchise Owner Summit, Franchisee will be required to pay to Franchisor the Franchise Owner Summit Attendance Fee for one attendee.

3. The Franchise Owner Summit Attendance Fee will not exceed \$500 per attendee. Other costs not covered by the Franchise Summit Attendance Fee (such as room, board and travel) are additional costs and will be borne solely by Franchisee.

VI. FEES

A. Initial Fees

Franchisee, for its initial term, shall pay to Franchisor the initial franchise fee (the "Initial Franchise Fee") as set forth on Schedule C to this Agreement. An individual shall be required to personally guarantee the Promissory Note in the event the Franchisor is a legal entity. The Initial Franchise Fee shall be deemed fully earned upon payment and non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this Franchise and for Franchisor's lost or deferred opportunity to Franchise others.

Upon the satisfaction of certain conditions, and satisfying other key operational and performance indicators in Franchisor's sole discretion, Franchisee may be eligible to purchase one or more additional Target Areas during the term of this Agreement by executing Franchisor's then current form of Franchise Agreement and paying its then current initial franchise fee. In Franchisor's discretion, the additional Target Area must be contiguous to Franchisee's existing Target Area.

B. Royalties

Franchisee shall pay a royalty fee and Franchise Operations Fee in the amount provided on Schedule C of this Agreement to Franchisor on a weekly basis, for which an invoice shall be provided by the Franchisor each Tuesday, for the preceding week, with payment due by Thursday of the same week. For purposes of calculating the amount due each week, a week is considered to be the seven-day period between Sunday and Saturday, which concluded on the Saturday preceding the date of the invoice.

C. Definition of Gross Sales

As used in this Agreement, “gross sales” shall mean all revenue from the sale of all products and performance of services in association with the Franchise, whether inside or outside the Target Area (even if such are not permitted under the Agreement), whether for cash or credit and regardless of collection in the case of cash and regardless of collection in the case of credit, and income of every kind and nature related to the Franchise; provided, however, that “gross sales” shall not include any sales taxes or other taxes collected from clients by Franchisee for transmittal to the appropriate taxing authority. In computing gross sales, Franchisee shall be permitted to deduct the amount of cash refunds, coupons and discounts used by clients; tips and other items reimbursable to Franchisee’s pet care provider, provided such amounts have been included in sales. If coupons or discounts are used, Franchisee must provide to Franchisor the name, and telephone number of client receiving the discount or pet care provider receiving the reimbursement, as provided in the information management system designated by Franchisor, for verification purposes. Franchisee can request a credit to qualified uncollectable debt provided they adhere to an active collection effort according to the Brand Standards.

D. Submitting Payments: Late Payment Fees

Franchisee shall provide to Franchisor, a bank account and routing number to Franchisee’s bank account from which Franchisor shall automatically deduct using virtual checking the Franchisee’s weekly royalty and Franchise Operations Fee payments by Thursday of each week for the gross sales calculated based on the activity of the preceding week. Franchisee shall provide Franchisor with updated bank account and routing information as necessary to ensure Franchisor can run virtual checking of the amount owed by Franchisee on a timely basis. Franchisor reserves the right to change frequency of billing, with 60 days advance notice to Franchisee. Any payment not actually received on or before such day, as specified above, shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, a late fee of Twenty-Five Dollars (\$25) plus thirty-five hundredths of a percent (.35%) interest per week on the outstanding balance. If Franchisee is late in payment for two (2) or more consecutive weeks, Franchisor has the right to bill Franchisee’s credit card that Franchisee will be required to submit to Franchisor for the outstanding amounts and has the option to keep billing future royalty payments by credit card with Franchisee bearing the credit card transaction processing fee of three percent (3%) of the gross amount. Entitlement to such late fees shall be in addition to any other remedies Franchisor may have.

VII. TRAINING

A. Initial Training

Franchisee must complete an on-line module, which includes preparation of a business plan, marketing plan, cash-flow analysis and other information for the opening and operation of your Franchise.

After completion of the online module to Franchisor’s satisfaction, Franchisor shall provide an initial training program for a new Franchisee (or, if Franchisee is a Legal Entity, for a principal of Franchisee) and to one of Franchisee’s assistants for two (2) to four (4) full days (as determined by Franchisor in its discretion) of training at a training location designated by Franchisor, currently in Michigan, and shall make available such other training programs as it deems appropriate. Franchisee must attend the training in person. For training required for renewal terms, see Section II.B.8.

In addition, there are three follow-up evenings of software training for which Franchisee shall conference in by phone or webinar from Franchisee's home office. Training must be completed no less than ten (10) days before opening and training is typically held on a quarterly basis. Refresher training will be offered periodically as Franchisor determines from time to time.

All training provided by Franchisor will be limited to the Franchisee, the principal(s) of Franchisee and/or or assistants. Franchisor does not and will not provide any training directly to pet care providers.

Franchisee must also complete one or more certification programs provided by a third party, related to pet first aid, animal behavior, and other animal-related sciences, as directed by the Franchisor. At the Franchisee's cost, the Franchisee shall cause all pet care providers to complete one or more certification programs related to pet first aid, animal behavior, and other animal-related sciences, as directed by the Franchisor, within thirty (30) days of when such pet care provider commences actively performing pet care services on behalf of the Franchisee.

B. Refresher Training

Franchisor may also provide refresher training programs for Franchisee (or, if Franchisee is a Legal Entity, for a principal of Franchisee) and for Franchisee's assistants and subsequent management staff, as Franchisor, in its sole discretion, deems appropriate. Franchisor reserves the right to charge a reasonable training fee for these courses.

C. Minimum Pet Care Provider Roster

Franchisee shall maintain the number of qualified pet care providers designated by Franchisor throughout the term of this Agreement. In the event that Franchisee or any such pet care provider ceases actively to provide services on behalf of the Franchisee, Franchisee must enroll a qualified replacement within thirty (30) days after the Franchisee or the pet care provider ceases actively to provide services to clients on behalf of the Franchisee.

D. Cost, Location and Completion

Prior to Franchisee's commencement of the Franchise, Franchisee (or, if Franchisee is a Legal Entity, a principal of Franchisee) shall complete to Franchisor's satisfaction the initial training program offered by Franchisor and a certification program provided by a third party as directed by the Franchisor. At Franchisor's option, any persons subsequently employed by Franchisee as assistants shall also complete to Franchisor's satisfaction the initial training program. Franchisee's employed assistants shall also attend and complete to Franchisor's satisfaction such refresher courses, third-party seminars, and other training programs as Franchisor may reasonably require from time to time. Training contemplated by this Section D may be conducted at Franchisor's headquarters or such other location or via conference call or webinar as Franchisor may specify. Franchisor shall provide instructors and training materials for all required training programs, with the exception of third-party seminars and certification programs. Franchisor reserves the right to assess a reasonable training fee for any refresher training programs or training of employed assistants who affiliate with Franchisee subsequent to the Franchise's opening. Franchisee or its assistants shall be responsible for all other expenses incurred by Franchisee in connection with any training programs, including, without limitation, transportation, lodging, meals, and wages.

VIII. PROPRIETARY MARKS; CLIENT INFORMATION

A. Franchisor Rights In The Proprietary Marks

Franchisor represents with respect to the Proprietary Marks that:

1. Franchisor has the right to use and to license others to use the Proprietary Marks.
2. Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. Right to Use

With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor.
2. Franchisee shall use the Proprietary Marks only for the operation of the Franchise or in advertising for the Franchise.
3. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchise only under the name "Fetch! Pet Care" without prefix or suffix.
4. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Franchise in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, and contracts. The form and content of such identification shall comply with standards set forth in the Brand Standards.
5. Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.
6. Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor.
7. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name,
8. Franchisee shall comply with Franchisor's instructions in filing and maintaining requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.
9. In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall provide all cooperation reasonably requested by Franchisor in defending or settling such litigation.

10. Franchisee shall not use the Proprietary Marks on any checks or other forms of payment to its employees or contractors.

C. Acknowledgments

Franchisee expressly understands and acknowledges that:

1. The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System.

2. Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Proprietary Marks.

3. As between the parties hereto, Franchisor has the exclusive right and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them. Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Proprietary Marks, except the license granted by this Agreement. Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

4. The right and license of the Proprietary Mark granted hereunder to Franchisee is nonexclusive, Franchisor has and retains the following rights, among others:

i. To use the Proprietary Marks itself in connection with selling products and services;

ii. To grant other licenses for the Proprietary Marks in addition to those licenses already granted to existing franchisees;

iii. To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

5. Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the Franchises operating thereunder if Franchisor's currently owned Proprietary Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Proprietary Marks will be beneficial to the System.

6. You must notify us immediately when you learn about an infringement of or challenge to your use of our trademark. We are not obligated to take any action but we shall respond with the action we think appropriate and control any litigation or other proceeding arising out of any infringement or challenge to the Proprietary Marks. You agree to execute any and all instruments and documents, to render all assistance reasonably requested and to do all acts and things as may be reasonably necessary or advisable to protect our Proprietary Marks. We will reimburse you for reasonable out-of-pocket expenses (not including attorney's fees) pre-approved by us for doing so. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an

administrative or judicial proceeding involving a Proprietary Mark licensed by us to you, or if the proceeding is resolved unfavorably to you.

D. Client Information

Franchisee acknowledges that all information about clients of Franchisee (including but not limited to client lists, names and contact information, client records, credit information and client preferences) (the “Client Information”), regardless of how generated, is owned by Franchisor and Franchisee is merely licensed to use the same pursuant to and in accordance with this Agreement, as and to the extent approved by Franchisor.

IX. FETCH! PET CARE – BRAND STANDARDS

A. Operation in Conformity with Brand Standards

In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor’s Proprietary Marks, Franchisee shall comply with mandatory standards, specifications, operating procedures and other obligations in the Brand Standards, one copy of which Franchisee will receive on loan from Franchisor for the term of Agreement.

B. Confidentiality of Brand Standards

Franchisee shall at all times treat the Brand Standards, any other manuals created for or approved for use in the operation of the Franchise, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

C. Ownership of Brand Standards

The Brand Standards shall at all times remain the sole property of Franchisor and shall at all times be kept in a secure place at Franchisee’s headquarters or at the Approved Location. Franchisee will pay Franchisor a fee in an amount set by Franchisor from time to time to replace the Brand Standards if Franchisee loses possession of the Brand Standards or fails to return the Brand Standards to Franchisor when the Franchisee is required to return it as provided by this Agreement or otherwise. Franchisee shall pay the fee within ten (10) days of receipt of notice from Franchisor that the fee is owed.

D. Revisions of Brand Standards

Franchisor may from time to time revise the contents of the Brand Standards, and Franchisee expressly agrees to comply with each new or revised standard. Further, Franchisee shall at all times ensure that its copy of the Brand Standards is kept current and up to date. In the event of any dispute as to the contents of the Brand Standards, the terms of the master copy of the Brand Standards maintained by Franchisor at Franchisor’s headquarters shall be controlling.

X. CONFIDENTIAL INFORMATION

A. Definition

Any and all information, knowledge, know how, and techniques which Franchisor designated as confidential shall be deemed confidential for purposes of this Agreement, except:

1. Information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or
2. Information which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

B. Prohibition

Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons or Legal Entity any confidential information, knowledge, or know how concerning the methods of operation of the Franchise which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement.

C. Transmittal to Assistants

Franchisee shall divulge such confidential information only to such of its assistants as must have access to it in order to operate the Franchise. Further, Franchisee shall require its assistants and all other personnel having access to any confidential information from Franchisor to execute an agreement in a form prescribed by Franchisor that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchise and that includes the non-competition covenants as set forth in Section XVI.C below. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

D. Consequences of Breach

Franchisee acknowledges that any failure to comply with the requirements of this Section IX. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of the requirements of this Section IX. Franchisee understands that an individual shall not be held criminally liable or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

XI. REPORTING AND RECORDS

A. Maintenance of Records

1. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation, full, complete, and accurate books, records, computer record backups and accounts relating to the Franchise in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Brand Standards or otherwise in writing.

2. Franchisee shall be required to utilize the information management system designated by Franchisor. Franchisee acknowledges that Franchisor shall have centralized access to Franchisee's software and software services (including but not limited to accounting software and services) from time-to-time for purposes of supporting Franchisee, accessing sales data for royalty reporting purposes, reviewing data for trending and performance purposes, accessing Client Information and monitoring compliance by Franchisee with this Agreement.

B. Periodic Reports and Financial Information

Franchisee shall submit to Franchisor the following during the term of this Agreement:

1. Each Monday for the preceding week (the seven-day period between Sunday and Saturday), a Royalty report in the form prescribed by Franchisor which accurately reflects all gross sales during the preceding calendar week;

2. No later than the 20th of each calendar month, a profit and loss statement for operations of the Franchise during the preceding calendar month; and

3. Such other data or information as Franchisor may require, including but not limited to, Franchisee's client data.

C. Annual Reports

Franchisee shall, at its expense, provide to Franchisor an annual profit and loss statement and balance sheet, within ninety (90) days after the end of each fiscal year of the Franchise during the term hereof, showing the results of operations of the Franchise during said fiscal year.

D. Other Reports and Communication Required by Franchisor

Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, recorded calls, call logs, voicemails and data as Franchisor may reasonably designate, in the form and manner (including electronic telecommunications) and at the time and places reasonably required by Franchisor, upon request and as specified from time to time in the Brand Standards or otherwise in writing. Franchisee shall promptly (in no more than four (4) days) respond to communications (such as email or telephone) from Franchisor with pertinent information or other appropriate responses.

E. Franchisor's Right to Audit

From the date hereof until three (3) years after the termination of this Agreement, Franchisor or its designated agents shall have the right, at all reasonable times, to examine and copy, at Franchisor's expense, the books, records, and tax returns of the Franchise. Franchisor shall also have the right, at any time to have an independent audit made of the books of the Franchise. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately upon demand pay to Franchisor the amount understated, in addition to interest on such amount from the date such amount was due until paid, at the rate which is three (3) points above the prime rate published by the Wall Street Journal on the date payment was due (or, if the due date was not a business day, the next business day thereafter), or the maximum rate permitted by law, whichever is less, calculated on a daily basis. If an inspection discloses an understatement in any payment of five percent (5%) or more Franchisee shall, in addition to interest calculated above, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging, wage expenses and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

F. Background and Credit Checks

Franchisor may from time to time, in its discretion, conduct (or retain third parties to conduct) background and credit checks on Franchisee and its officers, directors and owners as Franchisor deems necessary or advisable for any purpose related to the Franchise. Franchisee consents thereto and will fully cooperate therewith.

XII. ADVERTISING

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

A. Advertising Expenditures

During the term of this Agreement, Franchisee shall make expenditures for advertising, public relations and promotions within the Target Area as follows:

1. Prior to opening, Franchisee must pay Franchisor a fee for the creation and optimization of Franchisee's microsite, Google Business Page and Facebook account set up. The fee is \$125 per week and billed weekly and commences four weeks prior to the opening of the Franchise. The fees are fully earned upon payment and not refundable under any circumstances.

2. Prior to opening, Franchisee must pay Franchisor the costs to create Franchisee's Google Advertising Campaign, which Franchisor collects on Franchisee's behalf and remits to its designated vendor as a pass through. The fees are fully earned upon payment and not refundable under any circumstances.

3. Franchisee shall spend in Local Territory Marketing not less than \$7,500 in digital marketing within the first three months of opening the Franchisee's first Target Area and thereafter at least \$1,000 monthly for the first Target Area.

4. Franchisee shall pay the Franchise Operations Fee to Franchisor on Thursday of each week accrued for the immediately preceding week, as set forth on Schedule C to this Agreement. A portion of the Franchise Operations Fee, in an amount to be determined in Franchisor's sole discretion, shall be contributed to the Brand Development Fund.

Franchisor will direct all programs that the Brand Development Fund finances, with sole control over the creative concepts, materials and endorsements used and their media placement and allocation. The Brand Development Fund may pay for preparing and producing advertisements, video, audio and written materials and electronic media; administering internet advertising programs (including using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); supporting public relations, market research and other advertising, promotion and marketing activities; maintaining Franchisor's website; maintaining quality control (including but not limited to secret shopper programs); maintaining client satisfaction (such as gift cards to clients to resolve issues); providing collaboration and communication services (such as business tools and communication and marketing tools); and other related purposes. Franchisor may also use the Brand Development Fund to compensate the reasonable salaries, administrative costs, travel expenses and overhead Franchisor incurs in administering the Brand Development Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Brand Development Fund. The Brand Development Fund is not a trust, and Franchisor does not owe Franchisee fiduciary obligations because of Franchisor maintaining, directing or administering the Brand Development Fund or any other reason.

B. Approval of Franchisor

Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials including electronic media that Franchisee proposes to use. All advertising and promotion by Franchisee in any manner or medium shall be conducted in a dignified manner and shall conform to such standards and requirements as are specified by Franchisor. Franchisee shall submit to Franchisor through the mail, return receipt requested, for its prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials that Franchisee desires to use which have not been prepared or approved by Franchisor within the immediately preceding twelve (12) months. If written disapproval thereof is not received by Franchisee from Franchisor within twenty (20) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have given the require approval. Franchisee shall display the Proprietary Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchise.

C. Partnership Participation

Franchisee agrees to participate in all national partnership programs established by Franchisor for the purpose of directing new clients to Franchisee; provided that, if Franchisee fails to honor client discounts associated with national partnership program as established by Franchisor from time to time, Franchisor may itself, or may appoint another franchisee to, service such national partner inside or outside Franchisee's Target Area.

XIII. INSURANCE

A. Requirement

Franchisee shall procure, no later than fifteen (15) days prior to the commencement of operations of the Franchise, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor, and their respective officers, directors, shareholders, partners, and employees, against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Franchise. Franchisor and its officers, directors, shareholders, partners and employees shall be named additional insureds in each such policy.

B. Minimum Coverage

Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with standards and specifications set forth in the Brand Standards or otherwise in writing, and shall include, at a minimum such coverages and policy limits as may reasonably be specified by Franchisor from time to time, which coverages may include, without limitation, the following:

1. Comprehensive general liability insurance, including personal injury, as well as comprehensive automobile coverage for both owned and non-owned vehicles, and property damage liability coverage, naming Franchisor as an additional insured in each such policy or policies.
2. "All Risks" or "Special Form" property insurance (including but not limited to fire, vandalism, and extended coverage insurance) with primary and excess limits of not less than the full replacement value of the Franchise premises and its furniture, fixtures, and equipment.
3. A surety or fidelity bond or similar insurance policy covering Franchisee and any employees or independent contractors hired or engaged by Franchisee to provide the Services.
4. Employer's liability, workers' compensation, and such other insurance as may be required by statute or rule of the state or locality in which the Franchise is located and operated.
5. Pet sitting insurance, including (but not limited to) care, custody and control coverage.

C. Effect of Insurance Coverage

Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section XVIII.C of this Agreement.

D. Certificates of Insurance

At least fifteen (15) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any such policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper coverage with limits not less than those required

hereunder. All Certificates shall expressly provide that not less than thirty (30) days' prior written notice shall be given Franchisor in the event material alteration to, or cancellation of, the coverages evidenced by such Certificates.

E. Franchisor's Remedy Upon Franchisee's Default

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Brand Standards or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

XIV. TRANSFER OF INTEREST

A. Transfer by Franchisor

Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity. If the Franchisor's assignee assumes all of the obligations of Franchisor under this Agreement and sends written notice of the assignment so attesting, Franchisee shall promptly execute a general release of Franchisor, and any subsidiaries or affiliates of Franchisor, from claims against or liabilities of Franchisor arising under this Agreement.

B. Transfer by Franchisee

1. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Franchise, nor any individual or Legal Entity which directly or indirectly owns any interest in this Franchise, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Franchise (including any direct or indirect interest in a Franchisee that is a Legal Entity) without the prior written consent of Franchisor. However, Franchisor's prior written consent shall not be required for a transfer of an interest in a publicly held corporation. The term "publicly held corporation" as used in this Agreement means a corporation registered under the Securities Exchange Act of 1934. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this section shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Section XIV.B.4 of this Agreement.

2. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in this Franchise. However, if a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in a Legal Entity Franchisee or in the Franchise, Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval at the times designated by Franchisor:

i. All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor, its subsidiaries, and its affiliates and to suppliers shall have been satisfied.

Franchisor may conduct an investigation and audit pursuant to Section X.E in order to determine the extent of any accrued obligations.

ii. Franchisee is not in default of any provision of this Agreement or any amendment hereof or successor hereto, or of any other agreement between Franchisee and Franchisor, or its subsidiaries and affiliates.

iii. The transferor shall have executed a general release, in a form satisfactory to Franchisor, or any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances.

iv. The transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) shall enter into a written assignment, under such seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement.

v. The transferee (or, if the transferee is a Legal Entity, principal of transferee) shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchise as may be evidenced by prior related business experience or otherwise; and has adequate financial resources and capital to operate the Franchise.

vi. The transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) shall execute, for a new ten (10) year (or as otherwise designated by Franchisor) term and with such renewal term as may be provided by this Agreement, the standard form Franchise Agreement then being offered to new franchisees and such other ancillary agreements as Franchisor may require for the Franchise, the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate, minimum royalty payment and advertising contributions.

vii. Within the time specified by Franchisor, the transferee, at its expense, shall upgrade the Franchise to conform to the then current standards and specification of the System.

viii. Franchisee shall remain liable for all of the obligations to Franchisor in connection with the Franchise prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

ix. At the transferee's expense, the transferee and the transferee's assistants shall complete any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require.

x. Except in the case of a transfer to a corporation, limited liability company or other entity owned and controlled by Franchisee formed for the convenience of ownership, Franchisee shall pay a transfer fee of such amount as Franchisor may reasonably require to reimburse Franchisor for its reasonable costs and expenses incurred in reviewing the proposed transfer, which fee shall be, for each Target Area included in the transfer, twenty-five percent (25%) of the full, undiscounted, then-current Franchise Fee charged to new franchisees.

xi. Franchisee acknowledges and agrees that each condition that must be met by the transferee is necessary to assure such transferee's full performance of the obligations hereunder.

xii. Franchisor is given the opportunity to review the asset purchase agreement or other agreement between Franchisee and transferee and does not object thereto, provided that Franchisee recognizes the such agreements are its responsibility and Franchisor will make no representation in regard to the adequacy thereof.

C. Grant of Security Interest

Franchisee shall grant no security interest in any of the assets of the Franchise unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to be substituted as obligor to the secured party and to cure any default of Franchisee.

D. Transfer to Franchisee's Corporation or Other Entity

In the event that the proposed transfer is to a Legal Entity formed by Franchisee for the convenience of ownership, Franchisor's consent to such transfer shall be conditioned upon the following requirements in addition to the requirements set forth in Sections IV.H and XIII.B.2 of this Agreement.

a. Franchisee shall be the owner of all the voting stock and other ownership interests of the Legal Entity; and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the Legal Entity as he had in Franchisee prior to the transfer.

b. The transferee Legal Entity shall comply with all the terms and conditions set forth in Section XIII.B.1 of this Agreement.

E. Right of First Refusal

1. Any party holding any interest in a Legal Entity Franchisee or in this Agreement who desires to accept any bona fide offer from a third party to purchase such interest shall notify Franchisor in writing of each such offer and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this subsection shall not constitute a waiver or any other provision of this Agreement with respect to a proposed transfer.

2. In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, Franchisor may purchase the interest in the Franchise proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor, and his determination shall be binding.

F. Transfer Upon Death or Mental Incompetency

Upon the death or mental incompetency of any person with an interest in the Franchise, the executor, administrator, or personal representative of such person's estate shall:

1. Immediately arrange for an Assistant to manage and operate the Franchise so as to assure no interruption in the services then being provided to the clients of the Franchise;
2. Within thirty (30) days thereafter, shall employ or contract with such additional assistants as may reasonably be required to assure the continued operation of the Franchise, which assistants must successfully complete the training required under Section VI within thirty (30) days after being retained; and
3. Within six (6) months after such death or mental incompetency, transfer his interest to a third party approved by Franchisor. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as set forth in Section XIII.B.2 hereof. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section XIII.F, the personal representative of the deceased Franchisee shall have a reasonable time to dispose of the deceased's interest in the Franchise, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.
4. In the event this Agreement is terminated by Franchisor as set forth in Section XIII.F.3, or is otherwise terminated on account of the death or mental illness of any person with an interest in the Franchise, Franchisor agrees to waive any claims for damages caused solely by such early termination, provided, however, that this waiver does not apply to damages caused on any other grounds and does not apply to any breach by Franchisee of its post-termination obligations.

G. Non-Waiver of Claims

Franchisor's consent to a transfer of any interest in a Legal Entity Franchisee or in the Franchise granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

H. Compliance with Covenants.

Upon transfer of Franchisee's interest in the Franchise, Franchisee shall comply with the covenants contained in Section XVI of this Agreement.

XV. DEFAULT AND TERMINATION

A. Termination By Franchisor -- Without Notice

Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated as bankrupt or insolvent; or if a

bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's Franchise or assets is filed and consented to by Franchisee; or if a receiver or other permanent or temporary custodian of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if a suit to foreclose any lien or mortgage against the Franchise or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if execution is levied against Franchisee's Franchise or property; or if the real or personal property of Franchisee's Franchise shall be sold after levy thereupon by any sheriff, marshal, or constable.

B. Termination By Franchisor -- Upon Notice Without Opportunity To Cure

Upon the occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder without affording Franchisee any opportunity to cure the default. Said termination shall be effective immediately upon receipt of notice by Franchisee.

1. If Franchisee fails to commence operation of the Franchise or at any time ceases to operate or otherwise abandons the Franchise (which will include but not be limited to, failure to communicate with Franchisor for four (4) consecutive days or failure to service clients as part of the Franchise for seven (7) consecutive days) or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchise is located;

2. If Franchisee (or, if Franchisee is a Legal Entity, any principal of Franchisee) is convicted of a felony, a fraud; a crime involving moral turpitude, theft, burglary, or breaking and entering; of any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

3. If a threat or danger to public health or safety results from the operation of the Franchise;

4. If Franchisee or any partner or shareholder in Franchisee purports to transfer any rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent, contrary to the terms of Section XIII.B of this Agreement;

5. If Franchisee fails to comply with the in-term covenants in Section XVI hereof or fails to obtain execution of the covenants required under Section I.C or Section XVI hereof;

6. If Franchisee fails to attend and complete, to Franchisor's satisfaction, the initial training program, as required under Section VI hereof;

7. If, contrary to the terms of Section VIII or IX hereof, Franchisee discloses or divulges the contents of the Brand Standards or other confidential information provided to Franchisee by Franchisor;

8. If an approved transfer is not effected within a reasonable time, as required by Section XIII.F hereof, following Franchisee's death or mental incompetency;

9. If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;
10. If the Franchisee contests in any court or proceeding the validity of, or Franchisor's ownership of, any of the Proprietary Marks, or other rights licensed hereunder;
11. If Franchisee, knowingly fails to comply with the provisions of Section XVII hereof.
12. If Franchisee, after curing a default pursuant to Section XIV.C hereof, commits the same act of default again;
13. If Franchisee repeatedly is in default under Section XIV.C hereof for failure substantially to comply with any of the requirements imposed by this Agreement, whether or not cured after notice; or
14. If Franchisee or any of its employees or contractors commits any act, which, in the reasonable opinion of Franchisor, threatens the reputation of, or threatens harm to, Franchisor, the System, the Proprietary Marks or Franchisor's network of pet care operations.

C. Termination By Franchisor After Notice and Opportunity to Cure

Except as provided in Sections XIV.A and XIV.B of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of termination within which to remedy any default hereunder (or, if the default cannot reasonably be cured within such thirty (30) days, to initiate within that time substantial and continuing action to cure the default) and to provide evidence thereof to Franchisor. If any such default is not cured within that time (or, if appropriate, substantial and continuing action to cure the default is not initiated within that time), or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Brand Standards, or to carry out the terms of this Agreement in good faith. Such defaults shall include, without limitation, the occurrence of any of the following events:

1. If Franchisee fails, refuses, or neglects promptly to pay when due any moneys owing to Franchisor, its subsidiaries or affiliates or the Regional Cooperative Fund; or fails, refuses, or neglects promptly to submit the financial or other information required by Franchisor under this Agreement or makes any false statements in connection therewith; or fails, refuses, or neglects to make the expenditures for Local Territory Marketing required by Section XI.A of this Agreement;
2. If Franchisee fails to maintain any of the standards or procedures prescribed by Franchisor in this Agreement, the Brand Standards, or otherwise in writing;
3. Except as provided in Section XIV.B.4, if Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;
4. If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

5. If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks; or

6. If Franchisee, by act or omission, permits a continued violation in connection with the operation of the Franchise of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief therefrom.

7. If Franchisee violates the provisions of Sections I.C.3, I.C.4 or I.C.6.

8. If Franchisee fails, refuses or neglects to make any payment due in regard to its information management system required by Franchisor or if Franchisee's information management system required by Franchisor is cancelled.

D. Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by Franchisee (or any Affiliate of Franchisee) under this Agreement may be regarded as a default under any other agreement between Franchisor (or any Affiliate of Franchisor) and Franchisee (or any Affiliate of Franchisee). Any default by Franchisee (or any Affiliate of Franchisee) under any other agreement, including, but not limited to, any lease and/or sublease, between Franchisor (or any Affiliate of Franchisor) and Franchisee (or any Affiliate of Franchisee), and any default by Franchisee (or Affiliate of Franchisee) under any obligation to Franchisor (or any Affiliate of Franchisor) may be regarded as a default under this Agreement. Any default by Franchisee (or any Affiliate of Franchisee) under any lease, sublease, loan agreement, security interest or otherwise, whether with Franchisor, any Affiliate of Franchisor and/or any third party may be regarded as a default under this Agreement and/or any other agreement between Franchisor (or any Affiliate of Franchisor) and Franchisee (or any Affiliate of Franchisee).

In each of the foregoing cases, Franchisor (and any Affiliate of Franchisor) will have all remedies allowed at law, including termination of Franchisee's rights (and/or those of any Affiliate of Franchisee) and Franchisor's (and/or Franchisor's Affiliates') obligations. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy provided under law or equity and Franchisor may pursue any rights and/or remedies available. As used in this Section XIV.D, "Affiliate" means any individual or Legal Entity that controls, is controlled by or that is under common control with the named person.

XVI. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and Franchisee shall comply with the following procedures:

A. De-identification

1. Franchisee shall immediately cease to operate the Franchise and shall not thereafter, directly or indirectly, represent to the public that the Franchise is a Fetch! Pet Care Franchise or hold itself out as a present or former franchisee of Franchisor.

2. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the

Proprietary Mark Fetch! Pet Care, and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, monograms and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles or clothing which display the Proprietary Marks; provided, however, that this section shall not apply to the operation by Franchisee of any other franchise under the System which may be granted by Franchisor to Franchisee.

3. Franchisee shall take such action as may be necessary to (i) immediately cancel any assumed name or equivalent registration that contains the mark Fetch! Pet Care or any other Proprietary Mark of Franchisor; and (ii) at Franchisor's direction, either cancel or transfer to Franchisor, or its designee, all authorized and unauthorized domain names, social media accounts, post office boxes, telephone numbers and classified and other directory listings relating to, or used in connection with, the Franchise or the mark Fetch! Pet Care or any other Proprietary Mark of Franchisor (collectively, "Identifiers"). Franchisee acknowledges that as between Franchisee and Franchisor, Franchisor has the sole rights to and interest in all Identifiers. Franchisee shall furnish Franchisor with proof of compliance with these obligations regarding Identifiers within thirty (30) days after termination or expiration of this Agreement. If Franchisee fails to comply with such obligations, Franchisee hereby authorizes Franchisor and irrevocably appoints Franchisor as Franchisee's attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Identifiers to Franchisor or its designee. The telephone company, the postal service, registrars, Internet Service Providers and each listing agency may accept such direction by Franchisor pursuant to this Agreement as conclusive evidence of Franchisor's exclusive rights in such Identifiers and its authority to direct their transfer.

4. Franchisee shall make such modifications or alterations to the premises operated hereunder (including, without limitation, discontinuing the use of the telephone number for the Franchise and cooperating with Franchisor in any transfer of such telephone number pursuant to the prior paragraph) immediately upon termination or expiration of this Agreement as may be necessary to prevent the operation of any business thereon by Franchisee or others in derogation of this Section XV and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose.

5. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks. Further, Franchisee agrees not to utilize any designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

6. Franchisee, in the event it continues to operate or subsequently begins to operate any other business, not to use any form of the Fetch! name for search engine optimization or any electronic media purposes.

B. Payment of Moneys Due

1. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorney's fees, incurred by Franchisor as a result of the default.

This obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and located on the premises operated hereunder at the time of default.

2. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorney's fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section XV.

C. Return of Brand Standards and Business Documents

Franchisee shall immediately deliver to Franchisor all documents, including the Brand Standards, records, files, instructions, correspondence, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchise in the Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property). Franchisee shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

D. Repurchase Option

Within fifteen (15) days from the date of termination or expiration, Franchisee and Franchisor shall arrange for an inventory to be made, at Franchisor's cost, of all personal property, fixtures, equipment, and inventory of Franchisee, including, without limitation, any and all items bearing the Proprietary Marks, related to the operation of the Franchise. Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration, to purchase from Franchisee any and all such items at fair market value. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and his determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment therefor.

E. Covenants

Franchisee shall comply with the covenants contained in Section XVI of this Agreement.

F. Information and Future Business

Franchisee shall provide to Franchisor all Client Information and names and contact information of all employees and independent contractors involved in the business of the Franchise. Franchisor may itself, or may allow franchisees to, service clients or former clients of Franchisee, hire such employees, contract with such independent contractors and conduct the business previously conducted by Franchisee in the Target Area.

XVII. COVENANTS

A. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is a Legal Entity, a principal of Franchisee approved by Franchisor) shall devote full time, energy, and best efforts to the management and operation of the Franchise and other franchises established and operated by Franchisee under the System.

B. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Franchisor and the System. Franchisee covenants that, during the term of this Agreement, and for a continuous uninterrupted period commencing upon the expiration, termination, transfer or assignment of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, Franchisee shall not, except as otherwise approved in writing by Franchisor, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Divert or attempt to divert any business or client of the Franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System, including, but not limited to, any effort or attempt to create a service or System that would compete with any of the Franchisor's services offered to new or existing franchisees such as the Sales & Marketing Center.

C. Franchisee covenants that Franchisee shall not, except as otherwise approved in writing by Franchisor, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration, termination (regardless of the cause for termination), transfer or assignment of this Agreement, and continuing for two (2) years thereafter, either directly or indirectly for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business which provides in home pet or home care and any other related services the Franchisor offers similar in scope to the services offered under the System and Proprietary Marks and which is, or is intended to be, operated within the Target Area or within a radius of twenty-five (25) miles around the Target Area or within a radius of twenty-five (25) miles around the Target Area of any other franchisee.

D. Section XVI.C above shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation.

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

F. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections XVI.B and XVI.C of this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XXI hereof:

G. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XVI. Franchisee agrees to pay all costs and expenses (including reasonable attorney's fees) incurred by Franchisor in connection with the enforcement of this Section XVI.

H. Franchisee acknowledges that Franchisee's violation of the terms of this Section XVI. would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to Franchisor's application for an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section XVI.

I. At Franchisor's request, Franchisee shall require and obtain execution of covenants similar to those set forth in this Section XVI. (including covenants applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (1) All principals of Franchisee (if Franchisee is a Legal Entity), all assistants of Franchisee, and any other personnel employed by Franchisee who have received or will receive training in regard to the System; and (2) all officers, directors, managers (including but not limited to assistants), general partners and holders of a beneficial interest of five percent (5%) or more of the securities or other ownership interests of Franchisee, and of any Legal Entity directly or indirectly controlling Franchisee, if Franchisee is a Legal Entity. Every covenant required by this Section XVI. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Section XVI.I shall constitute a default under Section XIV.B hereof.

XVIII. TAXES, PERMITS AND INDEBTEDNESS

A. Payment of Taxes

Franchisee shall promptly pay when due all taxes and fees levied or assessed, including, without limitation, unemployment and sales taxes, taxes and fees related to employees and persons deemed to be employees, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchise. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax, or similar tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

B. Disputed Tax Liability

In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchise, or any improvements thereon.

C. Permits

Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, zoning variances, certificates, or licenses necessary for the full and proper conduct of the Franchise, including, without limitation, licenses to do business, fictitious name registrations, sale tax permits, and fire clearances.

D. Notice of Litigation

Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchise.

XIX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee, Franchisee's employees and/or Franchisee's independent contractors, nor vice versa.

B. During the term of this Agreement and any renewal hereof Franchisee shall hold itself out to the public as an independent contractor operating the Franchise pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to notify the public. Franchisee shall post and maintain signage in the space where notices are provided to employees clearly stating that Franchisee is an independently-owned and operated business and that Franchisor is not the employees' employer.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchise or for any claim or judgment arising therefrom against Franchisee or Franchisor.

D. Franchisee at all times will be responsible for the operation of the Franchise and activities occurring at the Franchise. Franchisee shall have the sole right, authority, control and responsibility to choose, hire, fire, train (except as expressly provided in this Agreement), discipline, supervise, give direction to, determine work schedules and conditions, set and provide compensation or benefits for and manage its own employees; Franchisor shall not dictate or control, have responsibility for, or have any obligations in regard to, any of the foregoing or any other labor or employment matters for Franchisee and its employees. Franchisor and its affiliates shall not be an employer or co-employer of Franchisee or of any of Franchisee's employees or independent contractors. Franchisee shall indemnify and hold Franchisor, and the Franchisor's officers, directors, and employees harmless against any and all claims arising directly or indirectly from as a result of or in connection with Franchisee's operation of the Franchise, as well as the costs, including attorney's fees, of defending against them.

E. Franchisee shall require each employee to sign a disclaimer acknowledging that he/she understands that Franchisee is his/her employer and that Franchisor is not.



XX. APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing.

B. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

C. No failure of Franchisor to exercise any power reserved to it in this Agreement, or to insist upon compliance by Franchisee with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor’s rights to demand exact compliance with any of the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor’s right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance, or omission by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants of this Agreement affect or impair Franchisor’s rights; nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

D. Subsequent acceptance by Franchisor of any payments due to it shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

XXI. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent via facsimile with a successful transmission report, sent by email where receipt is acknowledged by the recipient or can otherwise be shown (such as by a reply from the recipient), sent by recognized overnight delivery service, or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

Fetch! Pet Care, Inc.
Greg Longe, CEO
19500 Victor Parkway, Suite 400
Livonia, Michigan 48152
Email: notifications@fetchpetcare.com

Notices to Franchisee:

Attn.: _____
Personal Email: _____

Any notice shall be deemed to have been given at the date and time of receipt.

XXII. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document that was furnished to Franchisee by Franchisor. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

XXIII. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, a portion, section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereof; and said invalid portions, sections, parts, and/or provisions shall be deemed not to be a part of this Agreement.

B. Nothing in this Agreement is intended, nor shall be deemed to confer any rights or remedies upon any person or legal entity other than Franchisor or Franchisee, and such of their respective successors and assigns as may be contemplated by Section XIII hereof.

C. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

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

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable; and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

F. This Agreement may be executed in several parts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. Facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as an original signed copy.

XXIV. DISPUTE RESOLUTION

A. Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor’s management, after providing notice as set forth in Article XX above. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee’s dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

B. Mediation. At Franchisor’s option, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor or its affiliates, or any of the parties’ respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Article XIX.C above, must be submitted first to mediation, in Wayne County, Michigan under the auspices of the American Arbitration Association (“AAA”), in accordance with AAA’s Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor’s rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and Franchisor and Franchisee shall share the mediator’s costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement.

1. The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating);
 - i. Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;
 - ii. Any claims pertaining to or arising out of any warranty issue;
 - iii. Any of the restrictive covenants contained in this Agreement;
 - iv. Any of Franchisee’s payment obligations that are more than forty-five (45) days past due; or
 - v. Any claims arising out of or related to fraud or misrepresentation by Franchisee, or Franchisee’s insolvency.

D. Selection of Venue. Nothing contained in this Agreement shall prevent Franchisor from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Wayne County, Michigan and the jurisdiction and venue of the United States District Court for the Eastern District of Michigan. Franchisee acknowledges that this Agreement has been entered into in the State of Michigan, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Livonia, Michigan including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Michigan as set forth in this Section. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisor, its guarantors, and Franchisor or its affiliates or employees may not be consolidated with any other proceeding between Franchisor and any other person or entity.

E. Limitations of Claims. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

F. Attorneys' Fees. If Franchisee is in breach of any monetary or non-monetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or its affiliates, and Franchisor engages an attorney to enforce its rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all of Franchisor's reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

XXV. APPLICABLE LAW

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of Michigan and shall be interpreted and construed exclusively under the laws thereof, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of the State of Michigan then such provisions shall be interpreted and construed under the laws of the state in which the Approved Location is located.

B. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

C. Nothing herein contained shall bar Franchisor's right to apply for injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

XXVI. ACKNOWLEDGMENTS; REPRESENTATIONS

A. Franchisee acknowledges that it has conducted an independent investigation of the Franchise and recognizes that the business venture and Franchise contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent business person or entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any, warranty or guarantee, express or implied, as to the potential volume, sales, income, profits, or success of the business venture or Franchise contemplated by this Agreement.

B. Franchisee acknowledges that it received a copy of the complete Fetch! Pet Care, Inc. Franchise Agreement, the Attachments thereto, and agreements relating thereto, if any, at least seven (7) days prior to the date on which Franchisee executes this Agreement. Franchisee further acknowledges that it received the Franchise Disclosure Document required by the Trade Regulation Rule of the Federal Trade Commission entitled “Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures” at least fourteen (14) days prior to the date on which Franchisee executes this Agreement.

C. Franchisee acknowledges that it has read and understood this Agreement, the Attachments hereto, and any agreements relating thereto, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee’s own choosing about the potential benefits and risks of entering into this Agreement.

D. Franchisee represents that the owners (including beneficial interests), officers, directors, assistants and managers of Franchisee are listed in Schedule G.



IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement as of the day and year first above written.

FRANCHISEE

FETCH! PET CARE, INC.

By: _____

By: _____

Printed Name: _____

Printed Name: Gregory A. Longe

Its: _____

Its: Chief Executive Officer

Date: _____

Date: _____



FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE A

The Approved Location specified in Section I.B. of the Franchise Agreement is:

Address:

Advertised Telephone Number:

Advertised Location Email:

Owner Email(s):

FRANCHISEE

FETCH! PET CARE, INC.

By: _____

By: _____

Printed Name: _____

Printed Name: Gregory A. Longe

Its: _____

Its: Chief Executive Officer

Date: _____

Date: _____





FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE B

The Target Area granted Franchisee pursuant to Section I.C.1 of the foregoing Franchise Agreement is:

ZIP Code	USPS Official City Name

FRANCHISEE

FETCH! PET CARE, INC.

By: _____
Printed Name: _____
Its: _____
Date: _____

By: _____
Printed Name: Gregory A. Longe
Its: Chief Executive Officer
Date: _____



FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE C

1. The Initial Franchise Fee is _____ (the “Franchise Fee”) due at the time of signing the Franchise Agreement. The renewal fee for a renewing franchise is as set forth in Section II.B.6 of the Franchise Agreement. If you are purchasing more than one Target Area, the Initial Fees are as follows:

<u>Number of Target Areas</u>	<u>Total Franchise Fee</u>
Two (2)	\$100,000
Three (3)	\$135,000
Four (4)	\$165,000
Five (5)	\$185,000

2. Franchisee must pay a royalty of seven percent (7%) of its gross sales (the “Royalty Fee”) or the minimum payments on a weekly basis, whichever is higher. For purposes of calculating the amount due each week, a week is considered to be the seven-day period between Sunday and Saturday.

3. Franchisee must pay a percentage of its gross sales as a Franchise Operations Fee, or the minimum Franchise Operations Fee, on a weekly basis, whichever is higher. If the gross sales for the preceding week are \$1,923 or less, then Franchisee must pay an amount equal to fifteen percent (15%) of its gross sales to Franchisor or the minimum noted in the table below, whichever is higher. If the gross sales for the preceding week are more than \$1,923, then Franchisee must pay to Franchisor an amount equal to (a) fifteen percent (15%) of the gross sales up to \$1,923 plus (b) eleven percent (11%) of the gross sales in excess of \$1,923.

4. The minimum aggregate weekly payment of the Royalty and the Franchise Operation Fee fees are to be paid in a single combined minimum amount and are as follows:

Minimum Royalty and Franchise Operations Fee Payment	
Year 1	\$115/week
Year 2	\$231/week
Year 3 and Beyond	\$415/week

5. The lower minimums stated above apply only to the first 12 months that Franchisee is licensed for the Target Area. For instance, the higher minimum would apply throughout renewal terms.

6. The renewal fee for a renewing franchise is as set forth in Section II.B.6 of the Franchise Agreement, which is the then-current Franchise Fee.

FRANCHISEE

FETCH! PET CARE, INC.

By: _____
Printed Name: _____
Its: _____
Date: _____

By: _____
Printed Name: Gregory A. Longe
Its: Chief Executive Officer
Date: _____





FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE D- STATE SPECIFIC ADDENDA



SCHEDULE D
ADDENDUM TO THE FETCH! PET CARE, INC.
FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. 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.).
3. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
4. Neither the franchisor, any person or franchise broker in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
5. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
6. 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 DISCLOSURE DOCUMENT.
7. OUR WEBSITE, www.fetchpetcare.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.
8. 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.
9. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. The Franchise Agreement requires binding arbitration. The arbitration will occur at Livonia, Michigan with the costs being borne in accordance with the Commercial Arbitration Rules of the American Arbitration Association, which generally provide that the costs will be borne equally by the parties (subject to the award by the arbitrator and certain other exceptions. 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.

- 11. The Franchise Agreement requires application of the laws of Michigan. This provision may not be enforceable under California law.
- 12. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum to the Franchise Agreement in duplicate in the dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

By:

Witness

Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

Witness

By:

Printed Name:



SCHEDULE D
ADDENDUM TO THE FETCH! PET CARE, INC.
FRANCHISE AGREEMENT FOR USE IN ILLINOIS

1. The following item is required to be included within the disclosure document and shall be deemed to supersede the language that is in the disclosure document itself:

Section 4 of the Illinois Franchise Disclosure Act (“Act”) dictates that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” Therefore, the Act supersedes any contrary provisions contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement.

3. Any releases that the Franchisor requests the Franchisee to sign must conform with Section 41 of the Act.

4. Under Illinois law, a franchise agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Items 17(v) and (w) are amended to state “Illinois”. The Franchise Agreement is amended accordingly.

5. Article XXIV of the Franchise Agreement is hereby amended in accordance with Section “1” above.

6. Section XXIII of the Franchise Agreement is amended to comply with Section 27 of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee or Franchisee’s operation of the Franchise brought by Franchisee against Franchisor shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, within one (1) year after the Franchisee becomes aware of the facts or circumstances indicating Franchisee may have a claim for relief, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, or such claim or action will be barred.

7. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.



IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

By:

Witness

Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

Witness

By:

Printed Name:





SCHEDULE D
ADDENDUM TO THE FETCH! PET CARE, INC.
FRANCHISE AGREEMENT FOR USE IN INDIANA

- 1. To be added to Item 3 of the disclosure document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.
- 2. Item 17 of the disclosure document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s exclusive territory.
- 3. Under Indiana Code 23-2-2.7-1(10), the franchise agreement may not limit litigation brought for breach of the agreement in any manner whatsoever. This amends Article XXIV of the Franchise Agreement.
- 4. Under Indiana Code 23-2-2.7-1(5), it is unlawful to require the franchisee to prospectively consent to a release of liability imposed by the Indiana Deceptive Franchise Practices Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

Witness

By: _____
Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

Witness

By: _____
Printed Name: _____





SCHEDULE D
ADDENDUM TO THE FETCH! PET CARE, INC.
FRANCHISE AGREEMENT FOR USE IN MARYLAND

This will serve as the State Addendum for Fetch! Pet Care, Inc. for the State of Maryland for Fetch! Pet Care, Inc.'s Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. The provision contained in Section XIV.A of the Franchise Agreement providing for automatic termination on franchisee's bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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

3. The Franchise Agreement is amended to state all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. The Franchise Agreement is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Item 5 of the disclosure document is amended to state that based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we have posted a surety bond with the Maryland Securities Division to ensure we complete our initial obligations to our Maryland franchisees pursuant to the franchise agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FETCH! PET CARE, INC.

By:

Witness

Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

By:



Witness

Printed Name:



SCHEDULE D
ADDENDUM TO FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

This addendum to the disclosure document is agreed to this ____ day of _____, 20__, and effectively amends and revises said disclosure document and Franchise Agreement as follows:

1. Item 13 of the disclosure document and Article VII of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the disclosure document and Article XIV of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the disclosure document and Article XXIV of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise disclosure document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the disclosure document and Articles II and XIII of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.



6. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Minnesota Department of Commerce. This financial assurance requirement was imposed by the Office of the Minnesota Department of Commerce due to Franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FETCH! PET CARE, INC.

By:

Witness

Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

By:

Witness

Printed Name:



SCHEDULE D
ADDENDUM TO THE FETCH! PET CARE, INC.
FRANCHISE AGREEMENT FOR USE IN VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Agreement for Fetch! Pet Care, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Article XIV:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereby have duly executed and delivered this Addendum dated this ____ day of _____, 20__.

FETCH! PET CARE, INC.

ATTEST

By:

Witness

Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

By:

Witness

Printed Name:



SCHEDULE D
ADDENDUM TO THE FETCH! PET CARE, INC.
FRANCHISE AGREEMENT AND RELATED AGREEMENTS FOR USE IN WASHINGTON

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 shall 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.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current or former franchisees to ask them about their experiences with the franchisor.

Fetch! Pet Care	
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IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

By:

Witness

Printed Name: Gregory A. Longe
Its: Chief Executive Officer

FRANCHISEE

By:

Witness

Printed Name:



**FETCH! PET CARE, INC.
FRANCHISE AGREEMENT**

SCHEDULE E

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

**(for trained employees, shareholders, officers, directors,
general partners, members, holders of beneficial interests,
managers and assistants of Franchisee)**

In consideration of my being a _____ of _____, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated as of _____, 20__ (the “Franchise Agreement”), _____ (the “Franchisee”), has acquired the right and franchise from Fetch! Pet Care, Inc. (“Fetch”) to establish and operate a Fetch! Pet Care business (the “Business”) and the right to use in the operation of the Franchised Business Fetch!’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in Fetch!’s sole discretion, only in Franchisee’s “Target Area” (as defined in the Franchise Agreement).

2. Fetch!, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses, which feature specially developed service procedures, techniques and training programs for caring for animals and homes and for providing related, temporary custodial care services; distinctive franchise decor and design; licensing, and insurance and personal property coverage. Fetch! possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “Confidential Information”).

3. Any and all information, knowledge, know-how, and techniques which Fetch! specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, Fetch! and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, Fetch!’s Confidential Brand Standards (the “Brand Standards”), and other general assistance during the term of the Franchise Agreement.

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

6. The Confidential Information is proprietary, involves trade secrets of Fetch!, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Fetch! as confidential. Unless Fetch!

Fetch! Pet Care	
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otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Fetch!, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business where the sale of such products constitutes or is intended to constitute twenty percent (20%) or more of the gross sales of the business operated or intended to be operated (a “Competitive Business”); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee’s Target Area;

7.2 Twenty-five (25) miles of Franchisee’s Target Area; or

7.3 Twenty-five (25) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

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

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

10. Fetch! is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause Fetch! and the Franchisee



irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Fetch! may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and Fetch! all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and Fetch!, any claim I have against the Franchisee or Fetch! is a separate matter and does not entitle me to violate, or justify any violation of this Agreement. I understand that an individual shall not be held criminally liable or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

11. This Agreement shall be construed under the laws of the State of _____. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____
Name: _____
Title: _____



FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE F

GUARANTY

THIS GUARANTY is being executed and delivered this ____ day of _____, 20__ by the undersigned (hereinafter referred to as the “Guarantor” or, if more than one, collectively referred to as the “Guarantor” or the “Guarantors”), under the following circumstances:

A. Guarantor or the Guarantors are owners (as shareholders, partners, members, holders of beneficial interests or spouses of any of the foregoing), directors or officers of _____, a _____ (“Franchisee”).

B. Guarantor has agreed to this Guaranty in order to induce Fetch! Pet Care, Inc. (“Fetch!”) to enter into a Franchise Agreement dated as of _____, 20__ and any and all ancillary agreements, if any, dated on or about the date hereof (such Franchise Agreement and ancillary agreements are hereinafter collectively referred to as the “Franchise Agreements”) with Franchisee.

NOW, THEREFORE, Guarantors agree as follows:

1. Guarantor, or, if more than one, Guarantors, jointly and severally, hereby absolutely and unconditionally guarantee prompt, full and complete payment and performance as and when due of any and all obligations, covenants, terms, debts and liabilities of Franchisee under the Franchise Agreements and any and all other existing and future obligations, covenants, terms, debts and liabilities of every kind, nature or character (including, without limitation, all costs of collection, and attorneys’ fees) arising in connection therewith, whether such obligations, covenants, terms, debts and liabilities are direct or indirect, absolute or contingent and whether incurred as primary obligor, co-maker or guarantor (hereinafter the “Obligations”). Guarantors undertake this continuing, absolute, and unconditional guaranty notwithstanding that any portion of the Obligations shall be or become void or voidable for any reason including, by way of example but not limitation, the bankruptcy of Franchisee. Any actual or intended limit on the amount of Obligations that may normally be incurred by Franchisee does not limit the amount of this Guaranty and the potential liability of the Guarantors to Fetch! hereunder is unlimited in amount.

2. This absolute, continuing, unconditional and unrestricted guaranty is a guaranty of payment and not a guaranty of collection. Upon Franchisee’s failure to pay or perform the Obligations promptly when due, Fetch!, at its sole option, may proceed against Guarantors (or any one of them) to seek performance of and/or to collect the Obligations, with or without proceeding against Franchisee, any co-maker or co-surety or co-guarantor, or any collateral held as security for the Obligations. Any and all payments upon the Obligations made by Franchisee, Guarantors, or any other person, and the proceeds of any and all collateral securing the payment of the Obligations and this Guaranty, may be applied by Fetch! in whatever manner it may determine in its sole discretion. Guarantors agree to reimburse Fetch! for all expenses of any nature whatsoever, including, by way of example but not limitation, attorneys’ fees, incurred or paid by Fetch! in exercising any right, power, or remedy conferred by this Guaranty or any security agreement securing the obligations of any of the Guarantors (the “Security Agreement”). Until the Obligations are paid in full, Guarantors shall not exercise any right of subrogation with respect to payments made by the undersigned pursuant to this Guaranty.

Fetch! Pet Care



3. The obligations of Guarantors set forth in this Guaranty shall extend to all amendments, supplements, modifications, renewals, replacements or extensions of the Obligations at any rate of interest. The liability of Guarantors and the rights of Fetch! under this Guaranty shall not be impaired or affected in any manner by, and Guarantors hereby consent in advance to and waive any requirement of notice for, any (i) disposition, impairment, release, surrender, substitution, or modification of any collateral securing the Obligations or the obligations created by this Guaranty or any failure to perfect a security interest in any collateral; (ii) release (including adjudication or discharge in bankruptcy) or settlement with any person primarily or secondarily liable for the Obligations (including, without limitation, any maker, endorser, guarantor or surety); (iii) delay in enforcement of payment of the Obligations or delay in enforcement of this Guaranty; (iv) delay, omission, waiver, or forbearance in exercising any right or power with respect to the Obligations or this Guaranty; (v) defense relating to the enforceability or validity of the Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto; or (vi) other act or omission which might constitute a legal or equitable discharge of Guarantors. Guarantors waive presentment, protest, demand for payment, any right of set-off, notice of dishonor or default, notice of acceptance of this Guaranty, notice of the incurring of any of the Obligations and notice of any other kind in connection with the Obligations or this Guaranty. Guarantors also waive any right to require a commercially reasonable disposition of any collateral securing the Obligations.

4. Guarantors agree that in the event of (i) the dissolution or insolvency of Franchisee, (ii) the inability of Franchisee to pay its debts as they become due, (iii) an assignment by Franchisee for the benefit of its creditors, or (iv) the institution of any bankruptcy or other proceeding by or against Franchisee alleging that Franchisee is insolvent or unable to pay its debts as they become due, and whether or not such event shall occur at a time when the Obligations are not then due and payable, the Guarantors shall pay the Obligations to Fetch! promptly upon demand as if the Obligations were then due and payable. Guarantors agree that upon the filing by or against Franchisee of any proceeding under any present or future provision of the United States Bankruptcy Code, or any other similar federal or state statute, the undersigned shall have no right to contribution, indemnification, or any recourse whatsoever against the Franchisee for any liability incurred by the undersigned under the terms of this Guaranty.

5. Guarantors agree that this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal, interest or any other amount with respect to the Obligations is rescinded or must otherwise be restored by Fetch! upon the bankruptcy or reorganization of Franchisee, any other person or otherwise.

6. This Guaranty shall be binding upon Guarantors and their respective legal representatives and heirs, and shall inure to the benefit of Fetch! and its successors and assigns. Fetch! may, at its option, assign this Guaranty to any other party who is or becomes the endorsee or assignee of any part of the Obligations, or who is in possession of or the bearer of any part of the Obligations that is payable to the bearer, and the Guarantors shall continue to be liable under this Guaranty to such other party to the extent of such endorsed, assigned, or possessed Obligations.

7. A Guarantor's execution of this Guaranty may be evidenced by, and delivery of this Guaranty may be effected by, email or facsimile transmission.

8. Any rule of construction calling for ambiguities in any document to be construed against the party preparing the document shall, in the construction of this Guaranty, be disregarded.



FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE G

**OWNERS (INCLUDING BENEFICIAL INTERESTS), OFFICERS, DIRECTORS
AND MANAGERS
(INCLUDING ASSISTANTS) OF FRANCHISEE**

1. Owner

Name	Type of Ownership Interest (Shares, Membership Interests, Partnership Interests, Beneficial Interests, etc.)	Number Owned	% of Equity
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2. Officers, Directors, Managers, Assistants

Name	Title
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FETCH! PET CARE, INC.
FRANCHISE AGREEMENT

SCHEDULE H

COLLABORATION AND COMMUNICATION SERVICES AGREEMENT

This Collaboration and Communication Services Agreement (“Agreement”) dated as of _____, 20__, is by and between Fetch! Pet Care, Inc. (“Fetch!”) and _____ (“User” or “You”).

RECITALS:

A. This Agreement applies to the “CC Services” (defined below) utilized by the Fetch! Pet Care system.

B. CC Services are offered to You conditioned on Your acceptance without modification of the terms, conditions, and notices contained herein.

NOW THEREFORE, in consideration of the foregoing, the provisions of this Agreement and other good valuable considerations, the parties agree as follows:

1. **DEFINITIONS**

As used in this Agreement, the following terms have the following meanings:

“CC Services” means various business tools (such as email, a spreadsheet, a calendar and word processing) and communication and marketing tools (such as intranet access, telephone system, bulletin board services, chat areas, news groups, forums, online communities, personal web pages, email marketing, reference library with Brand Standards and procedures, the virtual communication platform Fetch! Me, message and communications facilities designed to enable You to communicate with the franchise network or with a group of clients or others and any other platform/vendor included in the Brand Standards), prescribed by Fetch! from time to time for use by User.

“Fetch! Pet Care Business” means the business of providing professional care of clients’ pets and homes pursuant to the Franchise Agreement.

“Franchise Agreement” means the franchise agreement between Fetch! and You dated as of _____, 20__.

2. **AVAILABILITY OF CC SERVICES**

2.1 Franchisor may, in its discretion, make available to You such CC Services as designated by Franchisor from time to time. Franchisor reserves the right to modify, add or delete services from the CC Services and to add, modify or delete information contained therein and other aspects thereof.

2.2 Some or all of the CC Services may be provided by Franchisor and some or all of the CC Services may be provided by third parties designated by Franchisor (the “Vendors”).

2.3 Except as noted below, neither Franchisor itself nor any Vendor currently imposes any fees or charges for any CC Services, but may do so in the future. Franchisor will provide You with at least 30 days prior notice if it wishes to impose any fees or charges for any CC Services. The only CC Service for which a fee is currently charged is a fee charged by Vendors for email marketing services, which You may pay out of Your Local Territory Marketing Expenditure requirements.

3. USE OF CC SERVICES

3.1 You agree to use the CC Services in your Fetch! Pet Care Business in accordance with policies, requirements, specifications and standards established by Fetch! from time to time and communicated to You. Such policies may include (but not be limited to) policies and guidelines on email accounts, intranet use and social media. Fetch! reserves the right to modify such policies, requirements, specifications, guidelines, and standards from time to time.

3.2 You agree to use the CC Services only for purposes of your Fetch! Pet Care Business, with such exceptions as may be permitted by Fetch! from time to time.

3.3 You agree to use communication and marketing tools included in the CC Services only to post, send and receive messages and material that are proper and related to the particular CC Service.

3.4 You will not use any email accounts in your Fetch! Pet Care Business except for email accounts approved by Fetch! All email accounts maintained on Fetch!'s email system are the property of Fetch!

3.5 You will include disclaimers on your emails, website postings and social media activities as may be required by Fetch! from time to time.

3.6 You will use and participate in social media in regard to or in connection with Fetch! and Your Fetch! Pet Care Business only in accordance with policies, requirements, specifications, guidelines and standards established by Fetch! from time to time and communicated to You. Among other things, You are not authorized (and will not) speak or communicate on behalf of Fetch! or hold Yourself out as authorized to do so.

3.7 You will not use the CC Services in any manner that will harm the business or reputation of Fetch!, any of its affiliates or franchisees or any of their employees, owners or management. In addition, you agree that, when using a CC Service or otherwise, you will not:

1. Defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as rights of privacy and publicity) of others.
2. Publish, post, upload, distribute or disseminate any inappropriate, profane, defamatory, infringing, obscene, indecent or unlawful topic, name, material or information.

3. Upload files that contain software or other material protected by intellectual property laws (or by rights of privacy or publicity) unless You own or control the rights thereto or have received all necessary consents.
 4. Upload files that contain viruses, corrupted files, or any other similar software or programs that may damage the operation of another's computer.
 5. Download any file posted by another user of a CC Service that you know, or reasonably should know, cannot be legally distributed in such manner.
 6. Falsify or delete any author attributions, legal or other proper notices or proprietary designations or labels of the origin or source of software or other material contained in a file that is uploaded.
 7. Restrict or inhibit any other user from using and enjoying the CC Services.
 8. Send any e-mail or other electronic communications via a CC Service where such email or communication attempts to hide the identity of the sender, or represent the sender as someone else.
 9. Violate any code of conduct or other guidelines which may be applicable for any particular CC Service.
 10. Harvest or otherwise collect information about others, including e-mail addresses, without such person's consent.
 11. Violate any applicable laws or regulations.
- 3.8 You are solely responsible for any decision to disclose personal identification information about yourself, any minor and any other persons and You are solely responsible for any damages or liability resulting from doing so.
- 3.9 You will not violate any applicable posted limitations on usage, reproduction and/or dissemination of materials that You upload to or download from a CC Service. You are solely responsible for adhering to such limitations if You upload or download the materials.
- 3.10 You warrant that the CC Services will not be used for any purpose that is unlawful or prohibited by these terms, conditions, and notices. You may not use the CC Services in any manner that could damage, disable, overburden, or impair the Fetch! brand or interfere with any other party's use and enjoyment of the CC Services. You will not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the CC Services.
- 3.11 Fetch! reserves the right at all times to disclose any information as necessary to satisfy any applicable law, regulation, legal process or governmental request, or to edit, refuse to post or to remove any information or materials, in whole or in part, in Fetch!'s sole discretion.

- 3.12 Fetch! may, but is not required to, monitor Your emails, Your use of the intranet, Your use of social media and Your use of the CC Services in connection with Your Fetch! Pet Care Business without notification to You. You expressly waive Your rights to privacy (if any) in connection with the same. Fetch! reserves the right to review materials posted to CC Services and to remove any materials in its sole discretion.
- 3.13 Fetch! reserves the right to delete or stop, or modify, any social media, website or other posting related to Your Fetch! Pet Care Business or which makes use of any trademark or other commercial symbol of Fetch! that, in the sole discretion and judgment of Fetch!, is unauthorized or violates this Agreement or any policies, requirements, specifications, guidelines or standards of Fetch!
- 3.14 The provisions of this Section 3 that apply to You will also apply to your employees and to other third parties involved in your Fetch! Pet Care business and You will insure that all of them comply with the provisions of this Section 3.

4. MATERIALS PROVIDED OR POSTED TO ANY CC SERVICE

- 4.1 Fetch! does not claim ownership of the materials You provide, including feedback and suggestions. However, by posting, uploading, inputting, providing or submitting material, You are granting Fetch!, its affiliated companies and necessary sublicensees permission to use Your material in connection with the operation of their businesses including, without limitation, the rights to copy, distribute, transmit, publicly display, publicly perform, reproduce, edit, translate and reformat your material; and to publish your name in connection with your material.
- 4.2 No compensation will be paid with respect to the use of Your material, as provided herein. Fetch! is under no obligation to post or use any material You may provide and may remove any material at any time in Fetch!'s sole discretion.
- 4.3 By You posting, uploading, inputting, providing or submitting Your material, You warrant and represent that You own or otherwise control all of the rights to Your material.

5. LINKS TO THIRD PARTY SITES

- 5.1 CC Services may contain links to other Web Sites ("Linked Sites"). The Linked Sites are not under the control of Fetch! and Fetch! is not responsible for the contents of any Linked Site, including without limitation any link contained in a Linked Site, or any changes or updates to a Linked Site. Fetch! is not responsible for webcasting or any other form of transmission received from any Linked Site. Fetch! is providing these links to You only as a convenience, and the inclusion of any link does not imply endorsement by Fetch! of the site or any association with its operators.

6. TERMINATION/ACCESS RESTRICTION

- 6.1 Fetch! reserves the right to terminate your access to any or all of the CC Services and the related services or any portion thereof at any time without notice with or without cause.

6.2 In addition, Fetch! reserves the right, to terminate your access to the CC Services and the related services or any portion thereof at any time for violations to this Agreement.

7. LIABILITY DISCLAIMERS

7.1 Fetch! does not control or endorse the content, messages or information found in any CC Service and, therefore, Fetch! specifically disclaims any liability with regard to the CC Services and any actions resulting from Your participation in any CC Service. Managers and hosts are not authorized Fetch! spokespersons, and their views do not necessarily reflect those of Fetch!

7.2 Fetch! does not guaranty the security or privacy of information transmitted over the system and does not warrant that the service will be uninterrupted or error-free.

7.3 Fetch! and/or its suppliers make no representations about the suitability, reliability, availability, timeliness, and accuracy of the information, software, products, services and related graphics contained on the Fetch! Pet Care intranet or provided by or through the CC Services for any purpose. The information, software, products, and services included in or available through CC Services may include inaccuracies, typographical errors and other errors. Any reliance by You on the CC Services is at Your own risk and Fetch! is not responsible therefor.

7.4 THE CC SERVICES ARE PROVIDED "AS IS" WITHOUT WARRANTY OR CONDITION OF ANY KIND.

7.6 FETCH! MAKES NO WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE, TITLE, INFRINGEMENT OR OTHERWISE, ON THE CC SERVICES OR RELATED INFORMATION, SOFTWARE OR OTHER SERVICES OR PRODUCTS, OR ON ANY LABOR FURNISHED DURING THE SALE, DELIVERY OR SERVICING OF THE FOREGOING.

7.7 IN NO EVENT SHALL FETCH! BE LIABLE TO YOU FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, OR AS THE RESULT OF, THE SALE, DELIVERY, NON-DELIVERY OR LATE DELIVERY, SERVICING, USE OR LOSS OF USE OF THE CC SERVICES OR RELATED INFORMATION, SOFTWARE OR OTHER SERVICES OR PRODUCTS OR ANY PORTIONS THEREOF, OR FOR ANY CHARGES OR EXPENSES OF ANY NATURE INCURRED WITHOUT FETCH!'S WRITTEN CONSENT, REGARDLESS OF WHETHER FETCH! MAY HAVE BEEN NEGLIGENT OR THE FORM OF ACTION WHETHER ARISING FROM CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE.

8. MISCELLANEOUS

8.1 You will comply with all applicable law in Your use of the CC Services. You are unauthorized to use any portion of the CC Services where such use would violate applicable law.

- 8.2 You are an independent contractor, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.
- 8.3 In the event that any provision hereof shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.
- 8.4 Fetch!'s performance of this Agreement is subject to existing laws and legal process, and nothing contained in this Agreement is in derogation of Fetch!'s right to comply with governmental, court and law enforcement requests or requirements relating to Your use of the CC Services or information provided to or gathered by Fetch! with respect to such use.
- 8.5 This Agreement constitutes the entire Agreement between You and Fetch! with respect to the subject matter hereof, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral or written, between the user and Fetch! with respect thereto.
- 8.6 This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Michigan (excluding the conflict of laws provisions thereof).
- 8.7 You may not assign any of your rights or obligations hereunder without the prior written consent of Fetch!.
- 8.8 Your confidentiality obligations under the Franchise Agreement shall be applicable to all information, knowledge, know-how and techniques communicated or otherwise received by You pursuant to this Agreement.
- 8.9 No right or remedy conferred upon or reserved to Fetch! by this Agreement is intended to be, nor shall it be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.
- 8.10 Nothing herein contained shall bar Franchisor's right to apply for injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

IN WITNESS WHEREOF, Fetch! and You agree as follows as of the date first set forth above.

USER _____

FETCH! PET CARE, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT
LIST OF ACTIVE FRANCHISEES
(as of December 31, 2022)

Alabama

Jay Barrett
4224 Kennesaw Drive
Mountain Brook, AL 35213
205-588-6499
F1336 – Fetch! Birmingham
F1337 – Fetch! DC and Northern VA (DC/VA)

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FPC Gadsden

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F1487 & F1488 PFC Loveland – Boulder

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Colorado Springs, CO 80904
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F1355: Fetch! The Main Line (PA)
F1338: Fetch! Boynton Beach and Delray

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Coral Gables, FL 33134
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F1505, F1506, F1507 FPC Boca Raton

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F1461 FPC West Augusta

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F1383: Fetch! Orland Park to Frankfort

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F1481 FPC East Memphis

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608-692-8831

Kristen Venetsanos
21179 Ashburn Heights Drive
Ashburn, VA 20148
571-833-1050
F1480 FPC Loudon

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF CERTAIN FORMER FRANCHISEES

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

Set forth below is a list of the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a Franchise terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

Outlet Reacquired by Franchisor

Nichelle & Jason Van Rossum 1895 East Locust Place Chandler, AZ 85286 602-600-6830	Nichelle & Jason Van Rossum 1895 East Locust Place Chandler, AZ 85286 602-600-6830	Michael O 9440 Chath Manassas, V 571-364-72
Mark Towery 6632 Tall Oaks Loop South Springdale, AR 72762 749-265-3741	Mark Towery & Karen Thompson 6632 Tall Oaks Loop South Springdale, AR 72762 749-265-3741	Cameron & 5102 South Kent, WA 9 206-962-64
Kent Care Inc. 30 South Clayton Street, Apt. 1320 Lawrenceville, GA 30046 470-615-1440		
Marie Kibler & Jack Dillard 3261 Griffith Berkley, MI 48072	Marie Kibler & Jack Dillard 3261 Griffith Place Berkley, MI 48072 317-644-1465	Phillis Dur 4046 Teagu Westfield, I 317-644-14
Ennis & Natasha Williams 7020 Stanley Frederick Las Vegas, NV 89166 702-879-9998	Shalonda & Austin Erby 14650 County Murray Drive Granger, IN 46530 574-914-0700	

Terminated

Vanicsa Czarnick
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Omaha, NE 68107
Vanicsa@fetchpetcare.com

EXHIBIT F TO THE DISCLOSURE DOCUMENT
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Nondisclosure Agreement

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EXHIBITS (91 Pages)

EXHIBIT G TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDUM

EXHIBIT G TO THE DISCLOSURE DOCUMENT

ADDENDUM TO THE FETCH! PET CARE, INC. DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. California law may require an interest rate lower than 10%, in which case the interest rate will be the highest rate allowed by law.
3. 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.).
4. 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.
5. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
6. Neither the franchisor, any person or franchise broker in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
7. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. **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 DISCLOSURE DOCUMENT.**
9. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. **OUR WEBSITE, www.fetchpetcare.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.**
11. The Franchise Agreement requires binding arbitration. The arbitration will occur at Livonia, Michigan with the costs being borne in accordance with the Commercial Arbitration Rules of the American Arbitration Association, which generally provide that the costs will be borne equally by the parties (subject to the award by the arbitrator and certain other exceptions. 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.

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT
ADDENDUM TO THE FETCH! PET CARE, INC. DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

1. The following item is required to be included within the disclosure document and shall be deemed to supersede the language that is in the disclosure document itself:

Section 4 of the Illinois Franchise Disclosure Act (“Act”) dictates that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” Therefore, the Act supersedes any contrary provisions contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement.

3. Under the Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. The foregoing sentence shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

4. Under Illinois law, a franchise agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Items 17(v) and (w) are amended to state “Illinois”. The Franchise Agreement is amended accordingly.

5. Article XXIV of the Franchise Agreement is hereby amended in accordance with Section “1” above.

6. Section XXIII of the Franchise Agreement is amended to comply with Section 27 of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee or Franchisee’s operation of the Franchise brought by Franchisee against Franchisor shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, within one (1) year after the Franchisee becomes aware of the facts or circumstances indicating Franchisee may have a claim for relief, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, or such claim or action will be barred.

7. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FETCH! PET CARE, INC.

Witness

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**STATE ADDENDUM TO THE FETCH! PET CARE, INC. DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the disclosure document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.
2. Item 17 of the disclosure document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Under Indiana Code 23-2-2.7-1(10), the franchise agreement may not limit litigation brought for breach of the agreement in any manner whatsoever. This amends Article XXIV of the Franchise Agreement.
4. Under Indiana Code 23-2-2.7-1(5), it is unlawful to require the franchisee to prospectively consent to a release of liability imposed by the Indiana Deceptive Franchise Practices Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

Witness

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE

EXHIBIT G TO THE DISCLOSURE DOCUMENT

ADDENDUM TO THE FETCH! PET CARE, INC. DISCLOSURE DOCUMENT FOR IOWA

The following will apply to franchisees to whom the Iowa business opportunity law applies.

1. Item 17.d is amended by adding that you may cancel the Franchise Agreement any time within three business days of the date you sign the Franchise Agreement or the date the Franchise Agreement is accepted by us, whichever is later.
2. Items 5 and 6 are amended by adding that, if you cancel the Franchise Agreement in accordance with your cancellation rights described in Item 17.d, we will return to you any payments made under the Franchise Agreement within 10 business days following receipt of the cancellation notice.
3. Item 17.g is amended by adding that we may terminate the Franchise Agreement if you do not confirm that you have declined to exercise your three business day right of cancellation (described in Item 17.d) within 10 days after notice from us (we may give such notice only after the three business day period has expired).
4. Item 17.i is amended by adding that if you cancel the Franchise Agreement within three business days after you sign the Franchise Agreement or it is accepted by us, you must return to us all goods delivered to you under the Franchise Agreement.

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE FETCH! PET CARE, INC.
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND**

This will serve as the State Addendum for Fetch! Pet Care, Inc. for the State of Maryland for Fetch! Pet Care, Inc.'s disclosure document.

1. Item 17 of the disclosure document is hereby amended to state that the provision contained in Section XIV.A of the Franchise Agreement providing for automatic termination on franchisee's bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. Item 17 of the disclosure document is amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The Franchisee Disclosure Acknowledgement Statement (Exhibit I to the disclosure document) is amended to state all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Item 17 of the disclosure document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Item 17 of the Franchise disclosure document is hereby amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Item 5 of the disclosure document is amended to state that based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we have posted a surety bond with the Maryland Securities Division to ensure we complete our initial obligations to our Maryland franchisees pursuant to the franchise agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FETCH! PET CARE, INC.

Witness

By: _____

Name: _____

Title: _____

FRANCHISEE

Witness

EXHIBIT G TO THE DISCLOSURE DOCUMENT

ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

This addendum to the disclosure document is agreed to this ____ day of _____, 20__, and effectively amends and revises said disclosure document and Franchise Agreement as follows:

1. Item 13 of the disclosure document and Article VII of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the disclosure document and Article XIV of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the disclosure document and Article XXIV of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise disclosure document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the disclosure document and Articles II and XIII of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Minnesota Department of Commerce. This financial assurance requirement was imposed by the Office of the Minnesota Department of Commerce due to the Franchisor’s financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

Witness

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE

EXHIBIT G TO THE DISCLOSURE DOCUMENT

ADDENDUM TO THE FETCH! PET CARE, INC. DISCLOSURE DOCUMENT

REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New

York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee during a month-to-month term**”:

You may terminate the Franchise Agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

EXHIBIT G TO THE DISCLOSURE DOCUMENT

ADDENDUM TO THE FETCH! PET CARE, INC.
DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise disclosure document for Fetch! Pet Care, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FETCH! PET CARE, INC.

Witness

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE

**EXHIBIT G TO THE DISCLOSURE DOCUMENT
ADDENDUM TO THE FETCH! PET CARE, INC.
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON**

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 shall 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.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current or former franchisees to ask them about their experiences with the franchisor.

**EXHIBIT H TO THE DISCLOSURE DOCUMENT
FETCH! PET CARE, INC.**

GENERAL RELEASE AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between Fetch! Pet Care, Inc., a California corporation having its principal place of business located at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152 (the “Franchisor”), and _____, a _____, with its principal address at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement dated on or about _____, 20__, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. The validity and interpretation of this Agreement, as well as the performance due thereunder shall be exclusively governed by and construed in accordance with the laws of Michigan (excluding the

conflict of laws provisions thereof). This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Michigan and each party consents to personal jurisdiction and venue in Michigan.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

By:

Name:

Title:

FETCH! PET CARE, INC.:

By:

Name:

Title:

Witness:

Note: The following provisions will be included in any release governed by California law or involving a California franchisee:

Releasor certifies that it has read, understands and expressly waives the following provisions of California Civil Code Section 1542:

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

Releasor understands and acknowledges that the significance and consequence of this waiver of California Civil Code Section 1542 is that even if Releasor should eventually suffer additional damages or losses from prior Franchisor actions, or should there exist other undisclosed obligations or liabilities to Releasor including its assignees, they will not be able to make any claim for those damages, losses or

obligations. Furthermore, Releasor acknowledges that Releasor intends these consequences even as to claims for damages, losses or obligations that may exist as of the date of this release but which Releasor does not know exist, and which, if known, would materially affect its decision to execute this release, regardless of the cause of its lack of knowledge.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Fetch! Pet Care, Inc. (the “Franchisor”) and you are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Fetch! Pet Care franchise (the “Franchise”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized that may be untrue, inaccurate or misleading, and to be certain that you understand that you bear the risks of buying and operating a franchise.

The questions below do not apply to any communications that you had with a Franchisee from whom you are assuming or buying a franchise.

Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchise from an existing Franchisee?

Yes _____ No _____

2. I had my first telephone or face-to-face meeting with a Franchisor representative on _____, 20____.

3. Did you receive a copy of Franchisor’s Franchise Disclosure Document (and all exhibits and addendums) at least 14 calendar days prior to signing the Franchise Agreement?

Check one: Yes No. If no, please comment:

4. Have you studied and reviewed carefully Franchisor’s Franchise Disclosure Document and Franchise Agreement?

Check one: Yes No. If no, please comment:

5. Did you receive a copy of the Franchise Agreement at least seven calendar days prior to the date on which the Franchise Agreement was executed?

Check one: Yes No. If no, please comment:

6. Did you understand all the information contained in both the Franchise Disclosure Document and Franchise Agreement?

Check one: Yes No. If no, please comment:

7. Have you discussed the benefits and risks of establishing and operating a Franchise with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

8. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Franchise Disclosure Document?

Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation:

9. Did any employee or other person speaking on behalf of the Franchisor make any oral, written or visual claim statement, promise or representation (other than that contained in Item 19 of the Franchise Disclosure Document) to you that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income or profit levels at your anticipated business, at any other Franchisor business, or that predicted the likelihood of success of your business?

Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation:

10. Has any employee of a broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document or Franchise Agreement?

Check one: Yes No. If yes, please explain:

11. Do you understand that we support only the W-2 employee model?

Check one: Yes No. If no, please comment:

12. Do you understand that the Franchise Agreement contains the entire agreement between you and Franchisor concerning your business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Franchise Disclosure Document will not be binding?

Check one: Yes No. If no, please comment:

13. Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, your location, the local market for products and services, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your business may change?

Check one: Yes No. If no, please comment:

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO FRANCHISOR AND THAT FRANCHISOR WILL RELY ON THEM. BY SIGNING THIS DISCLOSURE QUESTIONNAIRE YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGEMENT.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

THIS QUESTIONNAIRE WILL NOT BE SIGNED OR USED IF THE FRANCHISEE RESIDES WITHIN OR IT THE FRANCHISED BUSINESS WILL BE LOCATED WITHIN THR STATE OF MARYLAND.

Signed _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

FRANCHISE VIRTUAL CHECKING & CREDIT CARD AUTHORIZATION FORM

Fetch!

Franchise Virtual Checking & Credit Card Authorization Form

Authorizer authorizes Fetch! Pet Care, Inc. or its designee to initiate through its processor or bank debit and credit transactions to Authorizer's bank or credit card accounts indicated below.

Authorizer authorizes debits and credits to be made for the purpose of payment of amounts due under the Franchise Agreement and other agreements between the two parties ("Agreements"). This authority remains in full force and effect until all amounts due upon termination of the Agreements are paid.

Authorizer may change bank or credit card accounts by executing a new Authorization Form indicating Authorizer's new information, provided, however, that such Authorization Form shall not be effective until ten business days after Authorizer provides the signed Authorization Form to Fetch! Pet Care, Inc. A facsimile signature shall be binding on Authorizer.

Authorizer:

Franchisee (Entity) Name: _____

Please provide information on both your Bank Account and Credit Card Account

Bank Name: _____

Bank Account Number: _____

Bank Routing Number: _____

[Please attach a voided check]

Credit Card Account Number: _____ - _____ - _____ - _____ Expiration: _____ Security Code: _____

Billing Address: _____ City: _____ State: _____ ZIP: _____

Authorized Signature: _____ Date: _____

Printed Name and Title: _____

Office Use Only:

Entity ID: _____ Franchise Agreement ID: _____ Target Area ID(s): _____ Entered: _____

Fetch! Pet Care, Inc. | 19500 Victor Parkway, Suite 400, Livonia, MI 48152 | 866-FETCH-ME

EXHIBIT K TO THE DISCLOSURE DOCUMENT

FETCH! PET CARE, INC.

TRANSFER AGREEMENT

This Agreement is made and entered into among Fetch! Pet Care, Inc. (the “Franchisor”), _____ (the “Original Franchisee”) and _____ (the “Successor Franchisee”) as of _____, 20___. (Original Franchisee and Successor Franchisee are hereinafter collectively referred to as the “Franchisees.”)

RECITALS:

Franchisor and the Original Franchisee entered into a Franchise Agreement dated as of _____ (the “Franchise Agreement”).

Franchisee wishes to transfer and assign the Franchise Agreement (the “Transfer”) to the Successor Franchisee and Successor Franchisee wishes to accept such Transfer.

Under the Franchise Agreement, such Transfer requires the consent of Franchisor, which Franchisor is willing to give only upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

1. Pursuant to the consent of Franchisor, Original Franchisee, for good and valuable consideration, receipt of which is hereby acknowledged, by these presents does hereby, assign, transfer and convey to Successor Franchisee all of its rights, obligations and interests in and to the Franchise Agreement. Successor Franchisee, for good and valuable consideration, receipt of which is hereby acknowledged, assumes and agrees to perform when due all of Original Franchisee’s obligations under the Franchise Agreement.

2. In order to obtain Franchisor’s consent to the assignment and transfer set forth in the preceding paragraph, the Franchisees agree as follows:

a. The Franchisees represent that they have met all the terms and conditions set forth in the Franchise Agreement to allow a transfer to a corporation or other entity formed by Original Franchisee for the convenience of ownership.

b. Successor Franchisee assumes, Original Franchisee retains and the Franchisees are jointly and severally liable for, all the obligations and liabilities of the franchisee under the Franchise Agreement.

c. All of the current shareholders, partners, members, officers and directors of the Successor Franchisee have signed and delivered to Franchisor a guaranty of the Franchisees’ obligations to Franchisor in form and substance satisfactory to Franchisor. Any and all future shareholders, partners, members, officers and directors of the Successor Franchisee shall do so as well promptly upon becoming such.

d. All persons required by the Franchise Agreement to sign confidentiality and non-competition agreements with the Franchisor have done so.

3. The Franchisees jointly and severally represent that:

a. Successor Franchisee is a _____, organized under the laws of _____.

b. Set forth in Schedule 1 is a list of all owners of Successor Franchisee and their ownership interest therein.

c. Set forth in Schedule 1 is a list of all the officers, directors and managers of Successor Franchisee.

4. In consideration of the representations, warranties and covenants of the Franchisees set forth in this Transfer Agreement and in the Franchise Agreement, Franchisor hereby consents to the transfer and assignment set forth in Section 1 of this Transfer Agreement.

IN WITNESS WHEREOF, the parties have executed this Termination Agreement as of the date first written above.

_____, Original Franchisee

_____, Successor Franchisee

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

FETCH! PET CARE, INC.

By: _____

Printed Name: Gregory A. Longe

Title: Chief Executive Officer

Owners, Officers, Directors and Managers of
Successor Franchisee

1. Owner

Name	Type of Ownership Interest (Shares, Membership Interests, Partnership Interests, etc.)	Number Owned	% of Equity
------	--	--------------	-------------

2. Officers, Directors, Managers

Name	Title
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EXHIBIT L TO THE DISCLOSURE DOCUMENT

FETCH! PET CARE, INC.

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement"), made to be effective as of , by and between Fetch! Managed Services LLC, which with its successors and assigns is herein called "Consultant" and _____, which with its successors and assigns is herein called "Franchisee".

WHEREAS, Franchisee has entered into a Franchise Agreement (the "Franchise Agreement") with Fetch! Pet Care, Inc. ("Franchisor"), dated as of the date of this Agreement, whereby Franchisor grants to Franchisee a franchise (the "Franchisee") to operate a FETCH! Franchised Business and the right to use FETCH! 's business model, services and products (the "System") and Marks as identified herein;

WHEREAS, Franchisee desires and requires the provision of certain management, administrative, and similar services; and

WHEREAS, Consultant and Franchisee desire to enter into an arrangement under the terms and conditions stated in this Agreement whereby Consultant can provide (or cause to be provided) certain the management, administrative and similar services requested by Franchisee (the "Franchised Business").

NOW, THEREFORE, in consideration of the foregoing statements and the mutual covenants and promises made in this Agreement and for other valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Consultant and Franchisee (herein collectively called the "Parties" and individually called a "Party") hereby agree as follows:

1. Agreement Term.

1.1 The initial term of this Agreement shall be for a ten (10) year period commencing as of the date first written above, unless terminated or renewed as provided in this Agreement.

1.2 This Agreement will automatically renew for an additional one (1) year period following the end of the initial term unless the Consultant or Franchisee provides written notice of non-renewal at least 60 days before the end of the initial term or current renewal term.

1.3 The initial term and any renewal terms are referred to herein as the "Agreement Term."

2. Consultant Responsibilities.

2.1 For purposes of this Agreement, the phrase "Consultant Services" specifically includes the following

(a) Assist in developing and implementing a business plan and managing the operational workflow of the Franchised Business, specifically, scheduling customer appointments and responding to customer inquiries, determining fees charged for the provision of supplies and products to customers, assisting the Franchisee in the billing and the collection of fees payable for Franchisee's provision of the services, products, and supplies to customers, including maintaining customer records under the direction of Franchisee, according to Franchisee's obligations herein;

(b) Assist and consult in recruiting, training, and scheduling Franchisee's staff provided that Franchisee, and not Consultant, shall be sole employer or independent contract holder of the Franchised Business's staff and is solely responsible for the hiring, firing, and supervising staff for the Franchised Business;

(c) Assist and consult Franchisee in processing payroll and all insurance and fringe benefit plans of Franchisee and any employees of Franchisee at Franchisee's direction;

(d) Assist and consult in billing and collecting fees charged by Franchisee for the services, or for other goods or services offered through the Franchised Business depositing payments made by customers and third-party payors to the Franchised Business into a bank account (the "Franchisee Account");

(e) Assist and consult in performing bookkeeping and accounting for the Franchised Business operations, including maintaining records, preparing any required financial reports, billing, and collection of expenses, preparing, and filing all federal, state, and local sales, payroll, and business tax returns of the Franchisee as certified and executed by Franchisee, except such fees which shall remain the responsibility of Franchisee;

(f) Assist and consult in managing and establishing advertising, promotions, and marketing programs for the Franchised Business, subject to Franchisee's confirmation as to compliance with applicable laws, rules, and regulations;

(g) Assist Franchisee in making payments from the Franchisee's bank account to pay the designated operating expenses of the Franchised Business and other costs and expenses provided for and/or listed herein.

2.2 During the Agreement Term, Franchisee hereby grants to Consultant the right and authority and designates Consultant as its attorney-in-fact, to sign all documents on behalf of Franchisee to the extent necessary to provide the Consultant Services to Franchisee hereunder and to perform Management Company's duties and obligations under this Agreement.

3. Franchisee Responsibilities.

During the Agreement Term, Franchisee shall provide the Franchisee Services in compliance with the terms and conditions outlined in this Agreement and all applicable laws, rules, and regulations. For purposes of this Agreement, the phrase “Franchisee Services” specifically includes the following: pet sitting, dog walking, and miscellaneous pet care services. At all times, the Franchised Business must be under the supervision of Franchisee or a Designated Manager who shall devote his/her/its best efforts to the Franchised Business and any additional services required by the Consultant, in a professional manner, in compliance with all laws, rules, and regulations, applicable System requirements, all requirements under third party payor contracts, and the generally accepted standards. Additionally, Franchisee shall:

- (a) Maintain at all times during the Agreement Term all licenses, certifications, and accreditations necessary to provide the Franchisee Services;
- (b) Grant Consultant such rights as are necessary for Consultant to have access to all information regarding the Franchisee Account and to cause funds to be transferred or paid daily as necessary or desirable;
- (c) Review and approve all marketing and advertising material and promotions for compliance with applicable laws, rules, and regulations; and
- (d) Hire, fire, supervise, and employ staff necessary and desirable for the operation of the Franchised Business to meet customer demand and provide optimal efficiency and quality of Services;
- (e) Paying all other necessary fees and charges in connection with the Franchised Business, specifically including all costs necessary to equip and open the Franchised Business, all rent or financing payments, salary and wages and fringe benefits for Franchisee’s employees, the Franchised Business's payroll taxes and other withholding items, and Franchisee's and/or the Franchised Business's income taxes.

3.1 Franchisee agrees that during the term of this Agreement, it will not obtain from any third parties any services that are the same as, or similar to, the Consultant Services.

4. Fees and Other Charges for Consulting Services.

In consideration for Consultant’s performance of the Consultant Services set forth herein, Franchisee hereby agrees to pay Consultant a fee (herein called the “Consulting Fee”), which shall be the amount equal to 5% of Gross Revenues.

4.1 The term “Gross Revenues,” as used in this Agreement, shall mean all sales and other income (recognized on an accrual basis), whether cash or credit or barter for exchange (regardless of the collection in the case of credit), arising from the operation of the Franchised Business, less (i) all refunds and discounts made to customers in good faith and accordance with Franchisor’s policies, and (ii) any sales or excise taxes that are separately stated and that

Franchisee may be required to and does collect from customers and pays to any federal, state, or local taxing authority.

4.2 The Consulting Fee shall be paid to Consultant from the Franchisee Account, with such fee being transferred the 5th of each calendar month from the Franchisee Account into Consultant's operating account, which payment Franchisee hereby authorizes Consultant to make.

4.3 The Consulting Fee, or any other fees due and payable under this Agreement, are not intended to be, and shall not be interpreted to be, payment for the referral of customers or recommendation of a referral of customers from Consultant to Franchisee or from Franchisee to Consultant. The Consulting Fee is in addition to any fees Franchisee is required to pay to Franchisor under the Franchise Agreement.

5. Representations and Warranties.

5.1 Franchisee hereby makes the following representations and warranties:

(a) Franchisee (or, if Franchisee is an entity, all owners, members, or individuals employed of/by Franchisee who will be providing the Services under this Agreement) is not a party to any agreement or instrument that would prevent Franchisee from entering into or performing Franchisee's duties in any way under this Agreement. Franchisee and/or its authorized employees are duly licensed and in good standing to provide the Services in the state in which the Franchised Business is located and will remain licensed and in good standing at all times during the Agreement Term;

(b) If Franchisee is an entity, this Agreement has been authorized by all necessary corporate action of Franchisee and is a valid and binding agreement of Franchisee enforceable in accordance with its terms, and the individual signing on behalf of Franchisee is duly authorized to enter into and executed this Agreement; and

(c) Franchisee shall immediately disclose to Consultant in writing as soon as is possible after, but in any case within 5 days of, (1) the commencement of any action, suit, or proceeding, and/or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental units (including regulatory boards or professional groups), that may adversely affect Franchisee and/or the Franchised Business's operation, financial condition, or reputation, including, without limitation, any and all claims brought against Franchisee or any person affiliated with Franchisee, regardless of the nature of the claim, anticipated outcome or remedies sought; and/or (2) Franchisee's receipt or knowledge any notice of violation of any law, ordinance, or regulation relating to health or safety.

5.2 Consultant hereby makes the following representations and warranties:

(a) This Agreement has been authorized by all necessary corporate action of Consultant and is a valid and binding agreement of Consultant enforceable in accordance with

its terms, and the individual signing on behalf of Consultant is duly authorized to enter into and execute this Agreement; and

(b) The Franchise Agreement is in full force, and effect and Franchisor has been provided with a true, correct, and complete copy of this Agreement and has approved it as to form and content (provided, however, that Franchisee and Consultant acknowledge and agree that such consent does not mean Franchisor has reviewed or approved the legality of this Agreement with respect to applicable state or local laws governing Franchisee or agreements of this nature).

5.3 The Parties expressly acknowledge and agree that Consultant makes no express or implied warranties regarding the quality of Consultant Services rendered to Franchisee under this Agreement or with respect to the income or profit to be earned by Franchisee or the Franchised Business.

6. Insurance.

6.1 During the Agreement Term, Franchisee must maintain in force insurance coverages outlined in the Franchise Agreement and/or the FETCH! Brand Standards Manual. Each required policy must name Consultant as an additional insured and must provide that Consultant be given at least 30 days' notice before cancellation, modification, or amendment of the policy.

6.2 Franchisee obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance Consultant maintains on Management Company's own behalf, nor will Management Company's maintenance of Management Company's insurance relieve Franchisee of any obligations under this Agreement.

7. Relationship of Parties.

7.1 The Parties hereto are independent contractors, and nothing in this Agreement shall be deemed to create any association, partnership, joint venture, principal and agent relationship, master and servant relationship, or employer and employee relationship between the Parties or to provide either Party with the right, power, or authority, whether express or implied, to create any such duty or obligation on behalf of the other Party.

7.2 Franchisee further agrees not to be treated, or seek to be treated, as an employee of Consultant for any purpose, including disability income, social security taxes and benefits, Federal unemployment compensation taxes, State unemployment insurance benefits, and Federal income tax withholding. Franchisee hereby understands and agrees to maintain timely payments of all income taxes due to the Internal Revenue Service and all other government agencies.

7.3 Franchisee and Consultant acknowledge and agree that Franchisor is not a party to this Agreement and that Franchisee has no contract or other rights against Franchisor with respect to any matter including, without limitation, the operation or profitability of the Franchised Business, any employee-related matters, and any marketing or other System materials, methods, or guidelines.

8. Indemnification.

8.1 Franchisee agrees to defend, indemnify and hold harmless Consultant, Franchisor and their respective owners, directors, officers, employees, agents, successors, and assigns (each a “Consultant Indemnified Party”), from and against any and all claims, lawsuits, demands, actions, causes of action or other events, and for all costs and expenses incurred by the Consultant Indemnified Party in connection therewith, including without limitation actual and consequential damages, reasonable attorneys’, accountants’, and/or expert witness fees, cost of investigation and proof of facts court costs, other litigation expenses, and travel and living expenses, to the extent caused by, relating to or otherwise arising out of (1) the effects, outcomes and consequences of Franchisee's acts and omissions and the acts and omissions of Franchisee's employees, representatives and agents in connection with or relating to the provision of the Franchisee Services or the operation of the Franchised Business, (2) any agreements, representations, or warranties Franchisee makes to third parties that are not expressly authorized under this Agreement, (3) any damages to any person or property directly or indirectly arising out of the performance of the Franchisee Services or the operation of the Franchised Business, whether or not caused by Franchisee’s negligent or willful action or failure to act or acts or omissions, and/or (4) Franchisee's breach of any provision of this Agreement. Franchisor shall be deemed a third-party beneficiary of all of the covenants contained in this Section.

8.2 The indemnification obligations described in this Section will continue in full force and effect after, notwithstanding, the expiration, renewal, or termination of this Agreement.

9. Default and Termination.

9.1 Franchisee will be deemed to be in default under this Agreement, and Consultant will have the right to terminate this Agreement effective upon delivery of notice of termination to Franchisee, subject only to any right to cure to the extent expressly set forth below, if:

(a) Franchisee breaches the terms of the Franchise Agreement and fails to cure such default in the time period required by the Franchise Agreement, if any;

(b) Franchisee assigns or transfers this Agreement, or the ownership of the Franchised Business changes, without the prior written consent of Consultant;

(c) Franchisee (or any of Franchisee’s employees) violates any health or safety law, ordinance or regulation, or performs the Franchisee Services in a manner that presents a health or safety hazard to customers or the public;

(d) Franchisee does not pay when due any monies owed to Consultant, including the Consulting Fee, and does not make such payment within 2 days after written notice is given to Franchisee; or

(e) Franchisee (or, if Franchisee is an entity, its owners, shareholders, partners, or members) fails to comply with any other provision of this Agreement, any other agreement with Management Company, or any mandatory specification, program, standard or operating procedure within 10 days after written notice of such failure to comply is given to Franchisee.

9.2 This Agreement may be terminated by either Party (a) in its sole and absolute discretion upon sixty (60) days written notice to the other Party, or (b) immediately by written notice to the other Party if such Party reasonably believes, based upon an opinion of qualified legal counsel, that this Agreement is in violation of applicable law; provided, however, that the Parties will negotiate in good faith to amend the Agreement to comply with all such applicable law while still achieving the primary purposes hereof, or (c) immediately by written notice to the other Party upon the termination of the Franchise Agreement.

9.3 This Agreement may be terminated by Franchisee in the event Consultant fails to comply with any provision of this Agreement within 60 days after written notice of such failure to comply is given to Management Company.

10. Waiver of Certain Damages; Waiver of Trial by Jury.

Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any indirect, special, consequential, incidental, punitive, exemplary, or treble damages, and other forms of multiple damages, against Consultant and/or Franchisor, including without limitation, any economic loss, property damage, physical injury, or lost profits arising out of this Agreement, Franchisee's use of the Marks or other elements of the System, or Management Company's provision of the Consultant Services, regardless of whether arising under breach of contract, warranty, tort, strict liability or any other legal or equitable theory or claim, even if such loss or damage could have been reasonably foreseen. Further, Franchisee agrees that, except to the extent provided to the contrary in this Agreement, in the event of a dispute between the Parties, Franchisee will be limited to the recovery of any actual damages sustained by Franchisee. The Parties irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either Party.

11. Miscellaneous.

11.1 This Agreement may not be amended or modified except by a written agreement that specifically references this Agreement and is signed by each Parties.

11.2 This Agreement constitutes the entire Agreement between the Parties regarding the subject matter hereof. All prior or contemporaneous oral or other written agreements, negotiations, representations, and arrangements regarding the subject matter hereof are hereby merged into and superseded by this Agreement.

11.3 The provisions of this Agreement are severable, and if any provision should, for any reason, be held invalid or unenforceable in any respect, it will not invalidate, render unenforceable or otherwise affect any other provision, and such invalid or unenforceable provision will be construed by limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law.

11.4 For purposes of this Agreement, the singular includes the plural and vice-versa and the feminine, masculine and neuter include each other. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

11.5 All notices and other communications hereunder will be in writing and will be sent either by (a) certified mail, postage prepaid, return receipt requested; (b) an overnight express courier service that provides written confirmation of delivery; or (c) facsimile or email with written confirmation by the sending machine or with telephone confirmation of receipt, addressed as follows:

Franchisor	Franchisee
By:	By:

Any Party may change its address for receiving notice by giving notice of a new address in the manner provided herein. Any notice given under this Section will be deemed to be delivered on the third business day after the same is deposited in the United States Mail, on the next business day if sent by overnight courier, or on the same business day if sent by facsimile before the close of business of the recipient, or the next day, if sent by facsimile after the close of business of the recipient.

11.6 No course of dealing between the Parties, no waiver by either Party and no refusal or neglect of either Party to exercise any right hereunder or to enforce compliance with the terms of this Agreement shall constitute a waiver of any provision herein unless such waiver is expressed in writing by the waiving Party and is clearly designated as a waiver to a specific provision(s) of this Agreement.

11.7 The laws of the State of Michigan shall govern all disputes, controversies, and litigation arising under this Agreement.

11.8 This Agreement may be executed in one or more counterparts, including by facsimile or electronic signature included in an Adobe PDF file, each of which shall be an original and all of which together shall constitute one and the same Agreement. The execution of counterparts shall not be deemed to constitute delivery of this Agreement by any party until all of the parties have executed and delivered their respective counterparts.

11.9 The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement.

11.10 No Party hereto may assign any of its rights or benefits or delegate any of its duties, obligations or liabilities under this Agreement without the prior consent of each of the other Parties hereto; provided, however, that Consultant may assign all of its right, title and interest, in whole or in part, to Franchisor or Franchisor's designee at any time. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the heirs, executors, trustees, guardians, personal representatives, successors, and permitted assigns of the parties.

11.11 No course of dealing between the Parties, no waiver by either Party and no refusal or neglect of either Party to exercise any right hereunder or to enforce compliance with the terms of this Agreement shall constitute a waiver of any provision herein unless such waiver is expressed in writing by the waiving Party and is clearly designated as a waiver to a specific provision(s) of this Agreement.

11.12 This Agreement may be executed in one or more counterparts, including by facsimile or electronic signature included in an Adobe PDF file, each of which shall be an original and all of which together shall constitute one and the same Agreement. The execution of counterparts shall not be deemed to constitute delivery of this Agreement by any party until all of the parties have executed and delivered their respective counterparts.

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11.14 No Party hereto may assign any of its rights or benefits or delegate any of its duties, obligations or liabilities under this Agreement without the prior consent of each of the other Parties hereto; provided, however, that Consultant may assign all of its right, title and interest, in whole or in part, to Franchisor or Franchisor's designee at any time. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the heirs, executors, trustees, guardians, personal representatives, successors, and permitted assigns of the parties.

Signatures appear on the following page.

IN WITNESS WHEREOF, the Parties have set their hands as of the day and year first above written.

FETCH! MANAGED SERVICES LLC

[LEGAL NAME OF FRANCHISEE]

By: _____

By: _____

Its: _____

Its: _____

Franchisee-

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	Pending
Hawaii	No registration
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	No registration
Rhode Island	Pending
South Dakota	No registration
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

RECEIPT
(KEEP THIS COPY)

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

If Fetch! Pet Care, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the earlier of the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Fetch! Pet Care, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Fetch! Pet Care, Inc., located at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152. Its telephone number is 866-338-2463.

Issuance date: September 7, 2023

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows: Gregory A. Longe and Maria Shinabarger, 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152; (866) 338-2463; Doug Schadle, Rhino 7 Consulting, 431 Keisler Drive, Ste; 201 Cary, NC 919-977-9518, Joe Schadle, Rhino 7 Consulting, 431 Keisler Drive, Ste; 201 Cary, NC 919-977-9519 and: _____.

Fetch! Pet Care, Inc. authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated September 7, 2023 that included the following Exhibits:

- | | |
|--|---|
| A – State Authorities/Agents for Service of Process | H – Form of General Release |
| B – Financial Statements | I – Franchisee Disclosure Acknowledgment Statement |
| C – Franchise Agreement with State Addenda | J – Franchise Virtual Checking & Credit Card Authorization Form |
| D – List of Franchisees | K- Transfer Agreement |
| E – List of Terminated Franchisees | L– Management Agreement |
| F – Table of Contents of the Brand Standards | |
| G – State Specific Addendum to the Disclosure Document | |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Fetch! Pet Care, Inc. at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152 or by emailing a copy of the signed and dated receipt to Fetch! Pet Care, Inc. at franchise@fetchpetcare.com.

RECEIPT

(RETURN THIS COPY TO US)

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 Fetch! Pet Care, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the earlier of the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Fetch! Pet Care, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

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I have received a disclosure document dated September 7, 2023 that included the following Exhibits:

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Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Fetch! Pet Care, Inc. at 19500 Victor Parkway, Suite 400, Livonia, Michigan 48152 or by emailing a copy of the signed and dated receipt to Fetch! Pet Care, Inc. at franchise@fetchpetcare.com.