

FRANCHISE DISCLOSURE DOCUMENT

WOOF GANG BAKERY, INC. – A Florida Corporation



BAKERY & GROOMING™

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Woof Gang Bakery, Inc. offers individual and multiple unit franchises for the operation of Woof Gang Bakery® retail stores (“Stores”) selling dog treats, pet food, pet accessories and pet grooming services.

The total investment necessary to begin operation of a Store is from \$169,600 to \$406,000. This includes \$54,900 that must be paid to us or our affiliates.

The total investment necessary to begin operation under a Multiple Store Development Agreement is from \$189,600 to \$486,000, depending on number of Stores opened under the Multiple Store Development Agreement (this range is for the purchase of two to five Stores). This includes \$74,900 to \$134,900 that must be paid to us or an affiliate (this range is for the purchase of two to five Stores).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you can 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 federal or state governmental or regulatory agency has reviewed, verified or approved 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 franchising@woofgangbakery.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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: April 20, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in the state of Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Spousal Liability**. We may require your spouse to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has little or no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets at risk if your franchise fails.

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.

NOTICE REQUIRED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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EXHIBITS:

- A. FINANCIAL STATEMENTS
- B. FRANCHISE AGREEMENT (AND EXHIBITS)
- C. MULTIPLE STORE DEVELOPMENT AGREEMENT
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Item 1.
The Franchisor, Its Predecessors and Affiliates

To simplify this Franchise Disclosure Document, "We," "Our" or "Us" means Woof Gang Bakery, Inc., the franchisor. "You" means the entity that buys the franchise as well as all owners of any equity interest in the entity.

The Franchisor

We are a Florida entity formed on May 21, 2007. Our principal business address is 7575 Dr. Phillips Blvd. Suite 275, Orlando, FL 32819 and our telephone number is 407-355-9210. The agent for service of process can be found in Exhibit F.

Our Business Experience and Parent

We grant franchises for the operation of retail stores under the name "Woof Gang Bakery" offering dog treats, pet food, pet accessories and pet grooming services. We have been offering Woof Gang Bakery® franchises since January 2008. We operated 8 Woof Gang Bakery® businesses from 2007 to 2017, although we currently do not operate the type of business that you will operate.

We are a wholly owned subsidiary of GSP Woof Gang Holdco, Inc., a Delaware corporation ("GSP Holdco") and were purchased by GSP Holdco on May 31, 2022. GSP Holdco is controlled through affiliated companies by Garnett Station Partners, LLC, a New York-based investment firm ("Garnett Station Partners"). Garnett Station Partners has a principal business address of 853 Broadway 16th Floor, New York, NY 10003. Neither GSP Holdco nor Garnett Station Partners have conducted a business of the type that you will operate, and none have offered franchises in any line of business.

Affiliates with Franchise Programs

Through control with private equity funds managed by Garnett Station Partners, we are affiliated with the following franchise program:

Kona Ice, Inc. ("Kona Ice") is the franchisor of Kona Ice franchises operating under the Kona Ice® trademark and business system. Kona Ice is a Kentucky corporation with a principal business address of 5945 Centennial Circle, Florence, Kentucky 41042. Kona Ice has been offering Kona Ice franchises since June 2007, and as of December 31, 2022, there were approximately 1,478 franchises operating in the United States (1,478 franchised and no company owned). Kona Ice has not conducted a business of the type that you will operate and has not offered franchises in any other line of business.

Franchise Offered

Under the franchise we offer, you will sign a "Franchise Agreement" to own and operate a Woof Gang Bakery® retail store at a location to which we consented (the "Store" or "Licensed Business"), using our formats, designs, methods, specifications, standards, operating and marketing procedures and the Marks (as defined in Item 13), including the Mark "Woof Gang Bakery" (collectively, the "System").

We also offer multi-unit franchises under a Multiple Store Development Agreement (the “MSDA”), a copy of which is attached as Exhibit C. If you sign an MSDA, you agree to open a certain number of Stores according to an agreed upon development schedule. You will sign a separate franchise agreement for each Store you develop. For each future Store you develop, you may be required to sign our then-current form of franchise agreement, which form franchise agreement may differ from the form attached to this Franchise Disclosure Document as Exhibit B. The minimum number of Stores for an MSDA is two.

Market and Competition

The market for your products and services is primarily that segment of the general public that owns dogs and cats and seeks to purchase pet related products and services. Retail sales generally are somewhat seasonal tied to certain holiday periods. You will compete with other national, regional and local specialty retail pet related stores as well as other businesses offering pet grooming services. The market for pet food products and grooming services is well established and your Licensed Business may operate in close proximity to major competitors. Some competitors will offer many goods and services that are the same as or similar to those you offer. Many of these competitors may have substantial financial, marketing and other resources and already may be well-established in your market.

Laws and Regulations

In most states you will have to obtain and maintain a business license. Although qualifications for such licenses vary from state to state, you may have to pass a knowledge test and background test and obtain insurance and a bond.

There are many federal, state and local regulations specific to the operation of a retail business. You will also be subject to state and local licensing laws, codes and regulations, particularly as they relate to the operation of a retail business. There may be other laws applicable to the Licensed Business and we urge you to make further inquiries about these laws. The nature and amount of regulation could change rapidly relating to the Licensed Business. You should consult a lawyer with experience dealing with retail issues to be sure you are familiar with the current statutes and regulations that might apply within your territory.

There are, of course, statutes and regulations that are common to all businesses, including those governing health and labor issues, zoning and safety. You should obtain a complete copy of the relevant statutes and regulations of the Federal government and of your state and discuss them with your attorney before you sign the Franchise Agreement. You should also investigate applicable county and city ordinances and regulations.

Item 2. Business Experience

Co-Chief Executive Officer: Alex Macedo

Mr. Macedo has been our Chief Executive Officer since June 2022. He also been Chief Executive Officer of Fat Tuesday from May 2021 to present in Mandeville, Louisiana. Mr. Macedo was employed by Restaurant Brands International in Miami, Florida in various positions from April 2013 to December 2020, including Global President of Tim Hortons from January 2018 to December 2020 and President of Burger King North America from April 2013 to December 2020.

Co-Chief Executive Officer: Ricardo Azevedo

Mr. Azevedo has been our Co-Chief Executive Officer since July 2022. Mr. Azevedo was employed by Restaurant Brands International in Miami, Florida in various positions from July 2011 to July 2022, including Regional President of Tim Hortons US from August 2019 to July 2022 and Head of Marketing for Burger King North America from 2014 to 2017.

Chief Financial and Development Officer: Joseph Marin

Mr. Marin has been our Chief Financial and Development Officer since June 2022. From September 2018 to May 2022, he was Chief Financial and Development Officer of Leblon Franchising Holdings LLC, a Popeyes® multi-unit franchisee in Charlotte, North Carolina. From August 2014 to August 2018, Mr. Marin was employed by Burger King International in various positions, including Director of Finance and Development for the EMEA region in Zurich, Switzerland.

Chief Operating Officer: Tim Brueggemann

Mr. Brueggemann has been our Chief Operating Officer since September 2022. From August 2013 to December 2021, he was employed by Burger King Corporation in various positions including Head of Franchising & Business Development from January 2021 to December 2021 in Miami, Florida.

Chief Marketing Officer: Diego Suarez

Mr. Suarez has been our Chief Marketing Officer since July 2022. From August 2021 to July 2022, he was employed by SeaWorld Entertainment as Vice President of Marketing in Orlando, Florida. From August 2010 to July 2021, he was employed by Burger King Corporation in various positions, including Vice President, Global Brand Marketing from December 2019 to July 2021 and Sr. Director, Advertising, Media, and Integrated Marketing from January 2017 to December 2019 in Miami, Florida.

Director: Richard Reuter

Mr. Reuter has been a Director of Woof Gang Bakery, Inc. since April 2023. He also has been a Managing Director of Garnett Station Partners since January 2019 in New York, New York. From July 2012 to December 2018, he was Vice President for KarpReilly, LLC, a private investment firm based in Greenwich, Connecticut.

**Item 3.
Litigation**

No litigation is required to be disclosed in this Item.

**Item 4.
Bankruptcy**

No bankruptcy is required to be disclosed in this Item.

**Item 5.
Initial Fees**

We offer an individual Store franchise under a Franchise Agreement and territory development rights under an MSDA. The “Initial Franchise Fee” for a single Woof Gang Bakery franchise is \$49,900. The Initial Franchise Fee is paid to us when you sign the Franchise Agreement and, except as stated below, is not refundable under any circumstances. If, through no fault of you or your person attending training, we determine that the managing Principal Owner or Store Manager has not successfully completed the initial training program and we terminate the Franchise Agreement, we may refund one-half of the Initial Franchise Fee. During 2022, we received Initial Franchise Fees ranging from \$0 to \$49,900.

If you sign an MSDA, you will pay the Initial Franchise Fee for the first Store you develop under the MSDA (\$49,900) plus a deposit of \$20,000 for each additional Store to be developed pursuant to the MSDA (the “Deposit”). The Deposit will be credited against the Initial Franchise Fee for each additional Store to be developed pursuant to the MSDA. For example, if you desire to develop three Stores under the MSDA, you will pay an Initial Franchise Fee of \$49,900 for the first Franchise Agreement and a Deposit of \$40,000 (\$20,000 for each of two additional Stores) when you sign the Initial Franchise Agreement and the MSDA. The balance of the Initial Franchise Fee for each Store to be developed after the first will be due to us in a lump sum when you sign the Franchise Agreement for the specific Store.

There is no maximum number of Stores that we would allow in an MSDA, but generally our MSDAs allow for the development of 2 to 5 Stores. We reserve the right, however, to limit the number of Stores in any given MSDA based on market conditions, our strategic goals, and the financial and other attributes of the franchisee, among other factors. The Initial Franchise Fee (including any Deposits) is not refundable under any circumstances.

In addition, you must purchase from us for each Store a start-up package of Woof Gang Bakery® marketing materials and supplies before opening your Store. The current cost is \$5,000 and the amount is not refundable.

**Item 6.
Other Fees**

Type of fee	Amount (see Note 1)	Due Date	Remarks
Royalty Fee	7% of Gross Revenues (See Note 2).	Payable monthly on 10 th of each month for the prior month by electronic funds transfer (“EFT”).	Royalty Fees are based on the Gross Revenues for the preceding month, or as described in the Manual.
National Marketing Fee	2% of Gross Revenues (See Notes 2 and 3).	Due and payable by EFT monthly with the Royalty Fee	See Item 11 for further description.
Initial Training Program Fee	\$2,000	When incurred	If you replace the managing Principal Owner or Store manager in charge of Store operations, the replacement Principal Owner or Store manager must attend and successfully complete our Initial Training Program and you must pay this fee.
Optional Training Materials and Equipment	Our reasonable costs for such materials and equipment	If and when incurred	If you decide to purchase training materials or equipment that we periodically may make available.
Interest Expenses	Lesser of 18% per year or the maximum rate permitted by law.	When due	Payable if you do not timely pay all Royalty Fees, National Marketing Fees or other amounts owed to us or our affiliates.

Type of fee	Amount (see Note 1)	Due Date	Remarks
Transfer	\$2,500 plus percentage of then-current Initial Franchise Fee that equates to the “used” (Franchise Agreement effective date to date of transfer) portion of the current term of the Franchise Agreement.	Before completing transfer	Fee is due for any transfer involving a “controlling interest” in you (50% or more of the equity interest).
Audit	1.5% per month interest on amount of underpayment plus the cost of the audit and the amount of the underpayment	Immediately upon billing	Payable only if an audit reveals that you have under-reported Gross Revenues by 3% or more.
Successor Agreement Fee	50% of the then-current initial franchise fee for new Woof Gang Bakery franchisees.	At least 30 days before signing our then-current franchise agreement.	If you desire to enter into a successor franchise agreement and we agree to do so.
Liquidated Damages for Early Termination	See Note 4	Only if incurred	If the Franchise Agreement is terminated due to Franchisee’s breach of this Agreement.
Approved Supplier Testing Fee	Our reasonable and actual costs incurred	Payable when you request our approval of a proposed supplier	We may require you to pay us our then-current evaluation fee, to cover our cost of evaluating the alternative supplier.
Technology Fee	We may in the future charge you a technology fee of up to \$300/month during the term of the Franchise Agreement.	When incurred	The cap on the technology fee may be adjusted to reflect changes in the U.S. Consumer Price Index (CPI).
Store Relocation Fee	\$2,500	At time of request and before relocation	If you desire to relocate the Premises of the Store.
Store Management Fee	Actual cost of third party professionals or daily management fee not to exceed \$1,500 if we provide a Store manager	When incurred	If you are in default under the Franchise Agreement and we appoint a manager or third party professional to manage or assist in managing the Store.
Costs and Attorneys’ Fees	Reasonable costs and expenses	When incurred	We may recover costs and reasonable attorneys’ fees if you lose in a dispute with us.

Notes:

(1) Except where noted, these fees are imposed by and payable to us, are non-refundable, and are uniformly imposed.

(2) The term “Gross Revenues” means the aggregate amount of all sales of all goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Licensed Business, including off-premises sales and monies derived at or away from the Store. The term “Gross Revenues” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes you pay or accrue. Gross Revenues will not be adjusted for uncollected accounts. For purposes of the Royalty Fee and National Marketing Fee, the sale is made at the earlier of delivery of the service or product, or receipt of payment.

(3) You will pay a monthly National Marketing Fee. You will pay the National Marketing Fee in the same manner and at the same time as your Royalty Fee. National Marketing Fees are in addition to your

local marketing obligations. We may, upon notice, require you to pay your National Marketing Fees on a different periodic basis.

(4) If the Franchise Agreement is terminated early due to your breach, in addition to other amounts owed, you must pay us as liquidated damages an amount based on the following: your average monthly Royalty Fees, National Marketing Fees, and Technology Fees payable over the 12-month period immediately preceding the expiration date, multiplied by the lesser of 36 or the number of months remaining in the then-current term of your Franchise Agreement.

Item 7.

Estimated Initial Investment

	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee See Note 1	\$49,900	\$49,900	Lump Sum at signing Franchise Agreement	Upon signing Franchise Agreement	Us
Opening Start-up Package See Note 2	\$5,000	\$5,000	Lump Sum	Prior to opening	Us
Travel/Expenses for Training See Note 3	\$1,200	\$5,000	As Incurred	As Arranged	Third Parties
Leasehold Improvements / Construction See Note 4	\$30,000	\$200,000	As Incurred	As Arranged	Landlord, Lender or Contractor(s) and Vendors
Rent See Note 5	\$7,500	\$25,000	As Incurred	As Arranged	Landlord
Computer and Point of Sale System	\$2,800	\$5,600	As Incurred	As Arranged	Approved Vendor
Equipment (Freezer, Grooming Equipment and Signage)	\$40,000	\$50,000	As Incurred	As Arranged	Approved Vendors
Licenses	\$500	\$2,000	Lump Sum	Before Opening	Various government agencies
Insurance	\$1,500	\$3,500	As Arranged	As Arranged	Insurance Companies
Legal and Professional Fees See Note 6	\$1,200	\$5,000	As Incurred	As Incurred	Third-party professionals
Opening Inventory	\$20,000	\$35,000	As Arranged	As Arranged	Designated or Approved Vendors
Working Capital (3 months) See Note 7	\$10,000	\$20,000	As Incurred	As Incurred	Employees, Vendors, Utilities, Etc.
Total See Note 8	\$169,600	\$406,000			

Notes:

Except as noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable.

1. The Initial Franchise Fee (\$49,900) is payable in full upon signing the Agreement. The Initial Franchise Fee is not refundable in whole or part, although we may refund ½ of the Initial Franchise Fee if we terminate the Franchise Agreement because you failed to successfully complete training. If you sign an MSDA and this is your second or subsequent Store, we apply the nonrefundable \$20,000 Deposit paid for the second and each subsequent Store to be developed toward the Initial Franchise Fee for each Store.

2. This amount reflects the start-up package of Woof Gang Bakery® marketing materials and supplies that you must purchase from us.

3. Travel expenses are for 1 to 2 people to attend the initial training program. We do not charge the initial attendees a fee for the initial training program.

4. You must obtain and maintain a retail space and sufficient warehouse space that meets our requirements. Typical locations for your Store are smaller free-standing, multiple use and strip center locations. Assuming that you will lease the premises for your Store, you will need to make certain leasehold improvements to the leased premises to comply with our approved plans and specifications. Leasehold improvements include lighting, flooring and partition walls. We anticipate that you will negotiate the cost of leasehold improvements as part of your rental expense. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's agreement to reimburse you for certain improvements, the size and location of the premises for your Store and other economic factors. Although we do not recommend that you purchase the land and building for your Store, you will incur significantly greater costs in developing your Store if you choose to do so. All construction materials and fixtures must comply with our specifications. The typical size of a Store ranges from 1,000 to 1,800 square feet. The size of your Store is principally determined by requirements or restrictions that your landlord and appropriate municipality or zoning boards may impose, and availability and cost of leasable space. You will incur greater start-up costs if you cannot negotiate the cost of leasehold improvements as part of your rental expense. You are responsible for any architectural plans that you may be required to submit.

5. We estimate that you may pay from \$30 to \$70 per square foot in the rental expense (including common area maintenance (CAM) and taxes) for your Store premises. The estimate reflects rent for the first 3 months. The exact amount of rental expense will vary greatly, depending on the location of the Store premises, the portion of rent representing the value of leasehold improvements at the Store premises, local market conditions and other factors. We assume that you will lease the Store premises and not purchase the land or building.

6. This estimate is for legal and accounting fees.

7. This estimate is for your initial start-up expenses during the first 3 months of Store operations. This estimate includes payroll costs, grand opening expenses and various service costs such as utilities. These estimates do not include owner compensation or return on investment. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the Licensed Business. Your costs will depend on factors such as how closely

you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for the products and services you offer; the prevailing wage rate; competition; and the sales level you reach during the initial period. You may need additional funds before your Store breaks even.

8. The total above is an estimate of your pre-opening initial investment and the expenses you will incur during the first 3 months of Store operations. This total is based on our estimate of average costs and prevailing market conditions, our experience in franchising Stores and our management team’s experience operating Stores. You should review this amount carefully with a business advisor before deciding to purchase the franchise. Neither we nor an affiliate finance any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT FOR A MSDA

	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Deposit for Additional Stores See Note 1.	\$20,000	\$80,000	Lump Sum at signing MSDA	Upon signing MSDA	Us
Initial Store Development See Note 2.	\$169,600	\$406,000			
Total	\$189,600	\$486,000			

Notes:

1. If you sign a MSDA to open multiple Stores, you must pay us a non-refundable \$20,000 Deposit for each Store to be developed under the MSDA after the initial Store. We apply the \$20,000 Deposit toward the Initial Franchise Fee for each respective Store to be developed under the MSDA after the initial Store. The above estimate shows the range for opening one additional Store on the low end and opening four additional Stores on the high end.

2. Your initial investment for your first Store will be based on the estimated investments disclosed in Section 7. You should be aware that your initial investment for your second and subsequent Stores likely will be higher than the above estimates for your first Store due to inflation and other economic factors that vary over time.

Item 8.

Restrictions on Sources of Products and Services

To ensure a uniform image and uniform quality of products and services throughout the Woof Gang Bakery® system, you must maintain and comply with our quality standards.

Designated Products and Services

You must purchase for use in or sale at your Store those products and services we designate from us, our designees or from other suppliers we approve. As of the issuance date of this disclosure document, you must purchase certain private label inventory sold at your Store only from us or one or more of our designees. In addition, you must purchase the initial equipment package from one or more vendors we designate. We or our designees periodically may be the designated or sole source of supply for certain other products and services used in or sold at your Store.

Equipment, Supplies and Inventory and Approval Process

Aside from products, equipment or services identified above that you must purchase from us or a designated vendor(s), you must purchase from us or a supplier we approve certain equipment, supplies and inventory necessary to start or operate your Store. These items include items that contain or bear the Marks (such as signs) as well as advertising and marketing materials, forms and promotional items. All items that you purchase from approved suppliers must meet our specifications. As to other equipment, supplies and inventory, you may purchase them from the vendor(s) of your choice, but the item(s) must meet our specifications. We issue specifications in writing and incorporate them in the Manual. These specifications include quality, accuracy, preparation, installation, application, delivery, performance, design and appearance. In some instances, you must purchase items that comply with our reasonable subjective determination of whether they meet the standards and comport with the Woof Gang Bakery image. If we have not provided specifications, you may purchase any items that reasonably meet the requirements of the Stores.

We publish and will periodically update a list of approved vendors and order procedures in the Manual. We may approve other vendors if you request it in writing or if a vendor requests it and if the vendor demonstrates to our satisfaction that it is financially stable and can provide product(s) or service(s) that meet our specifications and that are consistent with our image. We may charge you a reasonable fee to cover our costs in evaluating a proposed vendor. We will give you a good faith estimate of our cost of evaluating a proposed vendor within 30 days after you make the request, but before we begin the evaluation process. We will normally make our decision within sixty days. We reserve the right to disapprove any previously approved vendor whose performance falls below our standards. We will make any approvals of new vendors or revoke approval of vendors in writing and will incorporate our decision in the Manual.

Location of your Store; Real Estate Lease

You must locate a site for your Store that meets our criteria and must submit a site evaluation form (containing any information that we may require) for the proposed Store location. We will notify you in writing within a reasonable time not exceeding 60 days after we receive your complete site evaluation form and other materials we request whether the proposed Store location is acceptable. We accept locations on a case by case basis, considering items such as size, appearance and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics, such as rental obligations and other lease terms (including those that we require be in the lease). You are not required to purchase, lease or sublease the Store premises from us.

Fixtures, Equipment, Furniture & Signs

You must construct and develop your Store. We will furnish you with specifications for your Store, including requirements for interior and exterior materials, decor, fixtures, equipment, furniture and signs. You must use a licensed architect that we designate or approve. You must meet our specifications and standards in developing your Store. You must submit all modifications to our basic constructions plans and specifications to us for our approval before you begin construction of your Store and during the course of construction. You must ensure that the plans and specifications comply with the Americans With Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions. In developing and operating your Store, you must purchase any construction and decorating materials, fixtures, equipment, furniture and signs that we require

and have approved as meeting our specifications and standards for quality, design, appearance, function and performance. You may purchase these items from any supplier who can satisfy our standards and specifications. We or an affiliate may be an approved supplier of one or more of these items.

Computer Hardware And Software

You must purchase the designated software and related point-of-sale (POS) hardware used in operating the Store from our designated supplier (currently Franpos Inc.). You may purchase the back office hardware that meets our specifications from any supplier.

Insurance

We require you to purchase and maintain, at your expense, throughout the term of the Franchise Agreement, the following insurance policies: (i) commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability assumed under the Franchise Agreement on an occurrence basis with combined single limit coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (ii) professional liability (errors and omissions) insurance with coverage of at least \$1,000,000 per occurrence/annual aggregate; (iii) worker's compensation and employer's liability insurance with a reputable insurer acceptable to us or with a state agency with minimum coverage required by applicable state and/or federal laws. You must name us and any affiliate as additional insureds, and provide us with one or more certificates of insurance evidencing such coverages and naming us as an additional insured as to each applicable policy. Such certificate(s) of insurance shall provide that the coverages under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least 30 days prior written notice of such cancellation or modification has been given to us. Upon our request you must provide us with a true copy of any insurance policy, including all endorsements. Every insurance policy must provide that coverage is primary/non-contributory. Every insurance policy must be with an insurance company that meets our criteria as set forth in the Manual.

Revenue Received From Franchisee Purchases

During the last fiscal year ending on December 31, 2022, we received \$262,019 as a result of franchisee purchases of products, services and rebates described in this Item 8, of which \$159,307 represented reimbursement of our payments to third parties related to the POS system and \$102,712 represented vendor rebates.

We may receive rebates and other payments from approved third party suppliers that may range from less than 1% up to 10% or more of the price franchisees paid suppliers for those items.

Miscellaneous

One or more of our officers have an interest in us. Our officers otherwise currently do not have an ownership interest in any supplier.

We may negotiate purchase arrangements with suppliers for your benefit in the future. Except as described in this Item, we do not currently provide any material benefits to you based upon your use of designated or approved sources. We do not have any purchasing or distribution cooperatives.

We estimate that the purchase or lease of products, equipment, software, signs, fixtures, furnishings, supplies, advertising and sales promotions materials and other items meeting our specifications will represent approximately 75% to 90% of the cost to develop the Store and 30% to 50% of the cost to operate your Store.

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 franchise disclosure document.

Obligation	Section in Agreement (References are to the Franchise Agreement unless otherwise noted)	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Sections 1.1, 1.6 and 6.1, and Exhibits A, B Sections 1 and 3 of MSDA	Items 6, 11, & 12
b. Pre-opening purchases/leases	Sections 6.1, 6.3 and 6.5, Exhibit B	Items 7, 8, & 11
c. Site development and other pre-opening requirements	Sections 6.1 and 6.2, Exhibits A and B Section 3 of MSDA	Items 6, 11, & 12
d. Initial and ongoing training	Section 4	Items 6 & 11
e. Opening	Sections 6 and 2.8, Exhibits A and B	Items 7 & 11
f. Fees	Section 1.6, 2, 7.5.6, 9.2.4 and 10.2.2 Section 2 of MSDA	Items 5, 6, 7 & 11
g. Compliance with standards and policies/Operating Manual	Sections 1.5, 6.2, 7.4, Exhibit C	Items 8, 11, & 14
h. Trademarks and proprietary information	Sections 1.4 and 7.5	Items 11 & 13
i. Restrictions on products/services	Section 7.5	Item 8
j. Warranty and customer service requirements	Sections 1.5, 7.9, and 17.1	Items 8, 11 & 16
k. Territorial development and sales quotas	Sections 3 and 4 of MSDA	Item 12
l. Ongoing product/service purchases	Sections 7.5 and 16.13	Items 8 & 16
m. Maintenance, appearance and remodeling requirements	Sections 7.4, 9.2, and 13.2	Items 7 & 11
n. Insurance	Section 8.2	Item 7
o. Marketing	Sections 2.3, 2.6, 2.7, and 7.11	Items 6, 7, & 11
p. Indemnification	Section 8.1	Item 14
q. Owner's participation/management/staffing	Sections 4.2, 7.2, and 7.4.6, Exhibit C	Items 6, 11, & 15
r. Records/reports	Sections 3.1 and 3.2	Item 11
s. Inspections/audits	Section 3.3	Item 6
t. Transfer	Section 10 Section 7 of MSDA	Items 6 & 17
u. Renewal	Section 9	Item 17
v. Post-termination obligations	Sections 11.4 and 13	Item 17
w. Non-competition covenants	Section 11.3 and 11.4	Items 17
x. Dispute resolution	Section 14 Section 8 of the MSDA	Item 17

Item 10.
Financing

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or other obligations.

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

Except as listed below, we need not provide you with any assistance.

Pre-Opening Assistance. Before you open your Store, we will:

1. License you to use our Marks and System in connection with your Licensed Business (Franchise Agreement - Section 1).
2. Designate your Protected Area (Franchise Agreement - Section 1.1).
3. Review and consent to the proposed site for your Store if it meets our minimum standards (Franchise Agreement – Section 6.1).
4. Provide you with prototype drawings and specifications for your Store, reflecting our requirements for dimensions, interior design, displays, signage and layout (Franchise Agreement – Section 6.2).
5. Provide you with a list of approved and designated suppliers and written specifications for various equipment, fixtures, signs, opening inventory and supplies, and provide (for purchase) certain private label inventory for your Store. (Franchise Agreement – Section 7.5.1).
6. Loan or provide you with access to one or more operations manuals ("the Manual") (Franchise Agreement – Section 1.5).
7. Provide the Initial Training Program for you and your Store manager, if applicable (Franchise Agreement – Section 4.1.1).
8. Provide Store opening assistance to new franchisees for a minimum of 2 days.

We are not required to provide you any assistance with conforming your Store to any ordinances or codes, or hiring any employees.

Ongoing Assistance. During the operation of your Store, we will:

1. Provide advisory services relating to Store operations, including products and services offered for sale, and general administrative and operating procedures through periodic updates to the Manual (Franchise Agreement – Section 1.5).
2. Manage the National Marketing Fund (Franchise Agreement – Section 2.3).
3. Provide periodic training for you and your Store manager for an additional fee (Franchise Agreement – Section 4.3).

4. Periodically provide any new or updated training materials (Franchise Agreement – Section 4.4).

We are not required to provide you any assistance with hiring of any employees.

Advertising Programs. We establish and conduct certain advertising programs as follows:

We operate a “National Marketing Fund” to promote Woof Gang Bakery® Stores in the System and conduct other promotional and marketing activities. You will pay us a monthly marketing fee equal to 2% of Gross Revenues during the previous calendar month (the “National Marketing Fee”). We will deposit the National Marketing Fees in the National Marketing Fund that we manage.

Disbursements from the National Marketing Fund will be made solely to pay reasonable expenses we incur in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; the cost of market research and analytics; and the costs of administering the National Marketing Fund, including the cost of employing advertising, public relations and other third-party agencies to assist us and providing promotional brochures and advertising materials to Woof Gang Bakery® Stores, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the National Marketing Fund. We will determine the methods of advertising, media employed and the geographic scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. The National Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the National Marketing Fund.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Store is located. National Marketing Fees not spent in any fiscal year will be carried over for future use. National Marketing Fees will not be used for advertising principally directed at the sale of franchises. We will provide you with an annual unaudited statement of the receipts and disbursements of the National Marketing Fund for the most recently completed calendar year if you request (in writing) such a statement.

Woof Gang Bakery® Stores that we may operate in the United States will contribute to the National Marketing Fund at the same percentage rate as a majority of Woof Gang Bakery® Stores must pay to the National Marketing Fund. During our 2022 fiscal year, 100% was spent for digital and other internet-based advertising and promotional activities.

During the six-month period after the date you open the Store for business, you must promote and conduct a grand opening consistent with our guidelines. The grand opening must be appropriate for your territory, location, community, competitive environment and similar factors. The grand opening expenses are included in the additional working capital as described more fully in Item 7.

In addition to the National Marketing Fee and following completion of grand opening activities, you must actively promote the Store through use of “approved” Store marketing and promotional activities in your local geographic area. You must promptly send to us copies of all marketing copy and media used. If we determine that any advertising or marketing activity or material does not comply with our standards, you must cease using such advertising or marketing activity or material. You are not required to participate in a local or regional advertising cooperative.

As of the issuance date of this disclosure document, we do not have an advertising council composed of franchisees.

POS Management System. You will use in the Store the retail point-of-sale management and reporting system, including all existing or future communication or data storage systems, components thereof and associated service, which we develop or select for the System (the "Management System"). The Management System will include a point-of-sale software customized for the System and may include one or more other proprietary or other software programs developed or customized for us (the "Designated Software"). You must use the Designated Software, and the Designated Software will remain the confidential property of us or our third-party supplier. You must enter into our or our designee's standard form software license agreement in connection with your use of any Designated Software. We reserve the right to charge you initial or recurring license fees related to your use of the Designated Software. We also reserve the right to charge you a monthly Technology Fee to offset our costs related to the Management System, including expenses related to the Designated Software, website maintenance and other items although we currently do not charge a Technology Fee.

As of the issuance date of this disclosure document, the required Management System also includes QuickBooks or similar accounting software. In addition, you will need a laptop or desktop computer with sufficient capacity to operate the Management System, together with other computer hardware peripherals that we periodically require. You must purchase the Designated Software and related point-of-sale hardware from our designated supplier (currently Franpos Inc.). You may purchase the back office hardware that meets our specifications from any supplier. We estimate that the initial cost for the Management System, including computer hardware, will range from \$3,500 to \$4,500, and the current monthly maintenance and update expenses you will incur for various components of the Management System obtained from designated or approved third party suppliers will likely range from \$300 up to \$400 (based on current U.S. CPI).

You must maintain a secure technology infrastructure that meets our then-current requirements. All technology used to support the Management System must comply with the then-current regulations of the Payment Card Industry Data Security Standards (PCI-DSS) council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including the Fair and Accurate Credit Transaction Act (FACTA). You will use an e-mail address we designate for communication with us. We have the right to designate a single source from which you must purchase the Management System, any software or hardware components thereof or associated service, and we or an affiliate may be that single source. You will be required to use and, at our discretion, pay for all future updates, supplements and modifications to the Management System, including any additions or modifications to any Designated Software.

We may independently access financial information and customer data produced by or otherwise located on your Management System (collectively the "Customer Data"). During the term of the Franchise Agreement, we reserve the right to establish policies respecting ownership and use of the Customer Data that is stored on the Management System, although you will be responsible for obtaining all customer consents that may be necessary to transfer to us or otherwise allow us to use the Customer Data for various purposes as we may identify. We will periodically establish policies respecting the Customer Data. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach or cyber-attack at or in connection with the Store. You cannot use the Customer Data for any purpose other than the operation of the Store consistent

with our standards of use. There are no contractual limitations on our right to access the information and data.

You may be required to obtain ongoing maintenance and repairs respecting the Management System, as well as upgrades or updates respecting the Designated Software. We estimate the cost of optional or required maintenance, updates and upgrades will be \$0 to \$100 per year. There are no contractual limitations on the frequency and cost of additional maintenance or repair. You must incorporate these upgrades and updates to the Management System. We, our affiliates, and third-party suppliers are not currently required to provide any ongoing maintenance, repairs, upgrades or updates to you.

Site Selection. If you already have a potential site for a Store, you may propose the location to us. We may consent to the site after we have independently evaluated it. The site for the Store will be identified in Exhibit A to the Franchise Agreement. If you do not have a proposed site, you will sign Alternative Exhibit A to the Franchise Agreement and will have up to 180 days following the date of the Franchise Agreement to identify a Store site acceptable to us. We will provide you with our general site selection and evaluation criteria. You are solely responsible, however, for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. We recommend that you use a site location specialist to assist you in finding potential sites for your Store. If you sign Alternative Exhibit A to the Franchise Agreement and we cannot agree on a site for the Store, we can terminate your Franchise Agreement.

At our request, you must submit to us a site layout (containing information that we may reasonably require), letter of intent and area pictures of the proposed Store site. The general site and evaluation criteria which you should consider include demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses (including other Woof Gang Bakery® Stores), and other commercial characteristics, and the proposed location, size of premises, appearance and other physical characteristics. We will notify you in writing within 60 days after we receive your complete site report and other materials we request whether the proposed site satisfies our site selection criteria. Our review of a site for the Store does not represent any recommendation or guaranty as to the success of the proposed site. If you and we are unable to agree on a site for the operation of the Store, the opening of your Store may be delayed. We may terminate the Franchise Agreement if you do not select a site for your Store and obtain our consent within 180 days following the date of the Franchise Agreement.

Development Time. The typical length of time between our acceptance of the Franchise Agreement and the opening of your Store is expected to vary from 6 to 12 months. This period may be longer or shorter, depending on the time of year, availability of financing, local construction delays, how soon you can attend training or other factors. You must complete development and open your Store within 180 days following the date we accept the proposed site for the Store, or we may terminate the Franchise Agreement.

Training. Before you open your Store, your Store manager must attend and complete to our satisfaction the Initial Training Program. If your General Manager is not the managing Principal Owner, the managing Principal Owner must also attend and complete the Initial Training Program to our satisfaction. Our Initial Training Program will be conducted in two separate sessions. The first session will take place at our training center in Orlando, Florida or another location we designate or, at our option, virtually (online). This session will be approximately 30 hours in length and may take place over a period of 4 consecutive days. We currently plan to offer the initial training program once each month, or as we determine is necessary during the

upcoming year. The second session will take place over a 2-3 day period immediately before and during the initial Store opening period and will take place at your Store or another location we designate. The Initial Training Program includes instruction relating to the Woof Gang Bakery System, including customer service, grooming excellence, safety, as well as products and ordering, merchandising, the Management System operations, and grand opening activities.

You may not open your Store unless the managing Principal Owner and the Store manager (if Principal Owner is not the Store manager) complete the first session of the Initial Training Program to our satisfaction. If we determine that the managing Principal Owner or the proposed Store manager is not qualified to manage the Store, we will allow you to select a substitute Store manager to complete the Initial Training Program at an additional expense to you.

The Initial Training Program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training and	Hours of On-the-Job Training	Location
Customer Experience <ul style="list-style-type: none"> • Woof Gang Brand and history • Customer Service: The Woof Gang Way • Staff Management 	4	0	Orlando, Florida or another location we designate
Grooming Services <ul style="list-style-type: none"> • Running Great Grooming Operations – Part 1 and 2 • Managing your Business and Profitability • Safety Protocol • Recruitment 	14	0	Orlando, Florida or another location we designate
Retail <ul style="list-style-type: none"> • Retail Operations & Merchandising • Products & Ordering • Pet Food Nutrition Course 	3	0	Orlando, Florida or another location we designate
Technology <ul style="list-style-type: none"> • Technology: FranPOS Capabilities 	2	0	Orlando, Florida or another location we designate
Marketing <ul style="list-style-type: none"> • Marketing and Community Engagement • Marketing & Grand Opening • Pre-Opening Obligations • Development Roadmap recap – Next Steps 	7	0	Orlando, Florida or another location we designate
On-the-Job Training <ul style="list-style-type: none"> • Operations • Products & Ordering • Technology 	0	24	Store location or another location we designate
TOTAL	30	24	

The instructional materials for all training programs include the Manual, handouts and visual aids, and will include lecture, classroom discussion, and hands-on demonstration and/or practice training at your Store or another Woof Gang Bakery® Store.

Bianca Ferrari will oversee the Initial Training Program. Bianca joined us in July 2022 and has over 10 years of combined training and operational support experience at Woof Gang Bakery® Stores. Other instructors with experience in operating Woof Gang Bakery® Stores and retail businesses and outside vendors will participate in the Initial Training Program.

We do not charge a fee for your initial managing Principal Owner and Store manager (if Principal Owner is not the Store manager) to attend the first session of the Initial Training Program. You are, however, responsible for travel and living expenses that your Principal Owner and Store manager (if applicable) incurs while attending the Initial Training Program. See Item 7 for additional information on travel and living expenses.

In addition, all new managing Principal Owners and Store managers must complete the first session of our Initial Training Program. We may charge you a reasonable fee (currently \$2,000) for those new or additional individuals who attend the Initial Training Program.

We may require that the managing Principal Owner and Store manager attend all supplemental and refresher training programs that we may designate. We may decide the time and place of training and may charge you a reasonable fee for these supplemental and refresher training programs.

We periodically may hold or sponsor franchise conventions and meetings relating to new services or products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. These franchise conventions and meetings may be optional or mandatory, as we designate. Your managing Principal Owner and Store manager must attend, at your expense, all mandatory franchise conventions and meetings we may hold. You must pay any fee we may charge for the convention or meeting and are solely responsible for the compensation, travel, lodging and living expenses you and your employees incur in attending any conventions or meetings.

You are solely responsible for the compensation, travel, lodging and living expenses you and your employees incur in attending the Initial Training Program, supplemental or refresher training programs, and any franchise conventions or meetings we may sponsor. You also are solely responsible for paying your employees and providing all necessary insurance, including worker's compensation insurance, for you and your employees, while you and your employees attend training or any franchise conventions or meetings.

Operations Manual. During the term of the Franchise Agreement, we will allow you to access the Manual. The current table of contents of each segment of the Manual and the number of pages as of the date of this disclosure document (total of 360 pages) is attached as Exhibit H.

Item 12.

Territory

You will receive a "Protected Area" that will be identified by a metes and bounds description or on a map attached to the Franchise Agreement, representing an area encompassing 30 square miles or a minimum residential population of 25,000 people, whichever is less, and with a minimum radius of 0.25 miles. In identifying the Protected Area, we will take into account factors such as the local market, competition, and natural barriers. During the term of the Franchise Agreement, if you are complying with the provisions of the Franchise Agreement, we will not establish any other franchised or company-owned Woof Gang Bakery® Store in the Protected Territory. The continuation of your territorial protection during the initial term of the Franchise Agreement does not depend on your achievement of any particular sales volume.

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

The location of the Store and the Protected Territory will be identified in Exhibit A to the Franchise Agreement. If you do not have a site for your Store when you sign the Franchise Agreement, you will sign Alternative Exhibit A to the Franchise Agreement and will have 180 days after the date of the Franchise Agreement to find a site for the Store (acceptable to us) within the designated geographic area. Once we approve a location within the geographic area established in Alternative Exhibit A, we and you will then sign Exhibit A (which identifies the Protected Territory for your Store).

You may only relocate the Store with our prior written consent. If we permit you to relocate your Store, you will pay us a relocation fee of \$2,500 for services we will provide in assisting you in relocating your Store. In addition, you will need to build out the Store consistent with our then-current standards for new Woof Gang Bakery® Stores.

We (for ourselves and our affiliates) reserve the right:

1. to directly operate, and to grant other persons the right to operate, Woof Gang Bakery® retail stores at locations outside the Protected Area (except to the extent we may be restricted under a separate Woof Gang Bakery® Franchise Agreement to which you are a party);
2. to sell the products and services authorized for sale at Woof Gang Bakery® Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;
3. to sell the products and services authorized for sale at Woof Gang Bakery® Stores under the Marks through dissimilar channels of distribution (i.e., other than the operation of full-service Woof Gang Bakery® Stores), including by electronic means such as the Internet and by websites we establish, and pursuant to conditions we deem appropriate within and outside the Protected Area; and
4. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

If you enter into a MSDA, you will receive certain protected rights to develop more than one Store within a specified territory (the “Development Area”) to be described in Exhibit A attached to the MSDA. The size of the Development Area will vary, depending on the number of Stores you intend to open, the population density, and the demographics in the area in which you desire to operate. The Development Area may be one or more postal codes or reflect other boundaries. So long as you comply with the terms of the MSDA and each Franchise Agreement for each Store developed under the MSDA, we will not, during the term of the MSDA, establish for our own account or franchise others to operate Stores under the Marks within the Development Area.

We (for ourselves and our affiliates) reserve the right:

1. to operate and grant other persons the right to operate Stores at locations outside the Development Area Exclusivity during the term of this Agreement;
2. to operate and grant other persons the right to operate Stores at locations outside the Protected Area (as defined in the Initial Franchise Agreement) of each Store

in the Development Area following termination or expiration of this Agreement, except to the extent Franchisor may be restricted under a separate Woof Gang Bakery Franchise Agreement;

3. to sell the products and services authorized for sale at Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;

4. to sell the products and services authorized for sale at Stores under the Marks through dissimilar channels of distribution (i.e., other than the operation of full service Woof Gang Bakery® Stores), including by electronic means such as the Internet and by websites established by us, and pursuant to conditions we deem appropriate within and outside the Protected Area; and

5. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

You must concentrate your marketing and advertising activities to the immediate area of the Store Premises and otherwise comply with our then-current policies respecting marketing and advertising activities. You understand, however, that there otherwise are no geographic restrictions upon where customers may come from for any company-owned or franchised Woof Gang Bakery® Store. You may not offer, promote or sell any products or services authorized for sale at Woof Gang Bakery® Stores through any other channels of distribution, including the Internet. You will not have the right to subfranchise or sublicense any of your rights under the Franchise Agreement.

We do not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

Except as disclosed, neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at a Woof Gang Bakery® Store under any other trademark or service mark.

Item 13.

Trademarks

We grant you the right under the Franchise Agreement to operate your Store under the name “Woof Gang Bakery” and other trademarks or service marks that we periodically may adopt or approve (the “Marks”).

The following schedule list only the principal Marks that you are licensed to use. We have filed all required affidavits and renewal registrations for those Marks listed below.

Principal Trademarks	U.S. Registration or Serial No.	Application or Registration Date	Principal/ Supplemental Register
	5,895,154	October 29, 2019	Principal
WOOF GANG	4,326,698	April 30, 2013	Principal
WOOF GANG GROOMING	6,300,905	March 23, 2021	Principal
WOOF GANG BAKERY	App. No.: 97727681	App. Date: December 21, 2022	Principal *
WOOF GANG BAKERY & GROOMING	App. No.: 97727784	App. Date: December 21, 2022	Principal *
	App. No.: 97750073 (ITU) 97750071 (1A)	App. Date: January 11, 2023	Principal *
	App. No.: 97769677	App. Date: January 26, 2023	Principal *

*We do not have a federal registration for these marks. Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademarks is challenged, you may have to change to an alternative trademark which may increase your expense.

We have the right to periodically change the list of Marks. Your use of the Marks and any goodwill is to our and our affiliates' exclusive benefit and you retain no rights in the Marks. You retain no rights in the Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Marks unless we direct in writing. You may not use any Mark or portion of any Mark as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any unauthorized manner. You may not use any Mark or portion of any Mark on any website without our prior written approval.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the principal Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any principal Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Marks, and we have sole discretion to take any action we deem appropriate. We otherwise are unaware of any infringing uses or superior rights that could materially affect your use of the principal Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Marks and we will have the sole right to decide to pursue or settle any infringement actions relating to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you will make these changes or substitutions at your own expense.

Item 14.

Patents, Copyrights and Proprietary Information

There are no patents or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Manual as well as our advertising copy and design, written training materials and for certain other written materials we provide to assist you in operating your Store. In addition, we treat certain portions of our training curriculum as trade secrets.

We own certain proprietary or confidential information relating to the operation of Woof Gang Bakery® Stores, including information in the Manual (“Confidential Information”). You must keep confidential during and after the term of the Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Manual at your cost. We reserve the right to establish policies regarding the ownership and control of the Customer Data stored on your Management System.

Item 15.

Obligation to Participate in the Actual Operation of the Franchise Business

Your managing Principal Owner or a separately designated Store manager who otherwise meets our manager criteria must successfully complete our Initial Training Program and is responsible for day-to-day operations of the Store. Your managing Principal Owner or the designated Store manager must devote his/her full time and effort to actively managing the Store. If the Store manager is not the managing Principal Owner, the managing Principal Owner also must attend and successfully complete our Initial Training Program. Any new managing Principal Owner or Store manager must successfully complete our Initial Training Program within 60 days after assuming the role of Store manager.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining

the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17.

Item 16.

Restrictions on What the Franchisee May Sell

You will operate a Woof Gang Bakery retail store, selling dog treats, pet food, pet accessories and pet grooming services. You must offer for sale all and only those products and services that we have approved. You must maintain an inventory of approved products and other items in such quantities and variety that we direct or approve. We may add new products or services that you must offer at or use in your Store. In addition, you must obtain your supplies and equipment from suppliers we select or approve. Our right to modify the products and services to be offered at the Store is not limited.

Item 17.

Renewal, Termination, Transfer and Dispute Resolution

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

THE FRANCHISE RELATIONSHIP

FRANCHISE AGREEMENT

	Provision	Provision Section in Franchise Agreement	Summary
a.	Term of the Franchise	Section 1.1	10 years.
b.	Renewal or extension of the term	Section 9.1	You have no right to renew the franchise for your Store upon expiration of the term of the Franchise Agreement, subject to applicable law. We may enter into a successor agreement with you for a single additional term of ten years if both parties agree and certain conditions are met.
c.	Requirements for you to renew or extend	Section 9.2	If we agree to enter into a successor agreement with you, you must be current in payment of all fees and charges to us and our affiliates; not be in material breach of the Franchise Agreement or any other agreement; provide written notice to us within 30 days following receipt of our notice of desire to enter into a successor franchise agreement, but at least four months before the end of the term of the Franchise Agreement, of your desire to renew; pay a successor agreement fee equal to 50% of the then-current initial franchise fee for new Woof Gang Bakery franchisees; sign our then-current form franchise agreement which likely will contain provisions materially different from the Franchise Agreement; provide documentation that you can maintain possession of the Store Premises for the successor term or will obtain a substitute premises approved by us; remodel or refurbish the Store Premises; and you and each Principal Owner sign a general release.
d.	Termination by you	Not Applicable	Not Applicable
e.	Termination by us without cause	Not Applicable	Not Applicable
f.	Termination by us with cause	Section 12	We may terminate the Franchise Agreement only if you default.

	Provision	Provision Section in Franchise Agreement	Summary
g.	"Cause" defined--defaults which can be cured	Sections 12.1, 12.2, 12.3 and 12.4	You have 30 days to cure any breach not subject to a shorter cure period. You have 72 hours to cure: a failure to timely permit an audit or inspection by us; violation of any law, rule or regulation relating to the operation of the Store or failure to maintain any necessary license, permit or bond; failure to operate the Store under the Marks or properly display the Marks; engaging in any unethical business dealing that likely will harm the Marks, the System, us or other franchisees; failure to maintain any required insurance policy; or any other agreement between you and Us or our affiliates is terminated for cause. You have ten days to cure a failure to pay when due any amounts owed to us or any affiliate. All termination rights are subject to applicable law.
h.	"Cause" defined--defaults which cannot be cured	Section 12.4	Non-curable defaults: three material breaches to the Franchise Agreement within a 12 month period; file a voluntary petition in bankruptcy or an involuntary petition is filed against you; make an assignment for the benefit of creditors, or a receiver or trustee is appointed; you are adjudicated a bankrupt or insolvent; abandon the Store Premises by failing to operate the Licensed Business for 5 consecutive days or other action which we reasonably conclude constitutes abandonment; sublicense or attempt to sublicense the Marks or the System; unauthorized assignment; or you are convicted or plead guilty or no contest to a charge of violating any law relating to the Licensed Business.
i.	Your obligations on termination/nonrenewal	Section 13.1	Pay all amounts due and owing to Us or Our affiliates within ten days; discontinue using and return any hard copies of the Manual, advertising materials, and all other printed materials related to the operation of the Licensed Business; assign to Us, or at our discretion, disconnect the telephone number for the Store; remove from the Store premises all signs, posters, fixtures, decals, wall coverings and all other materials that are distinctive of a Store or bear the name "Woof Gang Bakery" or other Marks; comply with post-termination obligations under any software license or access agreement; cancel all fictitious or assumed name relating to your use of any of the Marks; immediately cease using the Trade Secrets and return, or at Our option destroy or electronically delete, all electronic or hard copy documents in your possession that contain Trade Secrets; within ten days after termination, pay Us all future lost Royalty Fees and National Marketing Fees; and comply with all other applicable provisions of the Franchise Agreement, including the non-compete and non-solicitation provisions.
j.	Assignment of contract by us	Section 10.1	No restriction on our right to assign although our assignee must assume all of our obligations to you.
k.	"Transfer" by you--definition	Section 10	Includes any assignment of the Franchise Agreement, the Store or its assets, or of any ownership interest in you.
l.	Our approval of transfer by franchisee	Section 10	Subject to the following, we have the right to approve or disapprove all transfers, but will not unreasonably withhold approval. Our prior written consent is not required for assignment of a non-controlling interest, provided you comply with certain conditions.
m.	Conditions for our approval of transfer	Section 10	Transfer of controlling interest - all amounts due to us and our affiliates are paid and you are in good standing under the Franchise Agreement, transferee is approved by us and the new managing Principal Owner and new Store manager (if not the managing Principal Owner) meets our standards and completes our Initial Training Program, transferee signs our then-current Franchise Agreement, landlord consents to transfer of the lease (if applicable), you pay the applicable transfer fee, you and each Principal Owner signs a general release, we approve the sale documents, and you agree to comply with all post-termination obligations. Transfer of non-controlling interest – provide 30 days prior written notice, any new Principal Owner signs a personal guaranty, pay applicable transfer fee, and provide us with information we request.

	Provision	Provision Section in Franchise Agreement	Summary
n.	Our right of first refusal to acquire your business	Section 10.5	We can purchase the interest in the Store or ownership interest in you for the price and on the terms contained in the offer.
o.	Our option to purchase your business	Section 13.3	On expiration or termination, we can purchase any or all of the tangible and intangible assets relating to the Store at book value (excluding any goodwill) and to an assignment of your lease for the Store premises.
p.	Your death or disability	Section 10.3	If the Principal Owner, with a controlling interest or the designated manager, dies or is permanently disabled, you or the remaining Principal Owners must appoint a competent manager acceptable to us within a reasonable time, not to exceed 30 days. If the Principal Owner with a controlling interest dies or is permanently disabled, his/her estate must transfer his/her interest within 12 months from the date of death or permanent disability to a person approved by us.
q.	Non-competition covenants during the term of the franchise	Section 12.3	You and each Principal Owner cannot divert any business or customers of the Store to any "Competing Business" or otherwise be involved in any Competing Business. "Competing Business" means any retail (including e-commerce) business that offers or sells pet food, dog treats, pet accessories, pet grooming services and/or pet day care or boarding services and such goods and services represent 10% or more of the total gross revenues of such retail business in any calendar month.
r.	Non-competition covenants after the franchise is terminated or expires	Section 11.4	No involvement in any Competing Business within a ten mile radius of the former site of the Store or any other then-existing Woof Gang Bakery® Store for 24 months following termination or expiration of the Franchise Agreement or you cease operating the Store (whichever is later).
s.	Modification of the Franchise Agreement	Section 16.15	No modifications generally, except in writing. We may modify the Manual, Marks, System and goods/services to be offered at your Store.
t.	Integration/merger clause	Section 16.14	Only the terms of the Franchise Agreement and other written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 14	Except for actions we bring for monies owed or injunctive relief, all disputes first will be subject to non-binding mediation in the county where our headquarters is located, then (if not resolved) to binding arbitration in the county where our headquarters is located (subject to applicable law).
v.	Choice of forum	Section 16.6	Litigation (to the extent permitted) must be brought exclusively in any state or federal court in the county where our headquarters is located (subject to applicable law). We also have the right to file any suit where the Store is located (subject to applicable law).
w.	Choice of law	Section 16.7	Florida law (subject to applicable law).

MSDA

	Provision	Provision Section in MSDA	Summary
a.	Term of the Franchise	Section 5	Varies generally from 12 to 60 months depending on number of Stores to be developed.
b.	Renewal or extension of the term	Section 5	There are no renewal rights.
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable
d.	Termination by you	Section 6	You may terminate the MSDA at any time with or without cause by delivering written notice thereof to us.
e.	Termination by us without cause	Not Applicable	Not Applicable
f.	Termination by us with cause	Section 6	We may terminate the MSDA only if you default.
g.	"Cause" defined--defaults which can be cured	Section 6	You have 60 days to cure: a failure to meet the Development Schedule; violation of any other material provision of the MSDA; and violation of any material provision of any Franchise Agreement related to the MSDA.

	Provision	Provision Section in MSDA	Summary
h.	"Cause" defined--defaults which cannot be cured	Section 6	We may terminate immediately upon delivery of written notice to you, with no opportunity to cure if termination results from: your repeated failure to comply with a material requirement of the MSDA; nature of your breach makes it not curable; or you are declared bankrupt or become insolvent; you are convicted of violating any law, ordinance or regulation relating to your operation of any Store developed under the MSDA; or you attempt to subfranchise all or part of your rights under the MSDA.
i.	Your obligations on termination/nonrenewal	Section 6	Termination or expiration of the MSDA will not affect your rights under any individual Store Franchise Agreements in effect at that time.
j.	Assignment of contract by us	Section 7	No restriction on our right to assign although our assignee must assume all of our obligations to you.
k.	"Transfer" by you--definition	Section 7	The MSDA cannot be pledged, transferred or sold in whole or in part without our prior written consent.
l.	Our approval of transfer by franchisee	Section 7	We have the right to approve all transfers.
m.	Conditions for our approval of transfer	Section 7	Conditions to any proposed transfer: you are in compliance with the terms of the MSDA and all other agreements between you and us; the proposed transferee has been approved by us as meeting our then-current standards for multiple store franchisees (if applicable); the proposed transferee completes our training program; you have assigned to the proposed transferee your interest in the individual Franchise Agreements for all Stores located in the Development Area; and you pay the applicable transfer fee.
n.	Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o.	Our option to purchase your business	Not Applicable	Not Applicable
p.	Your death or disability	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s.	Modification of the agreement	Section 9	No modifications generally, except in writing.
t.	Integration/merger clause	Section 9	Only the terms of the MSDA are binding.
u.	Dispute resolution by arbitration or mediation	Section 8	Same as Franchise Agreement.
v.	Choice of forum	Section 8	Same as Franchise Agreement.
w.	Choice of law	Section 8	Same as Franchise Agreement.

Item 18.

Public Figures

We do not currently 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 if: (1) a franchisor provides actual records of an existing outlet you are considering buying; or (2) a

franchisor supplements the information in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Section I: Gross Revenue Information for 12 Months Ending March 31, 2023

As of March 31, 2023, there were 166 Stores in operation. Of the 166 Stores, 136 Stores were in operation for the full 12 months ending March 31, 2023, and are included in Tables 1 and 2 below. Of the remaining 30 Stores, 1 Store was excluded because it relocated during the 12 months ending March 31, 2023, 4 Stores were excluded because they were temporarily closed during part of the 12 month period ending March 31, 2023, and 25 Stores were excluded because the Stores started operations (new stores) after April 1, 2022 and did not have Gross Revenue information for the entire 12 month period ending March 31, 2023.

Table 1 includes the total Gross Revenue for the time periods from April 1, 2022 to March 31, 2023.

Table 1: Average Yearly Gross Revenue^{1,2}	
	April 1, 2022, to March 31, 2023
Average Total Gross Revenue for Time Period ²	\$703,890 (12 Months)
Median Total Gross Revenue for Time Period	\$654,315 (12 Months)
Number of Franchises (and Percentage) that Met or Exceeded Average Gross Revenue for Time Period	60 (44%)

1. "Gross Revenues" mean the aggregate amount of all sales of all goods and services in connection with the Store, including off-premises sales, but excluding federal, state municipal and other sales, value added, or retailers excise taxes paid.
2. For the time period from April 1, 2022 to March 31, 2023, total Gross Revenue ranged from \$219,141 to \$1,886,403.

Table 2 includes information comparing the average Gross Revenue attributable to grooming and other services and the average Gross Revenue attributable to retail sales as a percentage of total Gross Revenue for the time periods from April 1, 2022 to March 31, 2023. The information includes all 136 Stores included in Table 1 above.

Table 2: Gross Revenue Breakdown	
	April 1, 2022, to March 31, 2023
Average Grooming and Other Services as a Percentage of Gross Revenue	66%
Median Grooming and Other Services as a Percentage of Gross Revenue	68%
Number of Franchises (and Percentage) that Met or Exceeded Average	80 (59%)
Average Retail Sales as a Percentage of Gross Revenue	34%
Median Retail Sales as a Percentage of Gross Revenue	32%
Number of Franchises (and Percentage) that Met or Exceeded Average	56 (41%)

Section II: Gross Revenue Information for 12 Months Ending December 31, 2022

As of December 31, 2022, there were 163 Stores in operation. Of the 163 Stores, 132 Stores were in operation for the full 12 months ending December 31, 2022, and are included in Tables 3 and 4 below. Of the remaining 31 Stores, 2 Stores were excluded because they

relocated during the 12 months ending December 31, 2022, 4 Stores were excluded because they were temporarily closed during part of the 12 month period ending December 31, 2022, and 25 Stores were excluded because the Stores started operations (new stores) after January 1, 2022 and did not have Gross Revenue information for the entire 12 month period ending December 31, 2022.

Table 3 includes the total average yearly Gross Revenue for the time periods from January 1, 2022 to December 31, 2022.

Table 3: Average Yearly Gross Revenue^{1,2}	
	January 1, 2022 to December 31, 2022
Average Total Gross Revenue for Time Period ²	\$695,208 (12 Months)
Median Total Gross Revenue for Time Period	\$641,422 (12 Months)
Number of Franchises (and Percentage) that Met or Exceeded Average Gross Revenue for Time Period	59 (45%)

1. “Gross Revenues” mean the aggregate amount of all sales of all goods and services in connection with the Store, including off-premises sales, but excluding federal, state municipal and other sales, value added, or retailers excise taxes paid.
2. For the time period from January 1, 2022 to December 31, 2022, total Gross Revenue ranged from \$219,121 to \$1,898,491.

Table 4 includes information comparing the average Gross Revenue attributable to grooming and other services and the average Gross Revenue attributable to retail sales as a percentage of total Gross Revenue for the time periods from January 1, 2022 to December 31, 2022. The information includes all 132 Stores included in Table 3 above.

Table 4: Gross Revenue Breakdown	
	January 1, 2022 to December 31, 2022
Average Grooming and Other Services as a Percentage of Gross Revenue	65%
Median Grooming and Other Services as a Percentage of Gross Revenue	66%
Number of Franchises (and Percentage) that Met or Exceeded Average	73 (55%)
Average Retail Sales as a Percentage of Gross Revenue	35%
Median Retail Sales as a Percentage of Gross Revenue	34%
Number of Franchises (and Percentage) that Met or Exceeded Average	59 (45%)

Section III: Same Store Gross Revenue Growth

Table 5 below provides systemwide same store Gross Revenue growth for existing franchised Stores open at least one full month during each of the two years examined (“Participating Stores”). The figures below compare the Gross Revenue earned by Participating Stores over the course of a calendar year with the Gross Revenue earned by the same Participating Stores during the prior calendar year. For Participating Stores open less than a full year during the first year of the two-year comparison, we only compared Gross Revenue during the same full months of operation in each of the two years. For example, if a Store opened on October 15, 2020, we would only include Gross Revenue of that Store for the months of November and December 2020 and 2021 in comparing systemwide Gross Revenues for those two years. We used information from sales reports submitted by the franchised Stores in calculating Royalty Fees, and data obtained from approved point-of-sale register systems. Over the last six years,

Participating Stores in the Woof Gang Bakery system have experienced same Store Gross Revenue growth that breaks down as follows:

Table 5: Same Store Gross Revenue Growth							
	2016 v. 2017	2017 v. 2018	2018 v. 2019	2019 v. 2020	2020 v. 2021	2021 v. 2022	Average (2017- 2022)
Same Store Gross Revenue Growth	13%	13%	10%	4%	29%	13%	14%
Number of Participating Stores	65	81	92	103	122	131	-

The information above does not include any information on expenses that Stores incur, including rent, cost of goods sold, royalties, other fees, technology expenses, insurance, professional fees, labor, marketing expenses, operating expenses and other expenses that must be deducted from Gross Revenue to obtain Stores' income or net profit. We recommend that your Store have between 1,000 and 1,800 square feet and that you pay a 50% commission to individuals providing grooming services. You should conduct an independent investigation of the costs and expenses you will incur in operating your Store.

Section IV: Pro Forma Financial Performance Representations

The following financial performance representation is a 12-month pro forma. The representations are based on the experience and expectations of a single Store in operation for at least 12 months as of December 31, 2022.

Gross Revenues			
	Retail Gross Revenues (See Note 1)		\$243,836
	Services Gross Revenues (See Note 2)		\$451,372
		(See Note 3)	Gross Revenues
			\$695,208
Cost of Goods Sold (COGS)			
	Retail COGS (Average COGS 46.1%)		\$112,460
		(See Note 4)	Total COGS
			\$112,460
	Gross Profit (See Note 5)		\$582,748

Expenses			
	Accounting (See Note 6)		\$2,400
	Credit Card Fees (1.75% of total sales) (See Note 7)		\$12,166
	Grooming Supplies (1.5% of grooming sales) (See Note 8)		\$6,771
	Insurance (See Note 9)		\$5,760
	Internet & Phone (See Note 10)		\$1,560
	Service Labor (Groomers & Bathers, assumption 45.0% of Service Sales) (See Note 11)		\$203,118
	Retail & Manager Labor (1 full time at \$17 per hour - 40 hours) (2 part time at \$12 per hour - 60 hours) (See Note 12)		\$72,800
	Maintenance (See Note 13)		\$3,000
	Marketing Contribution (2% of Revenue) (See Note 14)		\$13,904
	Payroll Taxes (See Note 15)		\$21,108
	Management System (See Note 16)		\$4,188
	Rent (\$5,833 per month) (See Note 17)		\$70,000
	Retail Supplies (1.5% of retail sales) (See Note 18)		\$3,658
	Royalties (7% of Revenues) (See Note 19)		\$48,665
	Security (See Note 20)		\$840
	Shipping Fees (1.5% of retail sales) (See Note 21)		\$3,658
	Utilities (See Note 22)		\$4,800
		Total Expenses	\$478,394
		(See Note 23)	EBITDA
			\$104,354

Gross Revenue:

1. Retail Gross Revenues: This figure represents the total Gross Revenues generated from the retail products sold at the Licensed Business.

2. Services Gross Revenues: This represents the total Gross Revenues generated from grooming and other services provided at the Licensed Business.

3. Total Gross Revenues: This is the combined Gross Revenues from both retail and service activities and is based on the average Gross Revenues for Stores in operation during the entire 12 month period ended December 31, 2022.

4. Cost of Goods Sold (COGS): This line represents the cost of goods sold for retail products, calculated as 46.1% of retail sales, which was the average COGS for products for calendar year 2022 for all Stores in operation for at least 12 months as of December 31, 2022, and for which cost of goods sold data was automatically collected from the Store's point of sale system. See tables immediately below:

	Mean	Median	High Store	Low Store
Retail COGS	46.1%	46.6%	59.9%	30.4%
	Stores Above Mean	Stores Below Mean	Stores Above Median	Stores Below Median
Total Stores	95	50	45	47
% of Stores	100%	53%	47%	49%

5. Gross Profit: This is the difference between total Gross Revenues and total COGS.

Expenses:

6. Accounting: This line includes the cost of accounting services required for the Licensed Business. This cost ranges from \$1,000 to \$3,800.

7. Credit Card Fees: This represents the fees generally charged by credit card processors. This cost ranges between 1.5% and 2.0% of total Gross Revenues.

8. Grooming Supplies: This is the estimated cost of supplies used for services, such as shampoo. This cost generally ranges between 1.0% and 2.0% of service Gross Revenues.

9. Insurance: This line reflects the estimated cost of insurance policies needed for the Licensed Business, such as workers compensation and general liability. This cost ranges between \$4,760 to \$6,760.

10. Internet & Phone: This represents the estimated cost of internet and phone services for the Licensed Business. This cost ranges between \$1,320 to \$1,800.

11. Service Labor: This line includes the estimated cost of labor for groomers and bathers. This cost generally ranges between 40.0% and 50.0% of service Gross Revenue and can vary, depending on the available work force in the immediate area of the Licensed Business.

12. Retail & Manager Labor: This line represents the estimated cost of labor for retail employees and the store manager, based on the given hourly rates and hours worked. This cost generally ranges between \$58,000 to \$87,600, depending on the available work force in the immediate area of the Licensed Business.

13. Maintenance: This line includes the estimated cost of maintaining the Licensed Business, such as repairs and upkeep and may range from \$2,000 to \$4,000.

14. Marketing Contribution (2% of Revenue): This is the estimated contribution to marketing efforts, calculated as 2% of total Gross Revenues.

15. Payroll Taxes: This line represents estimated payroll taxes associated with employee wages. This cost will vary in relation to your wages.

16. Management System: This includes the cost of the point-of-sale system, the Astro Loyalty program and Quickbooks.

17. Rent (\$5,833 per month): This line represents the estimated monthly cost of rent for the Licensed Business. This includes the estimated total amount of payments to the franchisee's landlord, including base rent, common area maintenance, real estate taxes and insurance. In calculating the average Rental Expense, we assume that the Store will have between 1,000 and 1,800 square feet and that monthly rent will range from \$30 to \$70 per square foot.

18. Retail Supplies: This is the estimated cost of supplies used for retail operations, such as bags, and can range between 1.0% and 2.0% of retail Gross Revenues.

19. Royalties (7% of Revenues): This line represents the royalty fees paid to us, calculated at 7% of total Gross Revenues.

20. Security: This line includes the cost of burglar alarm and video surveillance for the Licensed Business. This cost may range between \$600 and \$1,080.

21. Shipping Fees: This represents the estimated cost of shipping fees for retail products, and may range between 1.0% and 2.0% of retail Gross Revenues.

22. Utilities: This line accounts for the estimated cost of utilities, such as electricity and gas, for the Licensed Business, and may range between \$4,600 to \$5,000.

23. EBITDA: This line represents the Earnings Before Interest, Taxes, Depreciation, and Amortization, calculated by subtracting total expenses from the gross profit.

ADDITIONAL NOTES APPLICABLE TO THIS ITEM 19

1. **Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**
2. Written substantiation for the financial performance representations included in this Item 19 will be made available to the prospective franchisee upon reasonable request.
3. Other than the preceding financial performance representations, Woof Gang Bakery 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 receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our Chief Financial and Development Officer at franchise@woofgangbakery.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.

Outlets and Franchisee Information

**Table No. 1
System-Wide Store Summary
For Years 2020 to 2022**

Store Type	Year	Stores at the Start of the Year	Stores at the End of the Year	Net Change
Franchised	2020	112	123	+13
	2021	123	139	+16
	2022	139	163	+24
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
TOTAL	2020	112	123	+13
	2021	123	139	+16
	2022	139	163	+24

Table No. 2
Transfers of Stores from Franchisees to New Owners (other than the Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Florida	2020	1
	2021	11
	2022	4
Georgia	2020	0
	2021	5
	2022	0
Kansas	2020	0
	2021	2
	2022	0
New Jersey	2020	0
	2021	1
	2022	0
North Carolina	2020	0
	2021	0
	2022	6
Texas	2020	2
	2021	1
	2022	4
TOTAL	2020	3
	2021	20
	2022	14

Table No. 3
Status of Franchised Stores
For Years 2020 to 2022

State	Year	Stores at the Start of Year	Stores Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations / Other Reasons	Stores at End of the Year
Alabama	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Colorado	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Connecticut	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2

State	Year	Stores at the Start of Year	Stores Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations / Other Reasons	Stores at End of the Year
Florida	2020	46	9	2	0	0	0	53
	2021	53	5	0	0	0	0	58
	2022	58	10	0	0	0	0	68
Georgia	2020	7	0	1	0	0	0	6
	2021	6	1	0	0	0	0	7
	2022	7	2	0	0	0	0	9
Kansas	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Nebraska	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	1	3
New Jersey	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
New Mexico	2020	0	1	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	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
North Carolina	2020	12	0	0	0	0	0	12
	2021	12	3	0	0	0	0	15
	2022	15	2	0	0	0	0	17
Ohio	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
South Carolina	2020	5	0	0	0	0	0	5
	2021	5	2	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Tennessee	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Stores at the Start of Year	Stores Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations / Other Reasons	Stores at End of the Year
Texas	2020	23	3	1	0	0	0	25
	2021	25	3	0	0	0	0	28
	2022	28	6	0	0	0	0	34
Virginia	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
TOTAL	2020	112	16	5	0	0	0	123
	2021	123	16	0	0	0	0	139
	2022	139	25	0	0	0	1	163

**Table No. 4
Status of Company-Owned Stores
For Years 2020 to 2022**

State	Year	Businesses at the Start of the Year	Businesses Opened	Businesses Reacquired From Franchisees	Businesses Closed	Businesses Sold to Franchisees	Businesses at the End of the Year
TOTAL	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

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

State	Franchise Agreements Signed But Store Not Opened as of December 31, 2022	Projected New Franchised Stores to Open as of December 31, 2023	Projected New Company-Owned Stores in the Next Fiscal Year
California	0	1	0
Florida	27	19	0
Georgia	7	9	0
Indiana	0	1	0
New Jersey	1	1	0
North Carolina	7	6	0
Pennsylvania	1	1	0
South Carolina	2	2	0
Texas	10	9	0
Virginia	0	1	0
Total	55	50	0

* - The information in this table also has been updated to reflect the status of Stores opened and Franchise Agreements signed as of December 31, 2022.

The names, addresses and phone numbers of Woof Gang Bakery® franchisees in operation, as well as former franchisees, or franchisees who have not communicated with us in the previous 10-week period, are listed in [Exhibit G](#). If you buy a Woof Gang Bakery® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have no trademark-specific franchisee association.

During the last three fiscal years, current or former franchisees have signed confidentiality agreements. In certain instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Woof Gang Bakery® franchise 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.

Item 21.

Financial Statements

Attached to this disclosure document as Exhibit A are our audited financial statements and auditors reports as of December 31, 2020, December 31, 2021, December 31, 2022.

Item 22.

Contracts

The Franchise Agreement (including the Personal Guaranty) is attached as Exhibit B. The State Addenda are attached as Exhibit D. The General Release Form is attached as Exhibit E. The Disclosure Acknowledgment Agreement is attached as Exhibit I.

Item 23.

State Effective Dates and Receipts

Two copies of an acknowledgement of your receipt of this Disclosure Document are attached as Exhibit J. Please sign and date one copy and return it to us. Retain the other copy for your records.

EXHIBIT A
FINANCIAL STATEMENTS

WOOF GANG BAKERY INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022
AND FOR THE SUCCESSOR PERIOD FROM
MAY 31, 2022 TO DECEMBER 31, 2022
AS OF AND FOR PERIOD ENDED MAY 30, 2022
AND FOR THE PREDECESSOR PERIOD FROM
JANUARY 1, 2022 TO MAY 30, 2022
AND FOR THE PREDECESSOR YEARS ENDED
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

WOOF GANG BAKERY INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
Woof Gang Bakery Inc.

Opinion

We have audited the accompanying consolidated financial statements of Woof Gang Bakery, Inc. (a Florida corporation), which comprise the consolidated balance sheets as of December 31, 2022 and May 30, 2022, and the related consolidated statements of operations, shareholder's equity (deficit), and cash flows for the period from May 31, 2022 through December 31, 2022 (successor) and the period from January 1, 2022 through May 30, 2022 (predecessor), and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Woof Gang Bakery, Inc. as of December 31, 2022 and May 30, 2022, and the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Woof Gang Bakery 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.

Adjustments to Prior Period Consolidated Financial Statements

The consolidated financial statements of Woof Gang Bakery, Inc as of December 31, 2021 and 2020, were audited by other auditors whose report dated July 7, 2022, expressed an unmodified opinion on those statements. As discussed in Note A, the Company has restated its 2021 and 2020 consolidated financial statements during the current year to correct the consolidated financial statements for Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, ASC 740 *Income Taxes*, and for the change in noncontrolling interest, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2021 and 2020 consolidated financial statements before the restatement.

As part of our audit of the 2022 consolidated financial statements, we also audited adjustments described in Note A that were applied to restate the 2021 (predecessor) consolidated financial statements and 2020 (predecessor) consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 or 2020 consolidated financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2021 or 2020 consolidated financial statements as a whole

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

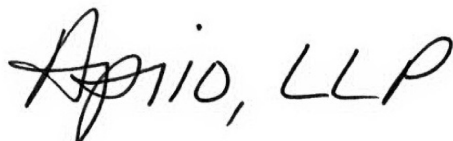
Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Woof Gang Bakery, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Woof Gang Bakery, 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.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is stylized and appears to be written in a cursive or semi-cursive font.

Birmingham, Alabama

March 31, 2023

WOOF GANG BAKERY INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 (SUCCESSOR), MAY 30, 2022 (PREDECESSOR),
DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

ASSETS

	Successor <u>December 31, 2022</u>	Predecessor <u>May 30, 2022</u>	Predecessor Restated <u>2021</u>	Predecessor Restated <u>2020</u>
<u>Current assets</u>				
Cash and cash equivalents	\$ 3,624,622	\$ 867,965	\$ 1,084,950	\$ 116,637
Accounts receivable	581,523	389,930	430,145	352,791
Deferred commission expense	12,499	-	-	-
Prepaid expenses and other	<u>96,484</u>	<u>18,938</u>	<u>-</u>	<u>-</u>
Total current assets	<u>4,315,128</u>	<u>1,276,833</u>	<u>1,515,095</u>	<u>469,428</u>
<u>Property and equipment, at cost</u>				
Vehicles	-	98,772	147,004	100,595
Furniture and equipment	75,215	30,232	30,232	30,232
Leasehold improvements	-	7,676	7,676	7,676
Less: accumulated depreciation	<u>(6,072)</u>	<u>(46,264)</u>	<u>(57,650)</u>	<u>(83,858)</u>
Total property and equipment, net	<u>69,143</u>	<u>90,416</u>	<u>127,262</u>	<u>54,645</u>
<u>Other assets</u>				
Deposits	31,001	9,981	13,262	13,355
Intangible assets, net of amortization	28,248,333	-	-	-
Goodwill, net of amortization	13,782,541	-	-	-
Other assets	22,500	4,783	-	-
Deferred commission expense, net of current	144,866	-	-	-
Notes receivable from related party	-	-	269,813	574,259
Right of use asset	346,234	462,073	-	-
Deferred tax asset	1,541,226	69,065	-	25,108
Due from related parties	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>59,258</u>
Total other assets	<u>44,116,701</u>	<u>545,902</u>	<u>358,075</u>	<u>671,980</u>
Total assets	<u>\$ 48,500,972</u>	<u>\$ 1,913,151</u>	<u>\$ 2,000,432</u>	<u>\$ 1,196,053</u>

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 (SUCCESSOR), MAY 30, 2022 (PREDECESSOR),
DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)

	Successor December 31, 2022	Predecessor May 30, 2022	Predecessor Restated 2021	Predecessor Restated 2020
<u>Current liabilities</u>				
Accounts payable	\$ 93,748	\$ 381,895	\$ 271,180	\$ 213,586
Accrued expenses	387,706	67,778	152,674	113,235
Income tax payable	85,588	64,137	57,108	-
Operating lease liability - current	180,852	197,006	-	-
Deferred revenue	667,527	712,151	951,592	144,740
Deferred rent liability	-	27,594	27,594	44,718
Notes payable, current portion	-	71,354	18,624	16,812
	<u>1,415,421</u>	<u>1,521,915</u>	<u>1,478,772</u>	<u>533,091</u>
<u>Long-term liabilities</u>				
Operating lease liability, net of current	169,702	267,129	-	-
EIDL SBA loan	-	-	149,900	149,900
Paycheck protection loan	-	-	-	162,900
Deferred revenue, net of current	3,229,307	2,554,475	1,736,373	-
Deferred income tax liability	-	-	29,267	-
Notes payable, net of current	-	-	58,735	48,524
Shareholder loan payable	15,632,125	-	-	-
Line of credit	-	-	-	23,713
	<u>19,031,134</u>	<u>2,821,604</u>	<u>1,974,275</u>	<u>385,037</u>
Total long-term liabilities	<u>19,031,134</u>	<u>2,821,604</u>	<u>1,974,275</u>	<u>385,037</u>
Total liabilities	<u>20,446,555</u>	<u>4,343,519</u>	<u>3,453,047</u>	<u>918,128</u>
<u>Shareholder's equity (deficit)</u>				
Common stock	800	800	800	800
Additional paid-in capital	33,927,645	699,200	699,200	699,200
Accumulated deficit	(5,874,028)	(3,130,368)	(2,152,615)	(534,231)
	<u>28,054,417</u>	<u>(2,430,368)</u>	<u>(1,452,615)</u>	<u>165,769</u>
Total shareholder's equity (deficit)	<u>28,054,417</u>	<u>(2,430,368)</u>	<u>(1,452,615)</u>	<u>165,769</u>
Non-controlling interest in subsidiary	-	-	-	112,156
Total equity (deficit)	<u>28,054,417</u>	<u>(2,430,368)</u>	<u>(1,452,615)</u>	<u>277,925</u>
Total liabilities and shareholder's equity (deficit)	<u>\$ 48,500,972</u>	<u>\$ 1,913,151</u>	<u>\$ 2,000,432</u>	<u>\$ 1,196,053</u>

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

	Successor May 31, 2022 - December 31, 2022	Predecessor January 1, 2022 - May 30, 2022	Predecessor Restated 2021	Predecessor Restated 2020
<u>Revenue</u>				
Royalties	\$ 2,864,291	\$ 1,864,564	\$ 3,847,375	\$ 2,549,952
Franchise fees	790,652	258,191	748,383	712,900
Ad-fund revenue	150,934	70,725	114,203	168,669
Other sales and revenue	<u>64,425</u>	<u>111,093</u>	<u>199,955</u>	<u>378,062</u>
Total revenue	<u>3,870,302</u>	<u>2,304,573</u>	<u>4,909,916</u>	<u>3,809,583</u>
<u>Operating expenses</u>				
Salaries and wages	2,897,419	666,484	1,414,926	1,029,766
Consulting	408,790	-	-	-
Commissions	124,137	632,620	1,200,259	697,513
Stock compensation	289,969	-	-	-
General and administrative	747,489	426,651	813,159	866,388
Ad-fund marketing	182,250	56,320	112,932	212,430
Franchise development cost	72,789	160,704	255,097	322,224
Rent expense	151,697	97,501	186,371	265,323
Travel and entertainment	183,447	79,718	158,608	95,482
Lead generation and shows	278,571	132,640	27,218	4,045
Termination and nonrecurring	2,481,515	356,263	-	-
Transaction costs	1,705,702	5,000	-	-
Depreciation and amortization	<u>1,023,877</u>	<u>9,685</u>	<u>24,116</u>	<u>38,634</u>
Total operating expenses	<u>10,547,652</u>	<u>2,623,586</u>	<u>4,192,686</u>	<u>3,531,805</u>
Income (loss) from operations	<u>(6,677,350)</u>	<u>(319,013)</u>	<u>717,230</u>	<u>277,778</u>
<u>Other income (expense)</u>				
Other income (expense)	(8,503)	4,830	(250,179)	7,112
Interest expense	(633,538)	(11,538)	(11,553)	(7,638)
Gain on extinguishment of debt	-	-	162,900	-
Gain (loss) on sale of assets	<u>(5,348)</u>	<u>(27,160)</u>	<u>27,733</u>	<u>2,551</u>
Total other income (expense)	<u>(647,389)</u>	<u>(33,868)</u>	<u>(71,099)</u>	<u>2,025</u>
Income before provision for income taxes	(7,324,739)	(352,881)	646,131	279,803
<u>Income tax benefit (expense)</u>	<u>1,450,711</u>	<u>91,303</u>	<u>(111,483)</u>	<u>25,108</u>
Net income (loss)	<u>\$ (5,874,028)</u>	<u>\$ (261,578)</u>	<u>\$ 534,648</u>	<u>\$ 304,911</u>

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY (DEFICIT)
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Shareholder's (Deficit)</u>	<u>Non-controlling Interests</u>	<u>Total Equity (Deficit)</u>
Balance at January 1, 2020 (Predecessor), as originally stated	\$ 800	\$ 699,200	\$ (679,142)	\$ 20,858	\$ 112,156	\$ 133,014
Distributions	-	-	(160,000)	(160,000)	-	(160,000)
Net income, as restated	<u>-</u>	<u>-</u>	<u>304,911</u>	<u>304,911</u>	<u>-</u>	<u>304,911</u>
Balance at December 31, 2020 (Predecessor), as restated	<u>800</u>	<u>699,200</u>	<u>(534,231)</u>	<u>165,769</u>	<u>112,156</u>	<u>277,925</u>
Effect of adoption of ASC 606 as of January 1, 2021, Note A	-	-	(2,065,188)	(2,065,188)	-	(2,065,188)
Net income, as restated	-	-	534,648	534,648	-	534,648
Distributions	-	-	(200,000)	(200,000)	-	(200,000)
Correction of error, Note A	<u>-</u>	<u>-</u>	<u>112,156</u>	<u>112,156</u>	<u>(112,156)</u>	<u>-</u>
Balance at December 31, 2021 (Predecessor), as restated	<u>800</u>	<u>699,200</u>	<u>(2,152,615)</u>	<u>(1,452,615)</u>	<u>-</u>	<u>(1,452,615)</u>

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY (DEFICIT)
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR),
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Shareholder's (Deficit)	Non-controlling Interests	Total Equity (Deficit)
Balance at December 31, 2021 (Predecessor), as restated (continued)	800	699,200	(2,152,615)	(1,452,615)	-	(1,452,615)
Distributions	-	-	(371,362)	(371,362)	-	(371,362)
Shareholder receivable conversion	-	-	(344,813)	(344,813)	-	(344,813)
Net loss for the period ending May 30, 2022	-	-	(261,578)	(261,578)	-	(261,578)
Balance at May 30, 2022 (Predecessor)	<u>800</u>	<u>699,200</u>	<u>(3,130,368)</u>	<u>(2,430,368)</u>	<u>-</u>	<u>(2,430,368)</u>
Cumulative effect of change in control	(800)	(699,200)	3,130,368	2,430,368	-	2,430,368
Issuance of common stock	800	33,637,676	-	33,638,476	-	33,638,476
Stock compensation - options	-	289,969	-	289,969	-	289,969
Net loss for period ending December 31, 2022	-	-	(5,874,028)	(5,874,028)	-	(5,874,028)
Balance at December 31, 2022 (Successor)	<u>\$ 800</u>	<u>\$ 33,927,645</u>	<u>\$ (5,874,028)</u>	<u>\$ 28,054,417</u>	<u>\$ -</u>	<u>\$ 28,054,417</u>

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR),
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

	Successor May 31, 2022 - December 31, 2022	Predecessor January 1, 2022 - May 30, 2022	Predecessor Restated 2021	Predecessor Restated 2020
Cash flows from operating activities:				
Net income (loss)	\$ (5,874,028)	\$ (261,578)	\$ 534,648	\$ 304,911
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,023,877	9,685	24,116	38,634
Change in deferred tax asset/liability	(1,541,226)	(98,332)	54,375	(25,108)
Stock compensation	289,969	-	-	-
Payment in kind on debt	632,125	-	-	-
(Gain) loss on disposal of property and equipment	5,348	27,160	(27,733)	(2,551)
(Gain) on extinguishment of debt	-	-	(162,900)	-
Change in operating lease liability/ROU asset	2,258	2,062	-	-
Change in operating assets and liabilities:				
Accounts receivable	(178,586)	40,215	(77,354)	(78,616)
Due to and due from related party	-	-	(13,446)	361,919
Prepaid expenses and other	(108,483)	(20,438)	302,242	(264,911)
Deferred commission costs	(157,365)	-	-	-
Accounts payable	(307,325)	110,715	57,594	(39,901)
Accrued expenses	318,183	(84,897)	19,765	(47,944)
Income tax payable	85,588	7,029	57,108	-
Deferred revenue	630,208	578,661	480,588	(335,300)
Total adjustments	694,571	571,860	714,355	(393,778)
Net cash provided (used) by operating activities	(5,179,457)	310,282	1,249,003	(88,867)
Cash flows from investing activities:				
Purchase of property and equipment	(61,437)	-	(69,000)	(5,117)
Business combination, net of cash received	(39,766,422)	-	-	-
Net cash used by investing activities	(39,827,859)	-	(69,000)	(5,117)

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR),
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

	Successor May 31, 2022 - December 31, 2022	Predecessor January 1, 2022 - May 30, 2022	Predecessor Restated 2021	Predecessor Restated 2020
Cash flows from financing activities:				
Paycheck protection proceeds	-	-	-	162,900
EIDL SBA proceeds	-	-	-	149,900
Principal payments of notes payable	(6,538)	(155,905)	12,023	(25,333)
Proceeds from shareholder loan payable	15,000,000	-	-	-
Capital contributions	33,638,476	-	-	-
Distributions	-	(371,362)	(200,000)	(160,000)
Line of credit, net	-	-	(23,713)	(23,918)
	<u>48,631,938</u>	<u>(527,267)</u>	<u>(211,690)</u>	<u>103,549</u>
Net cash provided (used) by financing activities				
	3,624,622	(216,985)	968,313	9,565
Net increase (decrease) in cash				
Cash, beginning of the year or period	<u>-</u>	<u>1,084,950</u>	<u>116,637</u>	<u>107,072</u>
Cash, end of year or period	<u>\$ 3,624,622</u>	<u>\$ 867,965</u>	<u>\$ 1,084,950</u>	<u>\$ 116,637</u>
Supplemental disclosure of cash flow information:				
Interest paid	\$ 1,413	\$ 11,538	\$ 11,449	\$ 7,378
Taxes paid	-	-	\$ 93,843	\$ 97,459
Implementation of ASC 606 Revenue Recognition	-	-	\$ 2,065,188	-
Leased assets obtained in exchange for new operating lease liabilities, net of prior year deferred rent liability	-	\$ 544,495	-	-
Shareholder receivable converted to distributions	-	\$ 344,813	-	-
Surrender of vehicle to reduce note balance	\$ 58,938	-	-	-

See auditors' report and accompanying notes

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies

Nature of Operations:

Woof Gang Bakery, Inc. and Subsidiary (the "Company") is a franchisor of specialty retailers of pet food, pet supplies, and professional pet grooming under the name "Woof Gang Bakery & Grooming". Franchises are sold by the Company for territories in North America.

The Company was formed in 2007 as a Florida limited liability company under the name Woof Gang Bakery, LLC. During 2016, the Company converted to a Florida corporation and changed its legal name to Woof Gang Bakery, Inc.

On May 31, 2022, all of the Company's outstanding stock was acquired by GSP Woof Gang Holdco, Inc. ("Holdco") (Note B). The reporting entity for purposes of these consolidated financial statements is the Company. The Company is a wholly owned subsidiary of Holdco.

During the years ended December 31, 2022, 2021, and 2020, 56, 28 and 8 franchises were sold, respectively. As of December 31, 2022, 2021, and 2020 there were 216, 175 and 158, signed franchise agreements for stores in place, respectively, of which 163, 139, and 123, respectively, were operational.

During 2023, the Company has sold 15 franchises through March 31, 2023.

Principles of Consolidation:

The consolidated financial statements include the accounts of Woof Gang Bakery, Inc. and its subsidiary, Woof Gang Bakery City Market, LLC ("City Market"), of which the Company owns 50%. All significant intercompany accounts and transactions have been eliminated in consolidation. Capital transactions and net income (loss) of City Market are presented as noncontrolling interest in the consolidated financial statements for the year ended December 31, 2020 (predecessor). The member's capital of City Market was \$0 as of December 31, 2021 (predecessor). City Market had no activity during 2022 and was formally dissolved during 2023.

Woof Gang International, LLC ("International") was formed on November 1, 2022 as a Delaware limited liability company. International is wholly owned by the Company and had no activity during 2022.

Reporting Periods:

As a result of the impact of pushdown accounting (Note B), the consolidated financial statements and certain note presentations separate the Company's presentations into two distinct periods, the period before the consummation of the transaction (labeled predecessor) and the period after that date (labeled successor), to indicate the application of the different basis of accounting between the periods presented.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Prior Period Adjustments:

The Company has restated its previously issued 2021 and 2020 consolidated financial statements for matters related to the following previously reported items: deferred revenue and franchise fee revenue to reflect effects of Accounting Standards Codification ("ASC") 606 Revenue Recognition, deferred income tax asset/liabilities and current year income tax provision to correct for the effects of ASC 740 and for the change in noncontrolling interest. The accompanying consolidated financial statements for 2021 and 2020 have been restated to reflect the corrections.

The following were affected:

	<u>As of December 31, 2020, as previously stated</u>	<u>Increase (decrease)</u>	<u>As of December 31, 2020, as restated</u>
<u>Consolidated Balance Sheet</u>			
Deferred tax asset	\$ -	\$ 25,108	\$ 25,108
Total assets	\$ 1,170,945	\$ 25,108	\$ 1,196,053
Accumulated deficit	\$ (559,339)	\$ 25,108	\$ (534,231)
Total liabilities and shareholder's equity	\$ 1,170,945	\$ 25,108	\$ 1,196,053
<u>Consolidated Statement of Operations</u>			
Income taxes payable	\$ -	\$ 25,108	\$ 25,108
Net income	\$ 279,803	\$ 25,108	\$ 304,911
<u>Consolidated Statement of Cash Flow</u>			
Operating Activities			
Change in deferred tax asset	\$ -	\$ (25,108)	\$ (25,108)
	<u>As of December 31, 2021, as previously stated</u>	<u>Increase (decrease)</u>	<u>As of December 31, 2021, as restated</u>
<u>Consolidated Balance Sheet</u>			
Accrued income taxes	\$ -	\$ 57,108	\$ 57,108
Deferred revenue	\$ 793,100	\$ 1,894,865	\$ 2,687,965
Deferred tax liability	\$ -	\$ 29,267	\$ 29,267
Total liabilities	\$ 1,471,808	\$ 1,981,240	\$ 3,453,048
Accumulated deficit	\$ (283,531)	\$ (1,869,084)	\$ (2,152,615)
Non controlling interest	\$ 112,156	\$ (112,156)	\$ -
Total shareholder's equity	\$ 528,625	\$ (1,981,240)	\$ (1,452,615)
Total liabilities and shareholder's equity	\$ 2,000,432	\$ -	\$ 2,000,432

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

	As of December 31, 2021, <u>as previously stated</u>	Increase (decrease)	As of December 31, 2021, <u>as restated</u>
<u>Consolidated Statement of Operations</u>			
Franchise fees	\$ 578,060	\$ 170,323	\$ 748,383
Total revenue	\$ 4,739,593	\$ 170,323	\$ 4,909,916
Income tax benefit (expense)	\$ -	\$ (111,483)	\$ (111,483)
Net income	\$ 475,808	\$ 58,840	\$ 534,648
<u>Consolidated Statement of Cash Flow</u>			
Operating Activities			
Change in deferred revenue	\$ 650,911	\$ (170,323)	\$ 480,588
Change in deferred tax asset	\$ -	\$ 54,375	\$ 54,375
Change in income tax payable	\$ -	\$ 57,108	\$ 57,108

Implementation of ASC 606:

The Financial Accounting Standards Board ("FASB") issued new guidance that created ASC Topic 606, Revenue from Contracts with Customers. ASC 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The Company did not adopt the requirements of ASC 606 as of January 1, 2021, in the previously issued consolidated financial statements. The Company retrospectively adopted the requirements of ASC 606 as of January 1, 2021, utilizing the modified retrospective method of transition. The Company applied ASC 606 using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2021. Adoption of ASC 606 resulted in changes to the Company's accounting policies for revenue recognition, and an increase in accumulated deficit by \$2,065,188. See Prior Period Adjustment in Note A above for effects of all restatements to consolidated financial statements.

The Company has also determined that ASC 606 requires a gross presentation on the consolidated statement of operations for franchisee contributions received and related expenses for advertising. While this change materially impacted the gross amount of reported franchise revenue and expenses, the impact is an offsetting increase to both revenues and expense such that the impact on net income is not material.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Use of Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates are used for, but not limited to, the accounting of doubtful accounts, useful lives for intangible assets, goodwill, depreciation and contingencies. Actual results could differ from these estimates.

Cash and Cash Equivalents:

For the purpose of the consolidated statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Company maintains cash balances at two commercial banks. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. At December 31, 2022, May 30, 2022, and December 31, 2021, the Company's cash balances held at the commercial banks exceeded the FDIC limit by approximately \$3,120,000, \$680,000, and \$830,000, respectively. At December 31, 2020, the Company's cash balances did not exceed the FDIC limit. The Company has not experienced any losses through the date when the consolidated financial statements were available to be issued.

Accounts Receivable:

Accounts receivable are stated at the amount of consideration from customers of which the Company has an unconditional right to receive. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. The allowance is reviewed periodically and adjusted for accounts deemed uncollectible by management. At December 31, 2022, May 30, 2022, December 31, 2021 and 2020 management determined that the entire outstanding receivable balance was collectible and thus no such allowance was deemed necessary.

Property and Equipment:

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is recognized.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Depreciation of property and equipment is provided using straight-line methods over the estimated useful lives of the assets, which are as follows:

Leasehold improvements	1 - 39 years
Furniture and equipment	5 - 7 years
Vehicles	5 years

Depreciation expense was \$18,424 for the period from May 31, 2022 through December 31, 2022 (successor), \$9,685 for the period from January 1, 2022 through May 30, 2022 (predecessor), \$24,116 and \$28,415 for the years ended December 31, 2021, and 2020 (predecessor), respectively.

Goodwill and Other Intangibles:

Intangible assets are initially recognized and measured at fair value. The tradename represents the Company's brand recognition and competitive advantage and is considered indefinite lived. Franchise agreements represent the fair value of the agreements upon acquisition and are amortized over a useful life of 10 years.

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the identified assets acquired and liabilities assumed. The Company elected to amortize goodwill over a period of ten years, using the straight-line method, in accordance with the provisions set forth in Financial Accounts Standards Board ("FASB") Accounting Standards Codification Topic 350, *Intangibles - Goodwill and Other*. Also in accordance with the accounting alternative, the Company will test its goodwill for impairment only upon the occurrence of a triggering event or circumstance that may indicate the fair value of the entity is less than its carrying amount. There were no such triggering events as of December 31, 2022.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets:

The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to (1) a significant decrease in the market value of an asset, (2) a significant adverse change in the extent or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

Leases:

The Company adopted ASC 842 - Leases effective January 1, 2022, with all the available practical expedients, retrospectively at the beginning of the period of adoption. There was no retained earnings impact on the adoption of ASC 842. The Company recognizes and measures its leases in accordance with ASC 842 Leases. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use ("ROU") asset at the commencement date of each lease. The lease liability is initially and subsequently recognized based on the present value of the contract's future lease payments.

Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate, if it is readily determinable, or the Company's incremental borrowing rate. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The Company has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease costs associated with its short-term leases on a straight-line basis over the lease term. When contracts contain lease and non-lease components, the Company accounts for both components as a single lease component.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Revenue Recognition:

On May 28, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The new guidance establishes the principles to report useful information to users of the consolidated financial statements about the nature, timing and uncertainty of revenue from contracts with customers. The Company adopted the new standard effective January 1, 2021.

Revenues are recorded when: (i) a contract with a client has been identified, (ii) the performance obligations(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Company has satisfied the applicable performance obligation.

The Company's revenue primarily consists of franchise and development fees, transfer fees, royalties and advertising fund contributions. The Company sells franchises that grant the right to operate "Woof Gang Bakery & Grooming" stores throughout the United States. The initial term of the franchise agreement is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee.

The initial franchise fee paid is allocated to the franchise right as there are no other performance obligations. The initial fee is recognized over the term of the respective franchise agreement on the date the franchise agreement was signed. Area development, renewal and transfer fee revenues from an individual franchise sale or transfer are recognized over the franchise agreement on a straight-line basis.

Royalties and advertising fees are earned on sales by franchisees and are recognized as revenue in the month the underlying sales occur throughout the term of the respective franchise agreement. These fees are calculated as a percentage of sales by franchisees and are paid on a monthly basis.

Below is a summary of revenue recognized at a point in time and over time:

		Successor May 31, 2022 - <u>December 31, 2022</u>	Predecessor January 1, 2022 - <u>May 30, 2022</u>	Predecessor December 31, <u>2021</u>
Royalties	Point in Time	\$ 2,864,291	\$ 1,864,564	\$ 3,847,375
Ad fund revenue and other	Point in Time	215,359	181,818	314,158
Franchise, area, and transfer fees	Over Time	<u>790,652</u>	<u>258,191</u>	<u>748,383</u>
		<u>\$ 3,870,302</u>	<u>\$ 2,304,573</u>	<u>\$ 4,909,916</u>

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Deferred revenue represents a contract liability which are amounts received from franchisees for which performance obligations will be transferred in the future. Deferred costs represent certain costs to obtain and fulfill franchise contracts that the Company expects to recover. Costs to obtain contracts include sales commissions that would not have been incurred if the contract had not been obtained. The Company recognizes an asset for costs to obtain or fulfill the contracts, amortizes the asset over the life of the contracts on the same basis that the related revenue is recognized, and assesses the asset for impairment at each reporting date.

The following table provides information about the Company's receivables, deferred costs and deferred revenue:

	Predecessor January 1, 2021	Predecessor December 31, 2021	Predecessor May 30, 2022	Successor December 31, 2022
Accounts receivable	\$ 352,791	\$ 430,145	\$ 389,930	\$ 581,523
Deferred cost	\$ -	\$ -	\$ -	\$ 157,365
Deferred revenue	\$ 2,209,928	\$ 2,687,965	\$ 3,266,626	\$ 3,896,834

Commissions:

The Company has agreements with development owners who receive a percentage of initial franchise fees when new locations are opened and ongoing monthly royalties for franchises sold in a development region. All of these area development agreements were terminated during the period from May 31, 2022 through December 31, 2022 (successor). Termination payouts are reflected as termination and nonrecurring expenses on the accompanying consolidated statement of operations.

The total amount paid to development owners was approximately \$240,000 during the period from May 31, 2022 through December 31, 2022 (successor), \$510,000 during the period from January 1, 2022 through May 30, 2022 (predecessor), \$1,200,000 and \$698,000 during the years ended December 31, 2021 and 2020 (predecessor), respectively, and is reflected as commissions on the accompanying consolidated statements of operations.

Advertising Costs:

The Company expenses advertising costs as they are incurred. Advertising expenses were approximately \$75,000 during the period from May 31, 2022 through December 31, 2022 (successor), \$17,000 during the period from January 1, 2022 through May 30, 2022 (predecessor), \$41,000 and \$78,000, for the years ended December 31, 2021, and 2020 (predecessor), respectively. These advertising costs are reflected as ad-fund marketing on the accompanying consolidated statements of operations.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Income Taxes:

The Company accounts for income taxes using FASB ASC 740, *Income Taxes* ("FASB ASC 740"). Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

The Company accounts for income taxes also using FASB ASC 740-10-25 paragraphs 5 through 17, *Income Taxes* ("FASB ASC 740"). The guidance clarifies the accounting for uncertainty in income taxes recognized in an enterprise's consolidated financial statements. This interpretation prescribes a minimum probability threshold that a tax position must meet before a consolidated financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The Company is no longer subject to income tax examinations for years prior to 2019.

Fair Value of Financial Instruments:

When required by generally accepted accounting principles, assets and liabilities are reported at fair value in the Company's consolidated financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Valuation inputs are arranged in a hierarchy that consists of the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
THE PERIOD FROM JANUARY 1, 2022 THROUGH MAY 30, 2022 (PREDECESSOR)
AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note A
Summary of Significant Accounting Policies (Continued)

Intangibles recorded as a result of the business combination described in Note B were recorded at fair value utilizing third party business combination techniques.

Note B
Business Combination

On May 31, 2022, GSP Woof Gang Holdco, Inc. entered into an agreement to purchase 100% of stock for a total consideration of \$40,000,000. The Company paid \$25,350,000 of the purchase price in cash and issued subordinated promissory note in the amount of \$15,000,000. There were also working capital adjustments which increased the purchase consideration by \$350,000.

Under the acquisition method of accounting, GSP Woof Gang Holdco, Inc. was treated as the accounting acquirer and the Company was treated as the acquired company for financial reporting purposes. The acquisition was recorded as a business combination under ASC Topic 805, *Business Combinations*, with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. Fair value adjustments related to the transaction have been pushed down to the Company, resulting in assets and liabilities being recorded at fair value at May 31, 2022.

The following table summarizes the consideration paid for the Company and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date at May 31, 2022:

Purchase Consideration

Cash	\$ 25,350,000
Shareholder loan payable	<u>15,000,000</u>
	<u>\$ 40,350,000</u>

Assets Acquired:

Cash	\$ 578,650
Accounts receivable	402,937
Prepaid expenses and other current assets	28,696
Vehicle	90,416
Trademark	25,800,000
Franchise agreements	2,600,000
ROU asset	462,073
Deferred tax asset	69,065
Security deposits	<u>12,806</u>

Total assets acquired	30,044,643
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WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 31, 2022 THROUGH DECEMBER 31, 2022 (SUCCESSOR),
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AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note B

Business Combination (Continued)

Liabilities Assumed:

Accounts payable	(401,073)
Accrued expenses	(63,974)
Note payable - vehicle	(65,476)
Deferred revenue	(3,266,626)
Income tax payable	(64,137)
Lease liability	(464,135)
Security deposit liability	<u>(5,549)</u>
Total liabilities assumed	<u>(4,330,970)</u>
Net assets acquired	<u>25,713,673</u>
Goodwill	<u>\$ 14,636,327</u>

Note C

Goodwill and Intangible Assets

Goodwill and intangible assets are comprised of the following:

	<u>December 31, 2022</u>
Trade name	\$ 25,800,000
Franchise agreements	2,600,000
Goodwill	14,636,327
Less accumulated amortization	<u>(1,005,453)</u>
Total intangible assets	<u>\$ 42,030,874</u>

The estimated life of both goodwill and franchise agreements is 10 years. The life of trade name is indefinite. Amortization expense related to the intangibles with estimated lives totaled \$1,005,453 during the period from May 31, 2022 through December 31, 2022 (successor). Intangible assets will be tested annually for impairment. No impairment was noted by management as of December 31, 2022 (successor).

WOOF GANG BAKERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note C
Goodwill and Intangible Assets (Continued)

Estimated future amortization expense is as follow:

<u>Years Ending December 31</u>	<u>Amount</u>
2023	\$ 1,723,633
2024	1,723,633
2025	1,723,633
2026	1,723,633
2027	1,723,633
Thereafter	<u>7,612,709</u>
	<u>\$ 16,230,874</u>

Note D
Related Party Transactions

The Company is related to other entities through common ownership. In the ordinary course of business, the Company may enter into transactions, including borrowings from and to these related parties.

The Company had a note receivable agreement with a related party. The note receivable bore interest at 1.50% per annum and the entire balance of principal and accrued interest was due on December 31, 2025. The total outstanding balance of the note receivable, including accrued interest, was approximately \$270,000 at December 31, 2021. The note was converted to distributions during the period from January 1, 2022 through May 30, 2022 (predecessor).

The Company had promissory notes with two related parties with an outstanding receivable balance of \$75,000 at December 31, 2021. Interest accrued annually at .15% and the unpaid principal and accrued interest was due on December 31, 2022. The notes were converted to distributions during the period from January 1, 2022 through May 30, 2022 (predecessor).

Note E
Shareholder Loan Payable

On May 31, 2022, the Company entered into a promissory note in connection with the business combination discussed in Note B. The note is for \$15,000,000 and bears interest at 6% per annum. Interest is due quarterly unless the Company elects the Full PIK Option, as defined. The Company has elected the PIK Option which increases the interest rate to 7% and capitalizes the unpaid interest onto the principal balance each quarter. During the period from May 31, 2022 through December 31, 2022 (successor), \$632,125 of unpaid interest was added to the outstanding principal balance. The outstanding principal and interest balance is due in full on May 31, 2027.

The loan is prepayable in full at any time, but requires payment of a premium (4% of aggregate principal balance) if prepaid on or prior to May 31, 2023.

WOOF GANG BAKERY INC.
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AND THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (PREDECESSOR)

Note F
Note Payable

The Company entered into a notes payable agreement in November 2021 to purchase a vehicle. The note payable provided for the vehicle to be financed for a period of 60 months at 1.90% interest. The Company made monthly payments of approximately \$1,550. The note payable matures in November 2026 and is secured by the vehicle. The outstanding balance was approximately \$77,000 as of December 31, 2021. The balance was paid off in full by returning the vehicle during the period from May 31, 2022 through December 31, 2022 (successor).

Note G
Global Pandemic COVID-19

During 2020, the world was impacted by a global pandemic known as COVID-19. The pandemic had a far reaching impact on the global economy including but not limited to shutdowns, global supply chain disruptions, etc. Many governments, including the United States, introduced programs to assist businesses during this time. The Company was able to leverage the Paycheck Protection Program and received an Economic Injury Disaster Loan as described below.

Paycheck Protection Program ("PPP")

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act was enacted. The Act provided relief to small businesses under the Payroll Protection Program via U.S. Small Business Administration loans. The Company received a PPP loan on April 26, 2021 for \$162,900. The loan was forgiven in full on May 14, 2021. The forgiveness income is included in other income on the consolidated statement of operations for the year ended December 31, 2021.

Economic Injury Disaster Loan ("EIDL")

The Company obtained an EIDL loan through the Small Business Administration for approximately \$150,000. The loan is for thirty years at a 3% interest rate. Monthly payments of \$731 can be deferred. The loan was paid off in full during the period from January 1, 2022 through May 30, 2022 (predecessor).

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Note H
Income Taxes

The Company generated net operating loss carryforwards ("NOL") and has other temporary differences totaling approximately \$1,100,000. The Company's NOL will not expire.

The provision for income taxes consists of the following:

	Successor December 31, 2022	Predecessor May 30, 2022	Predecessor December 31, 2021	Predecessor December 31, 2020
<u>Current tax expense (benefit)</u>				
Federal	\$ -	\$ -	\$ 51,004	\$ -
State	<u>19,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current provision for income taxes	<u>19,582</u>	<u>-</u>	<u>51,004</u>	<u>-</u>
<u>Deferred tax expense (benefit)</u>				-
Federal	(1,268,489)	(80,668)	\$ 60,479	25,108
State	<u>(201,804)</u>	<u>(10,635)</u>	<u>-</u>	<u>-</u>
Deferred provision (benefit) for income taxes	<u>(1,470,293)</u>	<u>(91,303)</u>	<u>60,479</u>	<u>25,108</u>
Net provision for income taxes	<u>\$ (1,450,711)</u>	<u>\$ (91,303)</u>	<u>\$ 111,483</u>	<u>\$ 25,108</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset and deferred tax liability consist of:

	Successor December 31, 2022	Predecessor May 30, 2022	Predecessor December 31, 2021	Predecessor December 31, 2020
<u>Deferred tax asset (liability):</u>				
Amortization expense	\$ 22	\$ 23	\$ 19	\$ -
Asset (gain) loss	2,486	(7,233)	(5,824)	-
Depreciation expense	(14,449)	(8,944)	(14,491)	-
Charitable contributions	16,839	3,592	-	-
Lease liability	85,338	117,635	-	-
Deferred revenue	948,640	-	-	-
Transaction costs	308,465	-	-	-
ROU asset	(84,287)	(117,112)	-	-
Pass-throughs (income)	-	-	(8,971)	-
Net operating loss carryforward	<u>278,172</u>	<u>81,104</u>	<u>-</u>	<u>25,108</u>
Net current deferred tax asset (liability)	<u>\$ 1,541,226</u>	<u>\$ 69,065</u>	<u>\$ (29,267)</u>	<u>\$ 25,108</u>

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Note I
Unit Based Compensation

Unit Options:

Effective September 9, 2022, the Company's Board of Directors (the "Board") approved a management incentive plan for employees, directors, consultants, and contractors. The Board has authority to determine from time to time the number of shares of options to issue under the incentive plan. The option price is to be the fair market value on the date of grant unless otherwise determined by the Board. The options generally vest ratably over a five-year period beginning from the date of grant and are expected to expire seven years from the date of grant. The vesting period of some or all of each outstanding option grant becomes accelerated upon a change in control of the Company.

On September 9, 2022, the Company issued 5,675,931 options at an exercise price of \$1.00 and 3,645,272 options at an exercise price of \$3.50. On December 21, 2022, the Company issued 225,000 options at an exercise price of \$1.00.

Using the Black-Scholes option pricing model, management has determined that the options issued during the period from May 30, 2022 through December 31, 2022 (successor) have an average value of \$.43 per unit, resulting in total compensation cost of \$4,137,080. Compensation will be recognized over the five-year vesting periods that began on the grant dates. During the period from May 31, 2022 through December 31, 2022 (successor), the Company recognized \$289,969 as compensation cost, pro-rated to the appropriate grant dates.

The assumptions used and the calculated fair value of options are as follows:

Dividend yield	-
Risk-free interest rate	3.42%
Expected life in years	7 years
Expected volatility	55.06%

The following is an analysis of options to purchase units under the Company's incentive plan:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding at May 31, 2022	-	\$ -
Granted	<u>9,546,203</u>	1.95
Outstanding at December 31, 2022	<u>9,546,203</u>	\$ 1.95
Exercisable at December 31, 2022	<u>150,000</u>	\$ 1.00

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Note I
Unit Based Compensation (Continued)

	<u>Options</u>	<u>Weighted Average Grant Date Fair Value</u>
Non-vested at May 31, 2022	-	\$ -
Granted	9,546,203	0.43
Vested	<u>(150,000)</u>	0.47
Non-vested at December 31, 2022	<u>9,396,203</u>	\$ 0.43

As of December 31, 2022, there was approximately \$3,850,000 unrecognized stock option compensation to be recognized over a weighted average period of 5.96 years related to unvested options. The weighted average contractual term of options outstanding and exercisable is 6.69 years as of December 31, 2022.

Note J
Common Stock

The Company has 1,000 voting shares of one dollar par value common stock authorized. The number of shares issued and outstanding was 800 for the period from May 31, 2022 through December 31, 2022 (successor), the period from January 1, 2022 through May 30, 2022 (predecessor), and the years ended December 31, 2021 and 2020 (predecessor). There were no changes to the stock structure as a result of the acquisition (Note B).

Note K
Commitments and Contingencies

Leases:

The Company has obligations as a lessee for various office space. All leases are classified as operating leases. Payments due under the lease contracts include escalating payments.

The components of the leases are as follows:

	<u>December 31, 2022</u>	<u>May 30, 2022</u>
Operating lease cost	\$ 134,259	\$ 88,617
Operating cash flow (fixed payments)	\$ 113,581	\$ 80,360
Right of use obtained	\$ -	\$ 544,495
Weighted-average remaining lease term - operating lease	2.37 years	2.79 years
Weighted-average discount rate - operating lease	1.01%	0.98%

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Note K
Commitments and Contingencies (Continued)

Maturities of the lease liability under the noncancelable operating leases as of December 31, 2022, are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2023	\$ 183,434
2024	85,885
2025	<u>85,628</u>
Total undiscounted lease payments	354,947
Less: imputed interest	<u>(4,393)</u>
Total lease liability	<u>\$ 350,554</u>

Rent expense under these agreements totaled approximately \$152,000 during the period ended December 31, 2022, \$98,000 during the period ended May 30, 2022, \$186,000 and \$265,000 for the years ended December 31, 2021 and 2020, respectively.

The Company has subleased certain properties rented under its operating leases. Total rent revenues from subleases were approximately \$14,000 during the period from May 30, 2022 through December 31, 2022 (successor), \$6,000 during the period from January 1, 2022 through May 30, 2022 (predecessor), \$7,000 and \$53,000 during the years ended December 31, 2021, and 2020, respectively.

Note L
Subsequent Events

The Company has evaluated subsequent events through March 31, 2023, when these consolidated financial statements were available to be issued. Except as discussed in Note A, management is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the issuance of this report, that would have a material impact on the consolidated financial statements.

EXHIBIT B
FRANCHISE AGREEMENT



**WOOF GANG BAKERY, INC.
FRANCHISE AGREEMENT**

FRANCHISEE

DATE OF AGREEMENT

Woof Gang Bakery, Inc.
FTC 2023 Franchise Agreement

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EXHIBITS

- A. STORE LOCATION AND PROTECTED AREA
ALTERNATIVE EXHIBIT A
- B. STORE LEASE ADDENDUM
- C. PERSONAL GUARANTY

WOOF GANG BAKERY, INC FRANCHISE AGREEMENT

DATE: _____ (“Effective Date”)

BETWEEN: Woof Gang Bakery, Inc. (“Franchisor”)

AND: _____ (“Franchisee”)

PROTECTED AREA: See Exhibit A

INTRODUCTION

A. Franchisor has developed methods for establishing, operating and promoting a unique retail store selling dog treats, pet food, pet accessories and pet grooming services under the Marks and Franchisor’s proprietary system for doing business (the “System”).

B. Franchisor owns the service mark “Woof Gang Bakery” and related logos, marks and trade dress as more fully described in this Agreement (the “Marks”).

C. Franchisee recognizes the advantages and value of the System and Marks and desires to obtain a license for a “Woof Gang Bakery” business (the “Licensed Business”).

D. Franchisee is aware of the risks, business and otherwise, associated with owning a Woof Gang Bakery Licensed Business and has independently evaluated those risks and understands that the success of the Licensed Business is affected primarily by Franchisee’s skill, personality, diligence and dedication and general regional or local economic or demographic conditions.

E. Franchisor, in reliance upon Franchisee’s representations, is willing to grant Franchisee a license under the terms of this Agreement.

In consideration of the mutual covenants stated herein, and other good and valuable consideration, Franchisor and Franchisee agree as follows:

1. GRANT OF FRANCHISE AND SYSTEM

1.1 Grant of License, Store Location and Protected Area. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a non-exclusive license to operate one (1) retail store (the “Store”) using the System and Marks for a period of ten (10) years from and after the Effective Date. Franchisee shall not relocate the Premises of the Store without Franchisor’s prior written approval. The location of the Store and Franchisee’s Protected Area are identified in Exhibit A, or alternatively, Franchisor and Franchisee will complete and sign Alternative Exhibit A, in which Franchisor and Franchisee agree upon a geographic area in which the location of the Store will be established, subject to Franchisor’s written acceptance, within one hundred eighty (180) days following the Effective Date. The designation of the geographic area in Alternative Exhibit A does not confer any territorial rights upon Franchisee, and Franchisor and its affiliates have the right to operate and franchise other Woof Gang Bakery® retail stores within the designated area. Once Franchisor consents to a location for the Store within the geographic area established in Alternative Exhibit A (the “Premises”), however, Franchisor and Franchisee will update Exhibit A and identify the Protected Area.

1.2 Nature of Protected Area. During the term of this Agreement and subject to Section 1.3 below, if Franchisee is in compliance, Franchisor will not directly operate or franchise another to operate

any other full-service Woof Gang Bakery® retail store within the Protected Area. The license granted to Franchisee under this Agreement is personal in nature, may not be used at any location other than the Store, does not include the right to sell products or services identified by the Marks at any location other than at the Store, and does not include the right to sell products or services identified by the Marks through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). Franchisee will not open any other Woof Gang Bakery® store in the Protected Area. Franchisee will not have the right to subfranchise or sublicense any of its rights under this Agreement. Franchisee will not use the Store for any business or purposes other than the operation of a Woof Gang Bakery® retail store. Franchisee will concentrate its marketing and advertising activities to the immediate area of the Store Premises and otherwise comply with Franchisor's then-current policies respecting marketing and advertising activities. Franchisee understands, however, that there otherwise are no geographic restrictions upon where customers may come from for any company-owned or franchised Woof Gang Bakery® retail store.

1.3 Rights Reserved to Franchisor. Franchisor (for itself and its affiliates) reserves the right:

1.3.1 to itself operate, and to grant other persons the right to operate, Woof Gang Bakery® retail stores at locations outside the Protected Area (except to the extent Franchisor may be restricted under a separate Woof Gang Bakery® Franchise Agreement to which Franchisee is a party);

1.3.2 to sell the products and services authorized for sale at Woof Gang Bakery® retail stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;

1.3.3 to sell the products and services authorized for sale at Woof Gang Bakery® retail stores under the Marks through dissimilar channels of distribution (i.e., other than the operation of full-service Woof Gang Bakery® retail stores), including by electronic means such as the Internet and by websites established by Franchisor, and pursuant to conditions Franchisor deems appropriate within and outside the Protected Area; and

1.3.4 to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

1.4 System and Marks.

1.4.1 Franchisee agrees to operate the Licensed Business only according to the System and only under the Marks pursuant to the Manual. Franchisee acknowledges that Franchisor owns all rights to the System and the Marks and all goodwill associated with the Marks and the System. Franchisor periodically may modify the System or any part of the System at any time. For purposes of this Agreement, the "System" includes the Manual furnished to the Franchisee as amended from time to time, Franchisor's name, training, formulas, methods of operation, reputation, advertising, system and similar benefits pursuant to which the Franchisee operates the Licensed Business.

1.4.2 Franchisee agrees to do business only under the name "Woof Gang Bakery." Franchisee shall not use the Marks in any manner not specifically approved by Franchisor, including as part of any domain name or other address on the Internet or other social media or other form of electronic communication or medium. Franchisee cannot make any changes or substitutions to the Marks unless Franchisor so directs in writing.

1.4.3 Franchisee shall immediately notify Franchisor, in writing, if Franchisee learns of any attempt by any person to infringe the Marks or to wrongfully appropriate any part of the System or any part of it. Franchisor may, in its sole discretion, take whatever action it deems appropriate to protect or defend the Marks or System but is not obligated to take any action. Franchisee agrees to fully cooperate with Franchisor in any action taken by or on behalf of Franchisor. Franchisor reserves the right, in its discretion, to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, Franchisee will, at its expense, comply with such modification or substitution within a reasonable time after notice by Franchisor.

1.4.4 Franchisee must fully and promptly disclose to Franchisor, all ideas, concepts, methods, techniques, improvements, additions and customer data relating to the development and/or operation of a Woof Gang Bakery® store or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Store, or any advertising or promotion ideas related to the Store (collectively the “Improvements”) conceived or developed by Franchisee and/or its employees during the term of this Agreement. Franchisee agrees that Franchisor has the perpetual right to use and authorize others to use the Improvements without any obligation to Franchisee for royalties or other fees.

1.5 Manual. Franchisor agrees to loan to Franchisee, during the term of this Agreement, electronic (Internet) access to or a copy of one or more operations manuals (the “Manual”). The Manual will contain mandatory and suggested specifications, standards and operating procedures that Franchisor develops for Woof Gang Bakery® businesses and information relating to Franchisee’s other obligations. Any required specifications, standards and operating procedures exist to protect Franchisor’s interests in the System and the Marks and to create a uniform customer experience, and not to establish any control or duty to take control over those matters that are reserved to Franchisee. Franchisor may supplement, modify or remove information to or from the Manual to reflect changes in the System, the authorized products and services, and specifications, standards and operating procedures of a Woof Gang Bakery® business. Franchisee must implement any changes to the Store that Franchisor requires in the Manual in the specified time frames. The master copy of the Manual that Franchisor maintains on its website, and make available to Franchisee by electronic access, will control if there is a dispute involving the contents of the Manual. The Manual is and shall at all times remain the property of Franchisor and shall be returned to Franchisor upon expiration, termination or nonrenewal of this Agreement for any reason. Franchisee agrees not to make it available to or permit another to make any copies of the Manual or any portion thereof without Franchisor’s prior written consent.

1.6 Relocation of the Store. Franchisee will not relocate the Store from the approved site of the Store without Franchisor’s prior written consent. If Franchisee relocates the Store under this Section, the “new” franchised location of the Store, including the real estate and building, must comply with all applicable provisions of this Agreement and with Franchisor’s then-current specifications and standards for Woof Gang Bakery® businesses. If Franchisee must relocate the Store because the Store was destroyed, condemned or otherwise became untenable by fire, flood or other casualty, Franchisee must reopen the Store at the new franchised location in the Protected Area within six (6) months after Franchisee discontinues operation at the existing Store site. Franchisor will not unreasonably withhold its consent to the proposed relocation, provided Franchisor has received at least ninety (90) days’ written notice prior to the closing of the Store at the existing franchised location of the Store, Franchisee has obtained a site acceptable to Franchisor, and Franchisee agrees to open the “new” location for the Store within five (5) days after Franchisee closes the Store at the “prior” franchised location and otherwise complies with any other conditions that Franchisor may require. In addition, Franchisee must pay Franchisor a fee of Two Thousand Five Hundred Dollars (\$2,500). There is no guarantee that an acceptable location will be available for relocation, and if Franchisee is unable to relocate its Store within the Protected Area and

reopen Franchisee's Store within the time periods described in this Section 1.6, this Agreement will terminate.

2. FRANCHISE FEES AND MARKETING

2.1 Initial Franchise Fee. The "Initial Franchise Fee" for the Woof Gang Bakery Franchise is Forty-Nine Thousand Nine Hundred Dollars (\$49,900). The Initial Franchise Fee is payable when Franchisee signs this Agreement. The Initial Franchise Fee is fully earned by Franchisor upon receipt of the Initial Franchise Fee, and is not refundable for any reason except if, through no fault of Franchisee, Franchisor determines that Franchisee has not successfully completed the initial training, in which case Franchisor may refund one-half of the Initial Franchise Fee.

2.2 Royalty Fees. Franchisee shall pay to Franchisor a monthly "Royalty Fee" equal to seven percent (7%) of Gross Revenues. The Royalty Fee is due and payable on or before the 10th day of the month based on Gross Revenues for the preceding month, or at such other time as Franchisor describes in the Manual. If Franchisee owns more than one Woof Gang Bakery franchise, Franchisee shall report and pay Royalty Fees for each franchise independently, unless otherwise directed by Franchisor.

2.3 National Marketing Fee.

2.3.1 Franchisee shall pay to Franchisor a monthly "National Marketing Fee" equal to two percent (2%) of Gross Revenues for deposit in a "National Marketing Fund." Franchisor may reduce or discontinue the National Marketing Fee at any time and may, thereafter, reinstate it upon a new thirty-day notice. Franchisee shall pay the National Marketing Fee at the same time and in the same manner as the Royalty Fee. If Franchisee owns more than one Woof Gang Bakery franchise, Franchisee shall report and pay the National Marketing Fee for each franchise independently, unless otherwise directed by Franchisor.

2.3.2 Franchisor will place all National Marketing Fees received into the National Marketing Fund and will manage the Fund. Franchisor also will contribute to the National Marketing Fund for each Woof Gang Bakery business that Franchisor or its affiliates operate in the United States at the same percentage rate as a majority of Woof Gang Bakery® businesses located in the United States must pay to the National Marketing Fund. Disbursements from the National Marketing Fund will be made solely to pay reasonable expenses Franchisor incurs in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; the cost of market research and analytics; and the costs of administering the National Marketing Fund, including the cost of employing advertising, public relations and other third-party agencies to assist Franchisor and providing promotional brochures and advertising materials to Woof Gang Bakery® businesses, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the National Marketing Fund. The National Marketing Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the National Marketing Fund. Franchisor cannot ensure that Franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising or marketing activities in Franchisee's local market. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of Woof Gang Bakery® businesses to the National Marketing Fund in that year. Franchisor may, through the National Marketing Fund, furnish Franchisee with approved local marketing plans and materials on the same terms and conditions as plans and materials Franchisor furnishes to other Woof Gang Bakery® businesses. Franchisor will determine the methods of advertising, media employed and the geographic scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, Franchisor will provide Franchisee an annual

unaudited statement of the receipts and disbursements of the National Marketing Fund for the most recently completed calendar year.

2.4 Gross Revenues. The term “Gross Revenues” means the aggregate amount of all sales of all goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Licensed Business, including off-premises sales and monies derived at or away from the Store. The term “Gross Revenues” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes you pay or accrue. Gross Revenues will not be adjusted for uncollected accounts. For purposes of the Royalty Fee described in Section 2.2 above, the sale is made at the earlier of delivery of the service or product, or receipt of payment.

2.5 Participation in Certain Programs and Promotions. Franchisee will use its best efforts to promote and advertise the Store and will participate in all advertising, marketing and promotional programs, campaigns and initiatives that Franchisor establishes in the manner Franchisor directs. Franchisor may set minimum and maximum prices on all products and services sold at or in connection with the Store, subject to applicable law.

2.6 Local Marketing. In addition to the National Marketing Fees, Franchisee will actively promote the Licensed Business through “approved” local marketing activities. Franchisee shall ensure that all local marketing activities comply with the Manual and serves to enhance and not detract from or harm the Marks and the goodwill. Franchisee shall promptly send to Franchisor copies of all marketing copy and media used. If Franchisor determines that any advertising or marketing activity or material does not comply with this paragraph, Franchisee shall, immediately upon receipt of a written notice from Franchisor, cease using such advertising or marketing activity or material.

2.7 Grand Opening. Franchisee shall, within six (6) months after the date that Franchisee is open for business, promote and conduct a grand opening consistent with Franchisor’s guidelines. The grand opening shall be appropriate for Franchisee’s immediate market area, location, community, competitive environment and similar factors.

2.8 Method of Payment. Franchisee will pay all ongoing fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the “EFT Program”), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee designates (the “EFT Account”). Franchisee must maintain a balance in this bank account sufficient to allow Franchisor to collect the amounts owed to Franchisor or its affiliates when due. Franchisee will provide Franchisor with all documents, including Franchisor’s form of EFT Authorization Form, that Franchisor designates to allow Franchisor to withdraw funds from such bank account via electronic funds transfer. Franchisee will immediately notify Franchisor of any change in Franchisee’s banking relationship, including any change to the EFT Account.

2.9 Interest on Late Payments. All Royalty Fees, National Marketing Fees and other amounts which Franchisee owes Franchisor or its affiliates will bear interest after the due date at the lesser of: (1) eighteen percent (18%) per year; or (2) the maximum contract rate of interest permitted by law in the state in which the Store is located.

2.10 Application of Payments; Withholding Payments Unlawful. Franchisor has discretion to apply any payments received from Franchisee to any amounts due to Franchisor or any of its affiliates. Moreover, Franchisor has discretion to apply any amounts Franchisor pays Franchisee to any amounts that may be due to Franchisee. Franchisee agrees that it will not withhold payment of any Royalty Fees, National Marketing Fees or any other amount due Franchisor, and that the alleged non-performance or

breach of any of Franchisor's obligations under this Agreement or any other agreement does not establish a right at law or in equity to withhold payments due Franchisor.

3. REPORTS AND AUDITS

3.1 Records and Reports. Franchisee shall at all times maintain true and accurate business records in the manner specified by Franchisor. Franchisee shall, on a monthly basis or at such other intervals as specified by Franchisor, provide Franchisor with such report(s), in the form(s) specified by Franchisor, as Franchisor may require, and at such times as Franchisor may require, including reports of Gross Revenues, reports of business expenses and overhead, customer information, copies of detailed purchase invoices, number and type of transactions, identity of vendors, the amount of marketing expenditures, detailed records of marketing expenditures, copies of inspection reports, and monthly sales summary. By submitting any reports to Franchisor, Franchisee is certifying that they are true and correct. Within ninety (90) days following the end of each calendar year, Franchisee shall provide Franchisor with a copy of Franchisee's balance sheet and an income and expense statement for the year. At the time they are filed, Franchisee shall provide Franchisor with copies of Franchisee's federal income tax return(s) and state and local excise tax returns, if applicable, together with all exhibits and schedules thereto and all amendments thereafter. Franchisor is authorized to rely upon such reports and financial documents and to disclose them to governmental authorities as and if properly requested. Franchisor may use data from the reports and financial documents in composite or statistical form for any purpose in Franchisor's sole discretion. Franchisor is authorized to obtain or verify the information and reports described herein by electronic means from Franchisee's computer(s), at any time, without prior notice, at Franchisor's sole election. Franchisee shall retain all business records for at least five (5) years or such longer period of time as may be required by applicable law. Among other reporting requirements, Franchisee must provide Franchisor, in the form and manner Franchisor directs, and certified as accurate: (i) on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Licensed Business for the preceding calendar month; and (ii) any other financial information or performance metrics of the Licensed Business that Franchisor may reasonably request.

3.2 Failure to Report. If Franchisee fails, for any reason, to timely deliver to Franchisor any required report with all required information, Franchisor is authorized, without further notice, to assess Royalties and National Marketing Fees for each relevant week and effect an electronic funds or other transfer of such funds calculated as the greater of (a) Franchisee's average Monthly Royalties and National Marketing Fees over the prior twelve months or (b) the average monthly Royalties and National Marketing Fees of all similar franchisees within Franchisee's region as defined by Franchisor. Franchisee authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action taken under this subparagraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

3.3 Audits and Inspections. Franchisor shall have the right, upon seventy-two (72) hours prior written notice, to enter the Premises during normal business hours (either physically or electronically) for purposes of auditing the accuracy of reports submitted and to otherwise verify compliance with the terms and conditions of this Agreement. Should any audit or inspection reveal that Franchisee has underreported the amount of Gross Revenues, Franchisee shall immediately pay to Franchisor the additional amount of royalties and other fees payable on account of the underreporting, plus interest thereon at the rate of one and one-half percent per month, but not more than the maximum interest allowed by applicable law. If an audit or inspection reveals that Franchisee has underreported Gross Revenues by three percent (3%) or more for any week, then Franchisee shall also pay, immediately, the cost of the audit or inspection. In all other cases, Franchisor shall bear the entire cost of the audit or inspection, including incidental costs. Should Franchisee at any time cause an audit to be made of Franchisee's Licensed Business, Franchisee shall cause a copy of the report of said audit to be delivered to Franchisor without any cost or expense to Franchisor.

3.4 Contact with Others. Franchisor shall have the right, in Franchisor's sole discretion and without further notice to Franchisee or to any other person or entity, to contact any of Franchisee's customers, landlord, accountant, vendors, or other persons to verify the accuracy of any information submitted by Franchisee, for quality assurance or for any other purpose not inconsistent with this Agreement.

4. TRAINING AND ASSISTANCE

4.1 Initial Training.

4.1.1 Franchisee's managing "Principal Owner" (as defined in Section 10.6) and Franchisee's designated Store manager, if applicable, shall successfully complete Franchisor's initial training program. The initial training program will be approximately forty (40) hours in length and shall be conducted at such location(s) as Franchisor specifies. The initial training may be conducted, in whole or in part, in an existing Woof Gang Bakery® retail store owned by Franchisor, an affiliate of Franchisor or another franchisee or, at Franchisor's option, virtually (online) . Franchisee shall be responsible for all salaries, compensation, benefits, and living and travel expenses of its managing Principal Owner, Franchisee's Store manager, if applicable, and any other member attending Franchisor's initial training program. After the initial training program, Franchisor will be available for such reasonable consultation as Franchisor deems appropriate. Franchisor reserves the right to determine whether Franchisee's managing Principal Owner and designated manager, if applicable, have satisfactorily completed the training program. If Franchisee's managing Principal Owner or designated manager, if applicable, do not satisfactorily complete the initial training program, Franchisor require Franchisee to designate another person to successfully complete the initial training program. Franchisee acknowledges that such failure to satisfactorily complete the initial training program is grounds for termination of this Agreement.

4.2 Manager Training. At all times, Franchisee's managing Principal Owner or Franchisee's manager in charge of operating the Licensed Business shall be an individual who has successfully completed Franchisor's manager training program and who otherwise meets Franchisor's manager criteria. Any new managing Principal Owner or manager shall successfully complete Franchisor's manager training program within sixty (60) days after assuming the role of manager. Franchisee must pay Franchisor's then-current training fee and bear all related costs of training additional managers after the first manager trained. In all cases, Franchisee shall be solely responsible for any salaries, compensation, benefits and living and travel expenses of employees attending training.

4.3 Store Opening Assistance. If Franchisee is opening its first Woof Gang Bakery® store, Franchisor will provide Franchisee with a minimum of two (2) days of assistance in the opening and initial operations of the Store. Franchisor may determine the time at which such assistance is available to Franchisee.

4.4 Additional Training. Franchisor may require Franchisee's managing Principal Owner and Franchisee's manager to complete additional training at a location determined at Franchisor's sole discretion. Franchisee shall pay Franchisor's then-current fee(s) for such mandatory training. Franchisee shall be solely responsible for all salaries, compensation, benefits, and living and travel expenses of trainees.

4.5 Training Materials. Franchisor may, from time to time, provide or make available to Franchisee training materials and equipment for providing training for Franchisee's manager(s) and employees. Franchisor may charge a reasonable fee for such materials and equipment. Franchisee agrees that all such materials are Trade Secrets pursuant to this Agreement. Franchisee agrees to require its managing Principal Owner and manager, as applicable, to successfully complete any such training program(s) if Franchisor designates them as mandatory.

4.6 Conventions and Meetings. Franchisor periodically may, in the future, hold or sponsor franchise conventions and meetings relating to new services or products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. These franchise conventions and meetings may be optional or mandatory, as Franchisor designates. Franchisee's managing Principal Owner and Store manager must attend, at Franchisee's expense, all mandatory franchise conventions and meetings Franchisor may hold. Franchisee is solely responsible for the compensation, travel, lodging and living expenses Franchisee and its employees incur in attending any conventions or meetings.

5. TRADE SECRETS AND CONFIDENTIALITY.

Franchisee will have access during the course of this Agreement to "Trade Secrets" that are the property of Franchisor. Trade Secrets include the System, the Manual, formulas, methods, customer lists and related information, vendor and pricing lists and policies, training, and other confidential programs, techniques and policies as Franchisor periodically may develop. Franchisee acknowledges that the Trade Secrets derive independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons who could obtain economic value from their disclosure or use. Franchisee agrees to not disclose or in any way make available to any unauthorized person(s) any Trade Secret(s) or any information regarding any Trade Secret(s) or any proprietary information made available to Franchisee by Franchisor. Franchisee shall hold all such information in complete confidence. Franchisee will not disclose any Trade Secrets to any person(s) not employed by or under contract with Franchisee. Franchisee will disclose Trade Secrets only to those employees and agents of Franchisee with a legitimate need to know, each of whom Franchisee warrants will be subject to this Section. Franchisee shall cause every manager and every employee who has access to Trade Secrets to sign a Confidentiality and Nondisclosure Agreement in the form Franchisor directs. Franchisee agrees that Franchisor shall have sole discretion in determining what items or information are Trade Secrets and that any items or information designated Trade Secrets by Franchisor in the Manual or otherwise in writing shall be treated as Trade Secrets under this Agreement.

6. PRE-OPENING OBLIGATIONS

6.1 Premises and Lease. Franchisee shall be solely responsible for selecting the location for the Licensed Business (the Premises) that complies with the Manual and that Franchisor approves. Franchisor recommends that Franchisee uses a site location specialist to assist it in finding potential sites for the Store. At Franchisor's request, Franchisee must submit to Franchisor a site layout (containing any information that Franchisor may require), a letter of intent for and area pictures of the proposed Store location. Franchisor will notify Franchisee in writing within a reasonable time not exceeding sixty (60) days after Franchisor receives the above-mentioned site information and other materials Franchisor requests whether Franchisor accepts or rejects the proposed Store location. Upon Franchisor's request, Franchisee shall provide any proposed lease to Franchisor and receive Franchisor's prior written approval of the proposed lease (which will not be unreasonably withheld) before Franchisee signs it. In addition, Franchisee and the landlord of the Store Premises must sign a "Lease Addendum" in the form attached hereto as Exhibit B. Franchisor's approval of the Premises or the lease does not constitute a representation or warranty by Franchisor that the Licensed Business will be successful at the Premises and does not constitute a legal or other opinion as to any term of the lease. If Franchisee fails to select an approved location within one hundred eighty (180) days, or fails to open the Store for business within one hundred eighty (180) days following the date Franchisor approves the Store Premises, Franchisor shall have the right to terminate this Agreement.

6.2 Franchisee's Development of the Store Premises. Promptly after Franchisee signs a lease or acquire the Premises for the Store, and receive from Franchisor the prototype plans and specifications for the Store Premises, Franchisee will:

6.2.1 with the assistance of a licensed architect Franchisor designates or approves, prepare and submit to Franchisor for approval any proposed modifications to Franchisor's basic plans and specifications, which Franchisee may modify only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

6.2.2 obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses;

6.2.3 construct all required improvements to the Store Premises, purchase and install all required fixtures and equipment and decorate the Premises in compliance with the plans and specifications Franchisor approves and in compliance with all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

6.2.4 establish filing, accounting and inventory control systems complying with Franchisor's requirements; and

6.2.5 follow Franchisor's required inspection and approval timelines and procedures as may be established in the Manual.

Franchisee will contract with a qualified, licensed, insured and bonded general contractor and a qualified construction project manager (if those services are not handled by the general contractor), each of which Franchisor reserves the right to approve or disapprove, to supervise the planning, permitting and construction of the Store Premises.

6.3 Specifications and Store Appearance. Franchisee's Licensed Business shall operate only from the Store Premises meeting Franchisor's then-current specifications, including appropriate office and warehouse space. In addition, Franchisee agrees, at Franchisee's sole cost and expense, to maintain the Premises, including equipment, displays, fixtures, and interior and exterior décor in accordance with Franchisor's standards throughout the term of this Agreement. Franchisee understands and agrees that, although all Woof Gang Bakery® retail stores will follow a consistent theme, the details of their design may differ in some cases, based upon location requirements, landlord requests, and unique features of the community. Franchisee may change or update the design of the Store, subject to Franchisor's prior written approval, at any time, at Franchisee's expense. If Franchisor approves any changes in the plans or designs at Franchisee's request (or to comply with governmental codes, rules or ordinances), Franchisor shall own all rights to such plans and improvements as modified without further compensation to Franchisee or any other person.

6.4 Required Equipment. Franchisee shall acquire, install and use, at Franchisee's sole expense, in operating the Licensed Business only those fixtures and equipment that Franchisor specifies in the Manual or otherwise in writing. Franchisor reserves the right to modify the list of such required items and Franchisee agrees to comply with any such modifications. Such required fixtures and equipment must meet Franchisor's specifications and standards and must be purchased only from suppliers Franchisor approves or designates (which may include Franchisor and/or its affiliates).

6.5 Start-Up Package. Franchisee shall purchase from Franchisor an initial start-up package of Woof Gang Bakery® marketing materials and supplies at least thirty (30) days before Franchisee commences operation of the Licensed Business.

7. OPERATION OF FRANCHISED BUSINESS

7.1 Independent Contractor. Each party to this Agreement is and shall remain an independent contractor and shall control the manner and means of operation of its respective business and shall exercise complete control over and responsibility for all labor relations and the conduct of its agents and employees. Neither party shall be considered to be an agent, joint venturer, partner or employee of the other, except as specifically authorized by this Agreement. Neither party shall negotiate or enter into any agreement or incur any liability in the name of or on behalf of the other unless, and to the extent, specifically authorized by this Agreement. Franchisee shall prominently display signs at all times in the manner specified by Franchisor, indicating the name of the Franchisee and stating that the Licensed Business is independently owned and operated. Franchisee's business forms that bear the Marks shall contain Franchisee's name and a statement that the Licensed Business is independently owned and operated by Franchisee in such form as Franchisor may specify.

7.2 Personal Participation. Throughout the term of this Agreement, Franchisee's managing Principal Owner or designated manager shall devote his/her full time and effort to actively managing the Licensed Business. If Franchisee employs a manager to run the day-to-day operations, the manager shall be required to attend and successfully complete Franchisor's training program prior to taking over full day-to-day responsibilities. Franchisee shall devote such time and effort to the Licensed Business as Franchisee determines but shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the Licensed Business.

7.3 Compliance with Laws. Franchisee shall be solely responsible, at Franchisee's sole cost and expense, for obtaining and maintaining all necessary or required permits and licenses in order to operate the Licensed Business. Franchisee shall comply with all laws, ordinances and regulations applicable to the Licensed Business, including licensing, health, safety, environmental, consumer, data privacy and labor regulations. Franchisee shall timely pay all applicable taxes as they come due. Franchisee must notify Franchisor in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, or award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee or the Licensed Business. Franchisee must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor immediately of any suspected data breach or cyber-attack at or in connection with the Licensed Business. Franchisee shall not conduct any business or advertising practice which injures Franchisor's business, the System or the goodwill associated with the Marks and other Woolf Gang Bakery® businesses.

7.4 Franchisee Business Operation. Franchisee understands and acknowledges that every detail of the System and of the operation of the Licensed Business is important to Franchisee, Franchisor and other Woolf Gang Bakery franchisees in order to maintain and further develop high and uniform operating standards, to increase the demand for goods and services sold by Franchisor and all franchisees, to enhance the image of the Marks and the System, and to protect Franchisor's reputation and goodwill. Therefore, Franchisee agrees that:

7.4.1 Compliance with Manual. Franchisee shall operate the Licensed Business in compliance with such uniform methods, standards and specifications as Franchisor may direct in the Manual or otherwise in writing, to ensure that the highest degree of quality and service is uniformly maintained. Franchisee shall acquire and maintain, at all times, all equipment and software required by Franchisor for operation of the Licensed Business. Franchisee shall offer all and only those goods and services designated by Franchisor and may not offer any other goods or services without the written consent of Franchisor, which consent Franchisor may withhold for any reason. Franchisee shall assure that all telephone calls are answered live in compliance with the Manual.

7.4.2 Image. Franchisee shall, at all times, work to protect and enhance the System image and, specifically, shall maintain employees or workers in the Licensed Business whose appearance, attire, attitude, reputation and demeanor are consistent with Franchisor's then-current standards.

7.4.3 Business Dealings. Franchisee shall not, at any time, engage in any business dealings in relation with the Licensed Business, which is unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, the goodwill associated with the Marks, or to any customer or vendor of Franchisee.

7.4.4 Maintenance. Franchisee shall, at Franchisee's sole cost and expense, maintain the Store Premises, inside and out, in the highest degree of sanitation, repair and condition, and shall make such additions, alterations, repairs and replacements thereto as Franchisor may require, including such periodic cleaning, repainting, repairs to impaired equipment and replacement of obsolete signs and equipment as Franchisor may reasonably direct. Franchisee shall maintain all landscaping and other outside areas of the Store Premises in an attractive and clean condition.

7.4.5 Refurbishing. At Franchisor's request, which shall not be more often than once every three (3) years, Franchisee shall update the Premises at Franchisee's sole expense, to conform to the design, trade dress, color schemes and presentation of the Marks consistent with Franchisor's then-current image, including such internal changes and redecoration and such modifications to existing equipment as may be necessary in Franchisor's sole judgment. Franchisee agrees, at its sole cost and expense, to renovate, refurbish and modernize the Premises and Licensed Business within the time frame Franchisor requires, including the design, equipment, computer systems and related technology, signs, interior and exterior décor items, displays, inventory assortment, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a Woof Gang Bakery® business.

7.4.6 Responsibility for Employees. Franchisee acknowledges and agrees that Franchisee has the sole authority and obligation under this Agreement to make all personnel and employment decisions for the Licensed Business, including decisions related to hiring, training, firing, discharging, and disciplining employees. Franchisee will have sole responsibility for supervising its employees, including setting their wages, hours of employment, record-keeping, and any benefits, and that Franchisor shall have no direct or indirect authority or control over any employment-related matters for Franchisee's employees. Franchisee shall require each of its employees to acknowledge in writing that Franchisee (and not Franchisor) is the employer of such employee.

7.5 Restrictions on Sources of Products and Services.

7.5.1 Specifications. As to all equipment, fixtures, supplies and inventory ("Items") necessary to operate the Licensed Business, except as otherwise specified herein, Franchisee may purchase them from the vendor of Franchisee's choice, but the Item(s) must meet Franchisor's then-current specifications, if any. Franchisor reserves the right to change the list of Items that Franchisee must purchase in accordance with Franchisor's specifications. Franchisor reserves the right to require Franchisee to purchase only from suppliers that Franchisor has approved. Franchisor shall have the right to establish a minimum assortment and quantity of inventory Items that Franchisee must sell in the Store in order to maximize the performance of the Store.

7.5.2 Items Bearing Marks and Proprietary Items. Franchisee shall purchase only from Franchisor, or a supplier approved by Franchisor all Items used to start or operate the Licensed Business

that contain or bear the Marks or that are proprietary to Franchisor. In addition, Franchisee shall purchase from a supplier approved by Franchisor, all signs used to identify the Licensed Business.

7.5.3 Other Suppliers. Franchisor will approve other suppliers of non-proprietary items if Franchisee or the supplier requests the approval in writing and if the supplier demonstrates to the satisfaction of Franchisor that it is financially capable and can provide item(s) or service(s) that meet Franchisor's standards and that it is willing and able to protect Franchisor's proprietary information. Franchisor may charge a reasonable fee to cover its costs in evaluating a proposed supplier. Franchisor will generally make its decision within sixty (60) days after it receives all of the requested information and any requested samples. Franchisor reserves the right to withdraw approval of any supplier whose performance falls below Franchisor's standards.

7.5.4 Training and Other Services. Certain services may be available to Franchisee only through Franchisor or an affiliate, including mandatory training. Franchisee will be required to pay the usual price for any of these services, unless otherwise provided in this Agreement.

7.5.5 Proprietary Items. Proprietary Items are Items that contain one or more unique characteristics or ingredients which are either not known to the general public or which are subject to protection as intellectual property or Trade Secrets, and can include packaging, trademarks or containers. Patented or patentable Items are Proprietary Items. Franchisor or its Affiliate(s) may develop Proprietary Items. Franchisor or an Affiliate will (i) manufacture, supply and sell Proprietary Items to franchisees of Franchisor, and/or (ii) disclose the formulae for and methods of preparation of the Proprietary Items to one or more supplier(s) who will be authorized by Franchisor to manufacture Proprietary Items to Franchisor's precise specifications and sell Proprietary Items to franchisees of Franchisor and/or (iii) license Franchisee to use them pursuant to this Agreement. If required, Franchisee shall purchase and use Proprietary Items from Franchisor or from supplier(s) so authorized by Franchisor. Franchisor or its Affiliate(s) will derive revenue and profits from Franchisee's purchases of any Proprietary Items. Franchisor or its Affiliate(s) may distribute Proprietary Items through alternative channels of distribution, including near Franchisee's location.

7.5.6 Proprietary Software. Franchisee will use in the Licensed Business the proprietary and other software, point-of-sale and related systems that Franchisor periodically may develop and/or select for use in the Licensed Business. Franchisor has the right to designate a single source from which Franchisee must purchase any software components or systems and Franchisor or its affiliates may be that single source. Franchisee will be required to use and, at Franchisor's discretion, pay for all future updates, supplements and modifications to the software, point-of-sale and related systems as Franchisor periodically directs. Franchisee may be required to enter into a software license or access agreement and pay an initial and/or ongoing licensing fee, in connection with the use of such software and related systems. Franchisor reserves the right to require Franchisee to pay Franchisor a monthly computer technology fee of up to Three Hundred Dollars (\$300), which amount will be adjusted periodically to reflect changes in the U.S. Consumer Price Index (CPI) and would offset Franchisor's costs related to the Computer System, including expenses relating to the Proprietary Software, website maintenance and other items.

7.6 Minimum Hours. Franchisor reserves the right to establish policies respecting the days and hours of operation for Woof Gang Bakery® businesses and Franchisee agrees to comply with such policies.

7.7 Signs. Franchisee agrees to obtain, install and maintain on the Premises and on certain vehicles used in the Licensed Business, appropriate signs bearing the Marks as specified by Franchisor. Franchisee must obtain Franchisor's prior written approval to any deviation from the required signage.

7.8 Computer System. Franchisor may, without notice to Franchisee, access financial, customer data and other information produced by, or otherwise located on, Franchisee's computer system via the Internet, other electronic means or by visiting the Licensed Business. Franchisee consents to Franchisor using and disclosing to third parties (including prospective franchisees, financial institutions, legal and financial advisors) any financial or other information Franchisor obtains from Franchisee or disclosed to Franchisor pursuant to this Agreement. Franchisor periodically will establish policies respecting the use of customer data obtained from the operation of the Licensed Business, including restrictions as to storing, recording or moving such data. Franchisee must obtain and use the computer system hardware, software, components and associated services that Franchisor directs for use in connection with the Licensed Business (the "Computer System") and use and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisor may require Franchisee to use a Computer System and/or related software that is administered through Franchisor and that provides Franchisor with automatic access to all data and reports that might be created by such Computer System and/or software. Franchisee must maintain a secure technology infrastructure that meets Franchisor's then-current requirements. All technology used to support the Computer System must comply with the then-current regulations of the Payment Card Industry Data Security Standards (PCI-DSS) council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including the Fair and Accurate Credit Transaction Act (FACTA). Franchisee will use one or more e-mail addresses Franchisor designates for communication with it.

7.9 Warranties. Franchisee shall not represent to any customer or the public that Franchisor provides any warranty as to the quality of any product or service, unless Franchisor has specifically authorized such warranty in writing. To the extent Franchisor may permit Franchisee to offer any separate warranties, such warranties shall be in writing and clearly state, both in the warranty and in any promotional or advertising materials that the warranty is available and will be honored only by Franchisee. Franchisee hereby indemnifies holds harmless and agrees to defend Franchisor, its related companies and all other Woof Gang Bakery franchisees from any and all claims of whatever nature arising from any such additional warranties made by Franchisee. Franchisee shall participate in and comply with any warranty program that Franchisor may adopt from time to time.

7.10 Non-Solicitation of Employees. During the term of this Agreement and for a period of one (1) year following termination or expiration of this Agreement for any reason, Franchisee shall not, on behalf or in conjunction with any person, persons, partnership or corporation, solicit the employment of any store manager or other person who has attended Franchisor's initial training program and is at the time employed by Franchisor or an affiliate or any other franchisee. The foregoing sentence only precludes solicitation of any employee by the Franchisee. If such person independently seeks employment with Franchisee without any solicitation by Franchisee, Franchisee may employ such person.

7.11 Marketing. Franchisee shall, at all times, comply with the Manual in conducting all advertising and marketing activities in connection with the Licensed Business.

7.12 Leads and Service Area. Except as specifically permitted by the Manual, Franchisee shall not engage in marketing outside of Franchisee's immediate market area for the Store. There are no restrictions on where Franchisee may provide services, provided Franchisee is in full compliance with all applicable laws, ordinances and regulations, for customers who may contact Franchisee directly. Franchisor shall make a reasonable effort to channel calls received on its toll-free number(s) to the franchisee in the territory where the customer needs services. Franchisor may adopt and follow non-discriminatory policies for distributing calls and leads if Franchisee does not respond or perform in compliance with the Manual which may result in another franchisee being permitted to address such customer needs in Franchisee's immediate market area.

8. INDEMNITY AND INSURANCE

8.1 Indemnity. Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, shareholders, agents, employees, landlords and related companies from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, including fines, penalties, interest, attorneys' fees, and all other types of costs or expenses, arising directly or indirectly from the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees or agents in connection with the operation of the Licensed Business, including the performance or breach of any obligation under this Agreement. Franchisor shall indemnify and hold harmless Franchisee, its officers, directors and shareholders from any losses, claims, damages, liabilities or expenses, arising from the wrongful acts or omissions of Franchisor in connection with the breach of any obligation under this Agreement.

8.2 Insurance. Franchisee shall purchase and maintain, at Franchisee's expense, throughout the term of this Agreement the following policies: (i) commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability assumed under this Agreement on an occurrence basis with combined single limit coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (ii) professional liability (errors and omissions) insurance with coverage of at least \$1,000,000 per occurrence/annual aggregate; (iii) worker's compensation and employer's liability insurance with a reputable insurer acceptable to Franchisor or with a state agency with minimum coverage required by applicable state and/or federal laws. Franchisee shall name Franchisor and its affiliates as an additional insured as to each applicable policy and provide Franchisor with certificates of insurance or other documentation requested by Franchisor evidencing such policies and coverage. Such policies may not be modified (except to increase coverage) or canceled unless Franchisee first provides Franchisor at least thirty (30) days prior written notice of such cancellation or modification. Upon request by Franchisor, Franchisee shall provide Franchisor with a true copy of any insurance policy, including all endorsements. Every insurance policy of Franchisee required by this Agreement shall provide that coverage is primary/non-contributory. Every insurance policy shall be with an insurance company that meets Franchisor's criteria as stated in the Manual.

9. SUCCESSOR TERM

9.1 No Right of Renewal. Franchisee acknowledges and understands that, subject to applicable law, Franchisee has no right of renewal upon expiration of the term of this Agreement. Franchisee may enter into a successor agreement respecting the Licensed Business only if both parties agree to do so pursuant to the terms of Section 9.2 below.

9.2 Conditions to Successor Term/Agreement. If Franchisee desires to enter into a successor franchise agreement for the Licensed Business, and Franchisor has informed Franchisee in writing at least six (6) months prior to the expiration of this Agreement that Franchisor is willing to enter into a successor franchise agreement with Franchisee, Franchisee will be permitted to enter into a successor franchise agreement for the Licensed Business for a single additional term of ten (10) years only under the following conditions:

9.2.1 Franchisee must be current in payment of all fees and charges to Franchisor and each of its affiliates and must not have made more than two late payments within the last three (3) years for which Franchisor gave written notice(s) of breach;

9.2.2 Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee and must have substantially complied with the operating standards and other criteria contained in the Manual or otherwise communicated in writing by Franchisor;

9.2.3 Franchisee shall give written notice to Franchisor, within thirty (30) days following receipt of Franchisor's notice of desire to enter into a successor franchise agreement, but at least four (4) months prior to the end of the term of this Agreement, of Franchisee's desire to renew;

9.2.4 Franchisee pays a successor agreement fee equal to fifty percent (50%) of the then-current initial franchise fee for new Woof Gang Bakery franchisees, payable in full at least thirty (30) days prior to execution of Franchisor's then-current franchise agreement;

9.2.5 Franchisee shall execute the then-current form Woof Gang Bakery franchise agreement then being offered to new franchisees, which may differ materially from the provisions of this Agreement;

9.2.6 Franchisee must provide documentation satisfactory to Franchisor that Franchisee can maintain possession of the Store Premises identified in Exhibit A for the successor term or will obtain substitute premises approved by Franchisor;

9.2.7 Franchisee, at Franchisee's sole cost and expense, shall remodel or refurbish the Premises and otherwise modernize and renovate the Premises, signs and equipment to be consistent with the then-current image of Woof Gang Bakery® businesses; and

9.2.8 Franchisee and each Principal Owner signs a general release, in form acceptable to Franchisor, of all claims against Franchisor and its affiliates, officers, directors, employees and agents.

10. ASSIGNMENT

10.1 By Franchisor. This Agreement is fully assignable by Franchisor and benefits Franchisor's successors and assigns. Any such assignment will require the assignee to fulfill Franchisor's obligations under this Agreement. Franchisor reserves the right to outsource or assign any of its obligations under this Agreement to an affiliate or third party without Franchisee's consent.

10.2 Your Assignment or Sale of Substantially all of Your Assets. Franchisee understands that Franchisor has granted the franchise under this Agreement in reliance upon the individual or collective character, aptitude, attitude, business ability and financial capacity of Franchisee's Principal Owners who have signed the Guaranty Agreement.

10.2.1 Controlling Interest Assignment.

10.2.2 Franchisee (and each "Principal Owner" (as defined in Section 10.6 below)) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of (including by way of merger, consolidation or exchange), in one or more transactions, the Licensed Business, the Store, substantially all or all of the assets of the Store, or this Agreement, and Franchisee and the Principal Owners will not permit the assignment of any controlling interest in Franchisee ("controlling interest" to include a proposed assignment, whether in one single transaction or a series of transactions occurring after the Effective Date, of fifty percent (50%) or more of the voting equity interests in a corporation, limited liability company or partnership) unless Franchisee obtains Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to an assignment of this Agreement, provided Franchisee comply with any or all of the following conditions which Franchisor may, in its discretion, deem necessary:

i. All of Franchisee's accrued monetary obligations to Franchisor and its affiliates have been satisfied, and Franchisee otherwise is in good standing under this Agreement and all other agreements between Franchisee and Franchisor or its affiliates;

ii. The assignee and its owner(s) are approved by Franchisor and the proposed managing Principal Owner and manager (if applicable) demonstrate to Franchisor's satisfaction that he/she meets our managerial, financial and business standards for new Woof Gang Bakery® retail stores, possesses a good business reputation and credit rating, and has the aptitude and ability to operate the Licensed Business. Franchisee understands that Franchisor may communicate directly with the assignee during the transfer process to respond to inquiries, as well as to ensure that the assignee and its owners meet Franchisor's qualifications;

iii. The assignee enters into a written agreement, in form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations and covenants under this Agreement for the remainder of the term of this Agreement or, at Franchisor's option, signs Franchisor's then-current standard form of franchise agreement (which may contain materially different terms and conditions than this Agreement) and each new Principal Owner signs a personal guaranty in the form attached to the franchise agreement;

iv. The assignee, the managing Principal Owner and the new designated manager (if not a Principal Owner) successfully completes the Initial Training Program required of new Woof Gang Bakery® retail stores;

v. If required, the lessor of the Store Premises consents to Franchisee's assignment or sublease of the premises to the assignee;

vi. Franchisee must pay to Franchisor a Transfer Fee equal to Two Thousand Five Hundred Dollars (\$2,500) plus a percentage of the then-current Initial Franchise Fee that equates to the percentage of the current term of this Agreement that has been completed (from the Effective Date to the date of transfer);

vii. Franchisee and each Principal Owner signs a general release, in a form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;

viii. Franchisor approves the material provisions of the assignment or sale of assets, which assignment or sale cannot permit Franchisee to retain a security interest in this Agreement or any other intangible asset; and

ix. Franchisee (and each Principal Owner) sign an agreement, in form satisfactory to Franchisor, in which Franchisee (and each Principal Owner) covenant to observe the post-termination non-solicitation covenant and covenant not to compete contained herein and all other applicable post-termination obligations.

10.2.3 Non-Controlling Interest Assignment. If the assignment involves less than a "controlling interest" in Franchisee (taking into account any prior changes of ownership or transfers), Franchisee is not required to obtain Franchisor's prior written consent, provided Franchisee complies with any or all of the following conditions that Franchisor may deem necessary:

- i. Franchisee provides Franchisor with thirty (30) days advance written notice of the assignment;
- ii. Any new owner of a ten percent (10%) or greater interest in Franchisee signs a personal guaranty in the form we designate; and
- iii. Franchisee provides Franchisor with such other information relating to the assignment as Franchisor requests.

10.2.4 Additional Conditions. Franchisor may expand upon and provide more details related to the conditions for assignment and Franchisor's consent as described in this Section 10.2 in the Manual or otherwise in writing.

10.3 Death Or Disability. If the Principal Owner with a controlling interest or the Principal Owner or a designated manager who manages the Licensed Business dies or is permanently disabled, Franchisee or the remaining Principal Owners must appoint a competent manager acceptable to Franchisor within a reasonable time, not to exceed thirty (30) days, from the date of death or permanent disability. The appointed manager must satisfactorily complete Franchisor's designated initial training program. If a Franchisor-approved manager is not appointed within thirty (30) days after the death or permanent disability of the prior manager or Principal Owner, Franchisor may, but is not required to, immediately appoint a manager to maintain operations of the Licensed Business on Franchisee's behalf until an approved assignee can assume the management and operation of the Licensed Business. Franchisor's appointment of a manager does not relieve Franchisee of its obligations, and Franchisor will not be liable for any debts, losses, costs or expenses incurred in operating the Licensed Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Licensed Business while it is managed by Franchisor's appointed manager. Franchisor may charge a reasonable fee for management services and may cease to provide management services at any time.

If the Principal Owner with a controlling interest dies or is permanently disabled, such person's executor, administrator, or other personal representative must transfer his/her interest within a reasonable time, not to exceed twelve (12) months from the date of death or permanent disability, to a person approved by Franchisor. Such transfers, including transfers by devise or inheritance will be subject to conditions contained in Section 11.3 above.

10.4 Public or Private Offerings. Subject to Section 10.2 above, if Franchisee (or any of its Principal Owners) desires to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in Franchisee or any affiliate of Franchisee, Franchisee agrees to submit any written information to Franchisor before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and must obtain the written consent of Franchisor to the method of financing before any offering or sale of securities. The written consent of Franchisor will not imply or represent Franchisor's approval respecting the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information respecting Franchisor or any of its affiliates will be included in any securities disclosure document, unless Franchisor furnishes the information in writing in response to Franchisee's written request, which request will state the specific purpose for which the information is to be used. Should Franchisor, in its discretion, object to any reference to Franchisor or any of its affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in boldface type on the first textual page:

“NEITHER WOOF GANG BAKERY, INC. NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER WOOF GANG BAKERY, INC. NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NEITHER WOOF GANG BAKERY, INC. NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

10.5 Franchisor’s Right Of First Refusal. If Franchisee or its Principal Owners at any time desire to sell or assign for consideration the Licensed Business, the Store, an ownership interest representing (in the aggregate) fifty percent (50%) or more of the ownership in Franchisee or all or substantially all of Franchisee’s assets, Franchisee or its Principal Owners must obtain a bona fide, executed written offer from a qualified and fully disclosed purchaser and must deliver a copy of the offer to Franchisor. Franchisor has the right, exercisable by written notice delivered to Franchisee or its Principal Owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Store or ownership interest in Franchisee for the price and on terms contained in the offer. Franchisor may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing. If Franchisor does not exercise its right of first refusal, Franchisee or its Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided Franchisee and the Principal Owners otherwise comply with this Section 10. If the sale to the proposed purchaser is not completed within one hundred twenty (120) days after delivery of the offer to Franchisor, or if there is a material change in the terms of the sale, Franchisor again has the right of first refusal.

10.6 Principal Owners. All individuals or entities owning directly or indirectly a ten percent (10%) interest in Franchisee (each a “Principal Owner”), must sign the Guaranty Agreement in the form attached to this Agreement as Exhibit C. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of Franchisee under the provisions of this Section 10.6 or otherwise must, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. Franchisee will furnish to Franchisor at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form Franchisor reasonably requires, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a Franchisee.

11. COVENANTS

11.1 Organization. Franchisee and each Principal Owner covenants that:

11.1.1 Franchisee is organized and validly exist under the laws of the state where Franchisee was formed and is qualified and authorized to do business in the jurisdiction where the Protected Area and the Store is located;

11.1.2 Franchisee’s articles of incorporation, bylaws, operating agreement or other organizational documents (collectively, “Authorizing Documents”) at all times will provide that Franchisee’s business activities will be limited exclusively to the ownership and operation of the Licensed Business, unless Franchisee otherwise obtains Franchisor’s written consent;

11.1.3 Franchisee has the power under the Authorizing Documents to sign this Agreement and comply with the provisions of this Agreement;

11.1.4 Franchisee will provide Franchisor copies of all Authorizing Documents and any other documents, agreements or resolutions Franchisor requests in writing;

11.1.5 The names of all Principal Owners are accurately stated on the Guaranty Agreement attached hereto as Exhibit C; and

11.1.6 Franchisee will maintain a current schedule of the Principal Owners and their ownership interests (including the Principal Owners' names, address and telephone numbers) at all times and will immediately provide Franchisor with an updated ownership schedule if there is any change in ownership.

11.2 Non-Solicitation of Customers. Franchisee covenants that, during the term of this Agreement, and for a period of eighteen (18) months thereafter, Franchisee will not, directly or indirectly divert or attempt to divert any business, account or customer of the Store or any other Woolf Gang Bakery® retail store or the System to any "Competing Business" (as defined below).

11.3 Covenant Not to Compete During Term. Franchisee (and each Principal Owner) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or business: (i) divert or attempt to divert any business or customers of the Store to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; or (ii) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any Competing Business (including any e-commerce or Internet-based business), except: (1) with Franchisor's prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate written agreement between Franchisee and Franchisor.

11.4 Post-Term Covenant Not to Compete. Franchisee (and each Principal Owner and any separate designated Store manager) will not, for a period of twenty-four (24) months after this Agreement expires or is terminated or the date on which Franchisee ceases to operate the Store, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation: (1) divert or attempt to divert any business or customers of the Store to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; (2) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business which is located at the former site of the Store; or (3) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business that is located within a ten (10) mile radius of the former site of the Store or any other then-existing Woolf Gang Bakery® retail store; provided, however, that this Section 12.4 will not apply to: (i) other Woolf Gang Bakery® retail stores that Franchisee operates under separate Woolf Gang Bakery® franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

11.5 Competing Business. "Competing Business" means any retail (including e-commerce) business that offers or sells pet food, dog treats, pet accessories, pet grooming services and/or pet day care or boarding services and such goods and services represent ten percent (10%) or more of the total gross revenues of such retail business in any calendar month.

11.6 Injunctive Relief. Franchisee agrees that damages alone cannot adequately compensate Franchisor if there is a violation of any covenant in this Section 12, and that injunctive relief is essential for Franchisor's protection. Franchisor therefore agrees that, to the greatest extent permitted by applicable law,

Franchisor may seek injunctive relief without posting any bond or security, and without the need to prove irreparable harm, in addition to the remedies that may be available to Franchisor at equity or law, if Franchisee or anyone acting on Franchisee's behalf violates any covenant in this Section 12. The covenants stated in this Section 12 will survive the termination or expiration of this Agreement.

12. TERMINATION

Franchisor may terminate this Agreement as follows:

12.1 Termination on Thirty (30) Days' Notice and Cure. Subject to Sections 11.2, 11.3 and 11.4 below, Franchisor may terminate this Agreement upon thirty (30) days' prior written notice (or longer if required by law) if Franchisee is in breach of any term of this Agreement or of any other agreement between Franchisee and Franchisor and Franchisee fails to cure such default to Franchisor's satisfaction during such notice period.

12.2 Termination Upon 72 Hours' Notice and Cure. Franchisor may terminate this Agreement upon seventy-two (72) hours' notice (or longer if required by law) if Franchisee is in breach of any of the following provisions and Franchisee fails to cure such default to Franchisor's satisfaction during such notice period:

12.2.1 Franchisee fails to timely permit any audit or inspection by or on behalf of Franchisor;

12.2.2 Franchisee violates or fails to comply with any law, rule, regulation, ordinance or order relating to the operation of the Licensed Business (including any health codes, rules or regulations) or fails to obtain and maintain any license, permit or bond necessary, in Franchisor's opinion, for Franchisee's operation of the Licensed Business;

12.2.3 Franchisee fails to operate the Licensed Business under the Marks or fails to properly display the Marks at all times in full compliance with this Agreement and the Manual;

12.2.4 Franchisee engages in any business dealings in relation with the Franchise, the Licensed Business or the Franchisee which Franchisor reasonably concludes are unethical, dishonest or otherwise would likely cause harm to the Marks, the System, Franchisor, other franchisees, or the goodwill associated with the Marks;

12.2.5 Franchisee fails to maintain any required insurance policy; or

12.2.6 Any other agreement, including any other Franchise Agreement to which Franchisee is a party, between Franchisee and Franchisor or between Franchisee and any of Franchisor's affiliates is terminated for cause.

12.3 Termination With Ten (10) Days' Notice and Cure. Franchisor may terminate this Agreement upon ten (10) days' notice (or longer if required by law) if Franchisee fails to pay when due any amounts owed to Franchisor or any of its affiliates and Franchisee fails to cure such default during such notice period.

12.4 Termination Without Notice or Cure Period. Franchisor may terminate this Agreement without giving notice or opportunity to cure upon occurrence of any one or more of the following events:

12.4.1 Upon three material breaches of this Agreement occurring within a twelve (12) month period, whether or not such breaches are cured;

12.4.2 Franchisee files a voluntary petition in bankruptcy or has an involuntary petition filed against Franchisee, Franchisee makes an assignment for the benefit of creditors, or a receiver or trustee is appointed;

12.4.3 Franchisee is adjudicated a bankrupt or insolvent;

12.4.4 Franchisee sublicenses or attempts to sublicense the Marks or the System in violation of this Agreement;

12.4.5 Franchisee makes an assignment for the benefit of creditors or similar disposition of the assets of the Licensed Business;

12.4.6 Franchisee voluntarily abandons the Licensed Business by failing to operate the Store during regular business hours for a period of five (5) consecutive days without Franchisor's prior written consent or otherwise takes action which Franchisor reasonably concludes constitutes abandonment of the Licensed Business;

12.4.7 Franchisee violates or attempts to violate any of the Assignment provisions of this Agreement; or

12.4.8 Franchisee is convicted of or pleads guilty or no contest to a charge of violating any law relating to the Licensed Business.

12.5 Alternative Actions Upon Default. If you default under this Agreement, in addition to any other rights or remedies we may have hereunder, we may elect to take any one or more of the following actions:

12.5.1 Suspend performing our obligations under this Agreement.

12.5.2 Revoke or modify Franchisee's rights in the Protected Area;

12.5.3 Appoint a manager to oversee Franchisee's operations, with whom Franchisee will fully cooperate and whose fee shall be paid from franchise operations;

12.5.4 Obtain an accounting of all accounts receivable, accounts payable and all other financial obligations of Franchisee; or

12.5.5 Employ such professionals, at Franchisee's expense, as may be needed to correct/remedy Franchisee's breaches of the Agreement.

13. FRANCHISEE'S OBLIGATION UPON TERMINATION

13.1 Post-Term Duties. If this Agreement expires or is terminated for any reason other than a termination as a result of a breach by Franchisor, Franchisee will:

13.1.1 within ten (10) days after termination, pay all amounts due and owing to Franchisor or its affiliates, including all Royalty Fees, National Marketing Fees, and accrued interest due under this Agreement;

13.1.2 discontinue using, and return to Franchisor by first class prepaid United States mail any hard copies of, the Manual and any other manuals, advertising materials, and all other printed materials relating to the operation of the Licensed Business;

13.1.3 assign to Franchisor or, at Franchisor's discretion, disconnect the telephone number for the Store. Franchisee acknowledges that Franchisor has the sole right to and interest in all telephone numbers and all electronic or other directory listings associated with the Marks, and Franchisee authorizes Franchisor, and appoints Franchisor as its attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to Franchisor;

13.1.4 remove from the Store premises all signs, posters, fixtures, decals, wall coverings and other materials that are distinctive of a Store or bear the name "Woof Gang Bakery" or other Marks;

13.1.5 comply with all post-termination obligations under any software license or access agreement, including the return of all materials relating to all proprietary software;

13.1.6 take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any of the Marks;

13.1.7 immediately cease using the Trade Secrets in whatever format they may appear and return to Franchisor (or, at Franchisor's option, destroy or electronically delete) all electronic or hard-copy documents in Franchisee's possession that contain Trade Secrets;

13.1.8 within ten (10) days after termination, pay Franchisor all future lost Royalty Fees and National Marketing Fees if this Agreement is terminated due to Franchisee's breach of this Agreement; and

13.1.9 comply with all other applicable provisions of this Agreement, including the non-compete and non-solicitation provisions.

Upon termination of this Franchise Agreement for any reason, Franchisee's right to use the name "Woof Gang Bakery" and the other Marks and the System will immediately terminate and Franchisee (and the Principal Owners) will not in any way associate itself/themselves as being associated with Franchisor. If Franchisee fails to remove all signs and other materials bearing the Marks, Franchisor may do so at Franchisee's expense.

13.2 Redecoration. If this Agreement is terminated for any reason, and Franchisee either remains in possession of the premises of the former Store to operate a separate business not in violation of Section 12 above or enters into an agreement with a third party to allow such third party to directly operate a business at the premises of the former Store, Franchisee will, at its expense, modify both the exterior and interior appearance of the business premises so that they will be easily distinguished from the standard appearance of Woof Gang Bakery® stores. At a minimum, such changes and modifications to the premises will include: (1) repainting the premises with totally different colors; (2) removing all signs and other materials bearing the name "Woof Gang Bakery" and other Marks; (3) removing from the premises all fixtures which are indicative of Woof Gang Bakery® stores; (4) discontinuing use of the approved employee uniforms and refraining from using any uniforms which are confusingly similar; (5) discontinuing use of all packaging and Trade Secrets regarding the operation of the Store; and (6) taking such other action, at Franchisee's expense, as Franchisor may reasonably require. If Franchisee fails to immediately initiate modifications to the premises of the former Store or completes such modifications with any period of time Franchisor deems appropriate, Franchisee agrees that Franchisor or its designated agents may enter the premises of the former Store to make such modifications, at Franchisee's risk and expense, without responsibility for any actual or

consequential damages to Franchisee's property or others, and without liability for trespass or other tort or criminal act.

13.3 Franchisor Option To Purchase Store. If this Agreement expires or is terminated for any reason (other than the fault of Franchisor), Franchisor has the option, upon thirty (30) days written notice from the date of expiration or termination, to purchase from Franchisee any or all of the tangible and intangible assets relating to the Store (excluding any unsalable inventory, cash, short-term investments and accounts receivable) as Franchisor determines (collectively, the "Purchased Assets") and to an assignment of Franchisee's lease for (1) the Store premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as Franchisee's lease) and (2) any other tangible leased assets used in operating the Store. Franchisor may assign this option to purchase and assignment of leases separate and apart from the remainder of this Agreement. For purposes of this Section, Franchisor periodically will establish, and provide to Franchisee in the Manual or otherwise in writing, standards as to other products which are deemed "unsalable inventory."

The purchase price for the Purchased Assets will be the "Book Value" (as defined below) of the Purchased Assets. "Book Value" means the net book value of the Purchased Assets, as disclosed in the last quarterly statement of the Store provided to Franchisor under Section 3.1 before termination or expiration, provided, however, that: (1) each depreciable asset will be valued on a "straight-line" basis without provision for salvage value; (2) Franchisor may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (3) Franchisor may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If Franchisor is not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, Franchisor's regularly employed firm of certified public accountants will determine (by audit) the Book Value. Franchisor and Franchisee will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after Franchisor delivers notice of its election to purchase the Purchased Assets, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, Franchisee will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to Franchisor or its designee and such other documents Franchisor may reasonably request to permit it to operate the Store without interruption. Franchisor may set off against and reduce the purchase price by all amounts Franchisee owes to Franchisor or any of its affiliates. If Franchisor exercises its option to purchase the Store, Franchisor may, pending the closing, appoint a manager to maintain Store operations.

13.4 Continuing Obligations. All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

14. DISPUTE RESOLUTION

14.1 Mediation. Except as otherwise stated in this Section 14.1, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between Franchisor and Franchisee, agreed upon by the parties. If the parties do not agree on a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its

desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, in the county where Franchisor's headquarters is located. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim, controversy for binding arbitration as described in Section 14.2 below. Franchisor may bring an action under the applicable provisions of this Section 14, without first submitting the action to mediation under this Section 14.1, for injunctive relief or for monies Franchisee owes Franchisor.

14.2 Arbitration. Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Section 14.3 below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including validity or enforceability of this Agreement or any provisions hereof, claims of fraud in the inducement, and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 14.1 above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where Franchisor's headquarters is located. The proceedings will be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The arbitrator will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The decision of the arbitrator will be final and binding on all parties; provided, however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance Franchisor establishes. Any arbitration proceeding will be limited to controversies between Franchisee and Franchisor and will not be expanded to include any other Woof Gang Bakery® franchisee or include any class action claims. This Section 14 will survive termination or nonrenewal of this Agreement. Judgment upon the award of an arbitrator may be entered in any court having jurisdiction thereof. During any arbitration proceeding, Franchisor and Franchisee will fully perform their respective obligations under this Agreement. The parties agree that all arbitration proceedings, including any arbitration award or ruling, will be confidential in nature, except as otherwise required by law or court order or as necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors.

14.3 Injunctive Relief. Notwithstanding Sections 14.1 and 14.2 above, Franchisee recognizes that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all other Woof Gang Bakery® businesses. Therefore, if Franchisee breaches or threaten to breach any of the terms of this Agreement, then, to the greatest extent permitted by applicable law, Franchisor will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual or irreparable damage and without the need to post bond for security, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrator.

14.4 Attorneys' Fees. The non-prevailing party will pay all costs, expenses, and interest including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

15. REPRESENTATIONS OF FRANCHISEE

15.1 Representations. Franchisee represents and warrants as follows:

15.1.1 Franchisee is not currently a party to or subject to any contract or agreement, including any other franchise agreement, employment agreement or any covenant not to compete which would directly or indirectly be breached by entering into this Agreement or which would directly or indirectly prohibit or restrict Franchisee's signing of this Agreement or performance there under.

15.1.2 Franchisee is basing Franchisee's decision to purchase this license, in full, upon statements and representations contained in this Agreement and the Woof Gang Bakery Franchise Disclosure Document and upon facts obtained pursuant to Franchisee's own investigation. Franchisee is not relying upon any statements or any information received either directly or indirectly from Franchisor or any person acting or purporting to act on behalf of Franchisor which information or statements are not contained in this Agreement or the Woof Gang Bakery Franchise Disclosure Document or otherwise in writing and signed by an officer of Franchisor. Franchisee has not received any earnings claims or financial performance information, directly or indirectly, from Franchisor excepting only such information as may be contained in Item 19 of the Woof Gang Bakery Franchise Disclosure Document.

15.1.3 Franchisee has not terminated and will not terminate Franchisee's existing employment or cease any other income-producing activity until after Franchisee has an approved location, has successfully completed the Initial Training program, and is open for business. If Franchisee elects, notwithstanding this sub-paragraph to terminate employment or income-producing activity, Franchisee knowingly assumes the risk of loss of income and does so contrary to Franchisor's advice.

16. MISCELLANEOUS PROVISIONS

16.1 Non-waiver. Franchisor's waiver of any breach by Franchisee, or Franchisor's delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor's rights respecting that or any other breach.

16.2 LIQUIDATED DAMAGES UPON TERMINATION DUE TO FRANCHISEE'S DEFAULT. IF THIS AGREEMENT IS TERMINATED PRIOR TO THE END OF ITS TERM DUE TO FRANCHISEE'S DEFAULT, IN ADDITION TO THE AMOUNTS STATED IN SECTION 13.1.1 ABOVE, FRANCHISEE WILL PROMPTLY PAY TO FRANCHISOR A LUMP SUM PAYMENT (AS DAMAGES AND NOT AS A PENALTY) FOR BREACHING THIS AGREEMENT AND FOR FRANCHISOR'S LOST FUTURE REVENUE AS A RESULT OF SUCH BREACH AN AMOUNT EQUAL TO THE AVERAGE MONTHLY ROYALTY FEES, NATIONAL MARKETING FEES AND TECHNOLOGY FEES PAYABLE BY FRANCHISEE OVER THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF TERMINATION MULTIPLIED BY THE LESSER OF THIRTY-SIX (36) OR THE NUMBER OF MONTHS THEN REMAINING IN THE THEN-CURRENT TERM OF THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT A PRECISE CALCULATION OF THE FULL EXTENT OF THE DAMAGES FRANCHISOR WILL INCUR IF THIS AGREEMENT TERMINATES AS A RESULT OF FRANCHISEE'S DEFAULT IS DIFFICULT TO DETERMINE AND THAT THIS LUMP SUM PAYMENT IS REASONABLE IN LIGHT OF THE DAMAGES FRANCHISOR WILL INCUR FOR FRANCHISEE'S MATERIAL DEFAULT CAUSING THE PREMATURE TERMINATION OF THIS AGREEMENT. THIS LUMP SUM PAYMENT WILL BE IN LIEU OF ANY DAMAGES FOR FRANCHISOR'S LOST FUTURE REVENUE THAT FRANCHISOR MAY INCUR AS A RESULT OF FRANCHISEE'S DEFAULT, BUT IT WILL BE

IN ADDITION TO ALL AMOUNTS PROVIDED ABOVE IN SECTION 13.1.1 AND OTHER COSTS AND EXPENSES TO WHICH FRANCHISOR IS ENTITLED UNDER THE TERMS OF THIS AGREEMENT. FRANCHISEE'S PAYMENT OF THIS LUMP SUM WILL NOT AFFECT FRANCHISOR'S RIGHT TO RECOVER DAMAGES OTHER THAN LOST FUTURE REVENUE AND TO OBTAIN APPROPRIATE INJUNCTIVE RELIEF AND OTHER REMEDIES TO ENFORCE THIS AND OTHER APPLICABLE SECTIONS OF THIS AGREEMENT.

16.3 Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor are invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

16.4 No Third-Party Beneficiary. Nothing in this Agreement shall be construed to give Franchisee any rights as a third-party beneficiary or otherwise arising out of any similar or other agreement(s) between Franchisor and any other franchisee(s). Nothing in this Agreement shall be construed to give to any other franchisee or any other person any rights arising out of this Agreement. Any action or inaction by Franchisor with regard to any other franchisee's performance or non-performance as to any term of this or any similar agreement shall not give rise to any claims or rights in favor of Franchisee under this Agreement.

16.5 Rights of Parties are Cumulative. The rights of the parties are cumulative and no exercise or enforcement by either party of any right or remedy precludes the exercise or enforcement by such party of any other right or remedy to which such party is entitled by law or equity to enforce.

16.6 Venue. Subject to the provisions of Sections 14.1 and 14.2 above, any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties must be brought exclusively in any state or federal court of competent jurisdiction in the county where our headquarters is located. We also have the right to file any such suit against you in the federal or state court where the Store is located. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Franchisee and its Principal Owners waive any and all rights to proceed on a consolidated, common, or class basis. Each of Franchisor and Franchisee irrevocably consent to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue.

16.7 Governing Law. Subject to Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, this Agreement will be governed by and construed under the laws of the state of Florida, without regard to its conflict of laws principles. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of Florida.

16.8 Binding Effect. This Agreement is binding on Franchisor and Franchisee and their respective executors, administrators, heirs, beneficiaries, permitted assigns, and permitted successors in interest. Subject to Franchisor's right to modify the Manual and the System, this Agreement may not be modified except by a written agreement signed by the authorized officers of both parties. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

16.9 Notices. All written notices and reports permitted or required to be delivered by the provisions of this Agreement are deemed so delivered at the time delivered by hand one (1) business day after having been sent by a recognized overnight delivery service requiring a written receipt, three (3) business days after having been placed in the U.S. Mail by registered or certified mail, return receipt requested, or by such other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

16.10 Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

16.10.1 Franchisor's Rights. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

16.10.2 Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees or is required to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever it exercises "reasonable business judgment" in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither Franchisee nor any third party (including a trier of fact), will substitute its judgment for Franchisor's reasonable business judgment.

16.11 **WAIVER OF PUNITIVE DAMAGES. FRANCHISEE AND FRANCHISOR AND THEIR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.**

16.12 Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

16.13 Notice of Potential Franchisor Profit. Franchisor advises Franchisee that Franchisor and/or Franchisor's affiliates periodically may make available to Franchisee goods, products and/or services used or sold in the Store and that Franchisor and/or its affiliates may profit from sales of these goods, products and/or services. Franchisor further advises Franchisee that Franchisor and its affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to Franchisee or in consideration for services provided or rights licensed to such suppliers and manufacturers. Franchisee agrees that Franchisor and its affiliates will be entitled to such profits and consideration.

16.14 Entire Agreement. This Agreement, together with the Introduction, any exhibits and addenda attached hereto, and the Disclosure Acknowledgment Agreement signed contemporaneously with this Agreement are a part of this Agreement, which constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Nothing in the Agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document furnished to Franchisee.

16.15 Modification. This Agreement shall not be modified or changed except by a written agreement executed by an officer of Franchisor. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisor.

16.16 Effective Date. This Agreement shall have no force or effect unless and until signed by an officer of Franchisor. The Effective Date shall be the date of such corporate signature.

17. ACKNOWLEDGEMENTS

17.1 Success of the Licensed Business. Franchisee has been informed by Franchisor, realizes and acknowledges that the business venture contemplated by this Agreement involves business risks and its success or failure will be largely dependent upon Franchisee's abilities in operating and managing the Licensed Business. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture.

17.2 Independent Investigation. Franchisee acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to gross sales, volume, potential earnings or profits which Franchisee might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce Franchisee to accept this franchise and sign this Agreement.

17.3 Receipt of Documents. Except for filling in the blank provisions and changes made as a result of negotiations that Franchisee initiated, Franchisee acknowledges that it received a copy of the complete Franchise Agreement, and exhibits attached hereto, at least seven (7) calendar days before the date on which this Agreement was signed. Franchisee further acknowledges that it received the disclosure document required by the trade regulation rule of the Federal Trade Commission entitled "Franchise Disclosure Document" at least fourteen (14) calendar days prior to the date on which this Agreement was signed. Franchisee represents that it has read this Agreement in its entirety and that it has been given the opportunity to clarify any provisions that it did not understand and to consult with any attorney or other professional advisor. Franchisee further represents that it understands the provisions of this Agreement and agrees to be bound.

17.4 Other Franchises. Franchisee acknowledges that other Woof Gang Bakery® businesses have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

The parties have executed this Agreement on the day and year indicated below.

FRANCHISOR:

Woof Gang Bakery, Inc.

By: _____

Print Name: _____

Its: _____

Dated: _____ [Effective Date]

Address:

7575 Dr. Phillips Blvd. Suite 275

Orlando, Florida 32819

Phone Number: 407-355-9210

FRANCHISEE:

[Enter Name Here]

By: _____

Print Name: _____

Its: _____

Dated: _____

Address:

Phone Number:

**EXHIBIT A
TO FRANCHISE AGREEMENT**

STORE LOCATION AND PROTECTED AREA

This Exhibit is attached to and is an integral part of the Woof Gang Bakery, Inc. Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), between Franchisor and Franchisee.

1. Store Location. Franchisor and Franchisee agree that the Store will be located at the following premises (the “Premises”): _____.
Franchisee acknowledges that Franchisor’s acceptance of a proposed location does not represent a warranty or representation of any kind as to the suitability of the proposed location for a Woof Gang Bakery® store.

2. Protected Area. The Protected Area will be identified by a metes and bounds description as described below or on a map attached hereto and will represent an area encompassing 30 square miles or a minimum residential population of 25,000 people, whichever is less, and with a minimum radius of 0.25 miles.: _____

3. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

FRANCHISOR:

**WOOF GANG BAKERY, INC.,
a Florida corporation**

By: _____
Title: _____

FRANCHISEE:

a _____ entity

By: _____
Title: _____

**ALTERNATIVE EXHIBIT A TO FRANCHISE AGREEMENT
STORE LOCATION (ALTERNATIVE)**

This Exhibit is attached to and is an integral part of the Woof Gang Bakery, Inc. Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), between Franchisor and Franchisee.

1. Area For Store Location. Within one hundred eighty days (180) days following the Effective Date, Franchisee will select and obtain Franchisor’s acceptance of a location with the provisions of this Exhibit within the following described geographical are (the “Area”): _____

2. Acceptance of Location and Store Opening. To obtain Franchisor’s acceptance of the proposed Store premises, Franchisee must deliver to Franchisor a complete site report (containing information Franchisor requires) for the location at which Franchisee proposes to establish and operate the Store and which Franchisee reasonably believes will satisfy the standardized site selection criteria established by Franchisor. The proposed location is subject to Franchisor’s prior written acceptance, which will not be unreasonably withheld. In evaluating the proposed location, Franchisor will consider matters it deems material, including demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses, including other Woof Gang Bakery® stores, and other commercial characteristics, the purchase price or rental obligations and other lease terms for the proposed location, and the size of premises, appearance and other physical characteristics. Within forty-five (45) days following Franchisor’s receipt of the complete site report and other materials Franchisor requests, Franchisor will accept or reject (in writing) the location proposed by Franchisee for the Store. Upon Franchisor’s consent to a proposed site, the site for the Store and the Protected Area will be inserted in Exhibit A to the Franchise Agreement and this Alternative Exhibit A will terminate. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR’S ACCEPTANCE OF A PROPOSED LOCATION DOES NOT REPRESENT A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE PROPOSED LOCATION FOR A WOOF GANG BAKERY STORE. Franchisee agrees to complete the development and open the Store for business within one hundred eighty (180) days following the date Franchisor accepts the proposed site for the Store premises.

3. Termination of Franchise Agreement. Franchisor has the right to terminate the Franchise Agreement if Franchisee fails to obtain approval of a location for the Store within one hundred eighty (180) days following the Effective Date or fails to complete the development and open the Store for business within one hundred eighty (180) days following the date Franchisor accepts the proposed site for the Store premises.

4. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

**WOOF GANG BAKERY, INC.,
a Florida corporation**

a _____ entity

By: _____
Title: _____

By: _____
Title: _____

**EXHIBIT B
TO FRANCHISE AGREEMENT
STORE LEASE ADDENDUM**

LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between _____, Landlord and _____, Tenant.

Landlord and Tenant are parties to that certain Lease of even date (the Lease) covering the premises located at _____, which Tenant will use to operate a Woof Gang Bakery® store under a Franchise Agreement between Tenant and Woof Gang Bakery, Inc. (Franchisor). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Lease premises only for a Woof Gang Bakery® store and Tenant may offer for sale and sell at the premises only those products, together with those services, which Franchisor approves.

2. Notice of Default. Landlord will provide Franchisor, by certified US mail or a recognized overnight delivery service at the address provided in Section 9 below, a minimum 30 day notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the 30 day notice period described in Section 2 above, and if Franchisor thereafter diligently completes cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant's rights under the Lease to Franchisor at any time during the term of the Lease; provided that such assignment or transfer is subject to Franchisor's written agreement to accept such assignment or transfer. Landlord will give Franchisor notice of expiration of the term of the Lease at least three months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Permitted Assignments by the Franchisor. If Franchisor becomes the Tenant under the rights described in Section 5 above, the following language will amend and be superior to any assignment and subletting language stated in the Lease:

Tenant will not be required to obtain Landlord's consent to assign this Lease to: (a) the parent or majority-owned subsidiary or affiliate of Tenant; (b) a person or entity having substantially the same net worth as the Tenant at the time of Transfer (collectively, a "Permitted Assignment") or (c) any entity resulting from a (i) merger, (ii) consolidation, (iii) initial public offering, or (iv) sale of the Tenant's assets. If there is a Permitted Assignment as described herein,

Tenant's obligations under the Lease will terminate as of the effective date of the Permitted Assignment.

7. Right of Entry and Subordination. Landlord will give Franchisor access to the Store at reasonable times on not less than 24 hours' notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Store for compliance with Franchisor's requirements, to remove from the Store any items bearing Franchisor's marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor's rights as licensor of the marks or logos displayed on items.

8. Vacating Premises. Upon vacating the Lease premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of the marks or logos.

9. Notices. Any notices to Franchisor hereunder will be sent to:

Woof Gang Bakery, Inc.
7575 Dr. Phillips Blvd.
Suite 275
Orlando, FL 32819

10. Benefit. Landlord and Tenant acknowledge that they enter into this Agreement for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

11. Supremacy. This Addendum shall control and supersede any inconsistent provision of the Lease.

The parties have signed this Agreement the day and year first above written.

LANDLORD:

TENANT:

By: _____
Title: _____

By: _____
Title: _____

**EXHIBIT C
TO FRANCHISE AGREEMENT**

PERSONAL GUARANTY AND ASSUMPTION AGREEMENT

In consideration of the execution of that certain franchise agreement of even date herewith (the “Franchise Agreement”) by Woof Gang Bakery, Inc. (“we” or “us”), each of the undersigned (a “Guarantor”), each of whom has a significant economic stake in _____ (the “franchisee”) by virtue of holding equity interests in the franchisee, hereby personally, irrevocably and unconditionally guarantees to us, and our successors and assigns, for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that the franchisee will timely pay and perform each and every undertaking, agreement and covenant stated in the Franchise Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every such undertaking, agreement and covenant, and other provision in the Franchise Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any obligation or indebtedness hereunder; (3) protest, demand, presentment, notice of protest, default, notice of intent to accelerate, and notice of acceleration, to any party respecting the obligation or indebtedness hereunder; and (4) any right he or she may have to require that an action be brought against the franchisee or any other person as a condition of liability hereunder.

Each Guarantor consents and agrees that:

(1) Guarantor’s liability under this guaranty will be direct and independent of the liability of, and will be joint and several with, the franchisee and the other Guarantors of the franchisee.

(2) Guarantor will make any payment or perform any obligation required under the Franchise Agreement upon our demand if the franchisee fails to do so.

(3) Guarantor’s liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of the franchisee or any assignee or successor of the franchisee.

(4) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time or credit that we may grant to the franchisee, including the acceptance of any partial payment or performance, any delay on our part in enforcing our rights under the Franchise Agreement, or any waiver, compromise or release of any claims.

(5) We may proceed against Guarantor and the franchisee jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against the franchisee or any other Guarantor.

(6) Guarantor’s liability hereunder will be an open and continuing guarantee and will continue in force notwithstanding any subsequent amendment to the Franchise Agreement or any renewal, expiration or termination of the Franchise Agreement. Our rights hereunder are transferable without the Guarantor’s consent, and will benefit our successors and assigns.

(7) Guarantor will pay all reasonable attorneys’ fees and all costs and other expenses we incur in enforcing this guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

(8) The dispute resolution provisions contained in Section 14 of the Franchise Agreement and related enforcement provisions contained in Section 16 of the Franchise Agreement are incorporated herein

by reference. Guarantor irrevocably consents to the jurisdictional requirements outlined in such Sections and waives all rights to challenge personal jurisdiction and venue.

(9) If any provision of this Guaranty and Assumption of Obligations is construed by a court of competent jurisdiction to be unenforceable, then the offending provision will be severed from this undertaking and the remainder of this undertaking will be unaffected thereby.

The undersigned Guarantor has signed this Guaranty and Assumption of Obligations as of the following date: _____.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN YOU

EXHIBIT C
MULTI-UNIT DEVELOPMENT AGREEMENT

**WOOF GANG BAKERY
MULTIPLE STORE DEVELOPMENT AGREEMENT**

THIS AGREEMENT is made and entered into as of the ____ day of _____, 20____, between WOOF GANG BAKERY, INC., a Florida corporation (“Franchisor”) and _____, a _____ entity (“Franchisee”).

BACKGROUND:

Franchisor and Franchisee are, on this day, entering into a WOOF GANG BAKERY® Franchise Agreement (the “Initial Franchise Agreement”), whereby Franchisee will be granted the right to operate a WOOF GANG BAKERY® Store in the territory described in Exhibit A of the Initial Franchise Agreement. Franchisee desires to obtain the right to develop multiple WOOF GANG BAKERY® stores pursuant to Franchisor’s standard franchise agreement within one or more specified territories. Franchisor is willing to grant such rights pursuant to the provisions stated below.

AGREEMENTS:

The Franchisor and Franchisee agree as follows:

1. Development Rights.

A. Grant of Rights. Subject to the provisions stated below, Franchisor grants to Franchisee the right to establish and operate for its own account, but not to subfranchise, sublicense or resell, multiple WOOF GANG BAKERY® stores (individually a “Store” and collectively “Stores”) pursuant to individual WOOF GANG BAKERY® franchise agreements, including the Initial Franchise Agreement (“Franchise Agreements”) in the form Franchisor then-currently uses at the time of issuance, as amended by Section 2 of this Agreement. Franchisee’s rights to establish and operate Stores under this Agreement will be limited to the area or areas described in Exhibit A attached hereto (the “Development Area”) and the number of Stores described in Exhibit B.

B. Reservation of Rights. Subject to Franchisee’s full compliance with this Agreement and other agreements between Franchisee or any of Franchisee’s affiliates on the one hand and Franchisor or any of Franchisor’s affiliates on the other hand, neither Franchisor nor any of Franchisor’s affiliates will establish, or authorize any person or entity other than Franchisee to establish, a WOOF GANG BAKERY® Store in the Development Area during the term of this Agreement (“Development Area Exclusivity”). Franchisee understands and acknowledges, however, that if Franchisee breaches any provision of this Agreement, or any other agreement as stated above, Franchisor may, at its sole discretion and in addition to all other remedies available, notify Franchisee in writing that Franchisee no longer has any Development Area Exclusivity rights and that Franchisor may directly establish, or authorize any third party to establish, Stores in the Development Area during the term of this Agreement. Franchisee expressly agrees that Franchisor and its affiliates retain all other rights including the right to: (i) operate and grant other persons the right to operate Stores at locations outside the Protected Area (as defined in the Initial Franchise Agreement), except to the extent Franchisor may be restricted under a separate WOOF GANG BAKERY® Franchise Agreement; (ii) sell the products and services authorized for sale at Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution; (iii) sell the products and services authorized for sale at Stores under the Marks through dissimilar channels of distribution (i.e., other than the operation of full service WOOF GANG BAKERY® retail stores), including by electronic means such as the Internet and by websites established by Franchisor, and pursuant to conditions Franchisor deems appropriate within and outside the Protected

Area; and (iv) to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

2. Fees.

A. Initial Franchise Fee. For the rights described in Section 1 above, Franchisee will pay Franchisor an Initial Franchise Fee equal to Forty-nine Thousand Nine Hundred Dollars (\$49,900) for each Store to be developed pursuant to this Agreement. The Initial Franchise Fee for the Initial Franchise Agreement will be payable when Franchisee signs this Agreement. In addition, Franchisee will pay a deposit of Twenty Thousand Dollars (\$20,000) for each additional Store to be developed pursuant to this Agreement (the "Deposit"). The Deposit will be credited against the Initial Franchise Fee for each additional Store to be developed pursuant to this Agreement. For example, if Franchisee desires to develop four (4) Stores under this Agreement, Franchisee will pay an Initial Franchise Fee of Forty-nine Thousand Nine Hundred Dollars (\$49,900) for the first Franchise Agreement and a Deposit of Sixty Thousand Dollars (\$60,000) (Twenty Thousand Dollars (\$20,000) for each of three (3) additional Stores) when Franchisee signs the Initial Franchise Agreement and this Agreement. The balance of the Initial Franchise Fee for each Store to be developed after the first will be due to Franchisor in a lump sum when Franchisee signs the Franchise Agreement for the specific Store. The Initial Franchise Fee (including any Deposits) is not refundable under any circumstances.

B. Royalty Fees and National Marketing Fees. Franchisee will pay Franchisor Royalty Fees and National Marketing Fees under each of the Franchise Agreements that Franchisee signs for Stores developed pursuant to this Agreement at the rates stated in the Initial Franchise Agreement signed by Franchisee, even if the Royalty Fee or National Marketing Fee Franchisor then charges franchisees at the time Franchisee signs a subsequent Franchise Agreement is different.

3. Development Procedure. Each Store to be developed pursuant to this Agreement will be governed by the terms of the Franchise Agreement for that Store, including the Initial Franchise Agreement that Franchisor and Franchisee will sign for the initial Store. Franchisee will not develop any Store at any site unless: (i) there exists a Franchise Agreement between the parties to which the site would be subject; (ii) Franchisor has evaluated and consented in writing to the site; and (iii) Franchisee has provided Franchisor with evidence acceptable to Franchisor that Franchisee satisfies Franchisor's then-current standards and policies respecting additional development of Stores. Subject only to Franchisor's evaluation of a proposed site (which evaluation is not a guaranty that the proposed site will be successful), Franchisee is solely responsible for locating and securing acceptable Store sites. If Franchisee fails to provide Franchisor with a signed Franchise Agreement before Franchisee commences construction or leasehold improvements on the premises for a Store, Franchisee will be in default under this Agreement and Franchisor may terminate this Agreement under Section 6 below.

4. Development Schedule. Franchisee's rights under this Agreement are conditioned upon its active development of the Development Area. Franchisee agrees to open for business and thereafter maintain in operation within the Development Area not less than the following number of WOOF GANG BAKERY® Stores identified in and within the time frame detailed in Exhibit B attached hereto (the "Development Schedule"). Franchisee acknowledges and agrees that it may enter into a Franchise Agreement for a Store under this Agreement only if Franchisee then: (i) is in good standing under each franchise agreement between Franchisor and Franchisee (or any of Franchisee's affiliates); and (ii) satisfies all of Franchisor's then-current expansion policies and standards for the development of Woof Gang Bakery® Stores.

5. Term. Subject to Section 6 below, the term of this Agreement will commence on the date executed and expiring on the earlier of the date by which Franchisee is required to open the final scheduled

Store as stated in the Development Schedule, or the date on which Franchisee opens the last scheduled Store as stated in the Development Schedule. There are no renewal rights.

6. Default and Termination.

A. Franchisee may terminate this Agreement at any time with or without cause by delivering written notice thereof to Franchisor. Franchisee will be in default, and Franchisor may at its option, terminate this Agreement, as provided herein, if: (1) Franchisee fails to meet the Development Schedule as described in Section 4 above, (2) Franchisee violates any other material provision of this Agreement, (3) Franchisee violates any material provision of the Initial Franchise Agreement or any additional Franchise Agreement issued hereunder, (4) Franchisee is declared bankrupt or becomes insolvent, (5) Franchisee is convicted of violating any law, ordinance or regulation relating to Franchisee's operation of any Store referenced herein or developed hereunder, or (6) Franchisee attempts to subfranchise in any manner all or part of its rights under this Agreement.

B. Except as described below, Franchisee will have sixty (60) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the sixty (60) day period (or such longer period as applicable law may require). Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (1) Franchisee repeatedly fails to comply with one or more material requirements of this Agreement; (2) the nature of Franchisee's breach makes it not curable; or (3) any default under items (4), (5) or (6) in Section 6(A) above.

C. If Franchisor has the right to terminate this Agreement as stated above, Franchisor may, without waiving any right of termination, undertake any one or more of the following actions in lieu of terminating this Agreement:

(i) Terminate or modify Franchisee's Development Area Exclusivity rights in the Development Area, as granted under Section 1(A) above, effective ten (10) days after delivery of written notice thereof to Franchisee; or

(ii) Terminate all or any part of any Store Franchise Agreement addenda under which Franchisee pays a modified Royalty Fee or National Marketing Fee.

D. During the period from the date Franchisor sends a notice of default until all violations and defaults specified therein are cured by Franchisee or this Agreement is terminated, Franchisor will not be obligated to enter into any Store Franchise Agreement with Franchisee or otherwise perform any obligations pursuant to this Agreement. Upon termination or expiration of this Agreement, all rights licensed herein will automatically revert to Franchisor and Franchisee's right to develop WOOF GANG BAKERY® Stores within the Development Area will cease. Termination or expiration of this Agreement will not affect Franchisee's rights under any individual Store Franchise Agreements in effect at that time.

E. Any default by Franchisee (or any of its affiliates) of any other agreement between Franchisor and Franchisee (or any of its affiliates) will be considered a default under

this Agreement. Franchisee's "affiliates" include any persons or entities controlling, controlled by, or under common control with Franchisee.

7. Transfers. Store Franchise Agreements may be transferred only pursuant to their respective terms. Franchisee represents and warrants to Franchisor that it intends to develop, manage, and operate all of the Stores to be developed hereunder for its own benefit and not for the purpose of or with a view towards resale or redistribution of the franchises to be issued hereunder. This Agreement cannot be pledged, transferred or sold in whole or in part by Franchisee without Franchisor's prior written consent. Franchisor may impose conditions to any proposed transfer or assignment including the following:

- A. Franchisee is in complete compliance with the terms of this Agreement and all other agreements between the parties;
- B. The proposed transferee has been approved by Franchisor as meeting Franchisor's then-current standards for multiple store franchisees (if applicable);
- C. The proposed transferee has completed Franchisor's training program;
- D. Franchisee assigns to the proposed transferee its interest in the individual Franchise Agreements for all Stores located in the Development Area; and
- E. Franchisee pays a transfer fee of Two Thousand Five Hundred Dollars (\$2,500).

This Agreement may be assigned and transferred by Franchisor and will benefit Franchisor's successors and assigns. Any such assignment or transfer will require the assignee to fulfill Franchisor's obligations under this Agreement.

8. Enforcement. This Agreement, and any dispute arising hereunder, will be governed by those provisions found in Sections 14 and 16 of the Initial Franchise Agreement, including those provisions respecting arbitration, governing law and injunctive relief.

9. Miscellaneous.

A. Franchisee may develop individual WOOF GANG BAKERY® Stores pursuant to this Agreement directly or through a wholly-owned subsidiary or an affiliate entity which has the identical ownership structure (individual and percentage interest) as that of the Franchisee. In such case, Franchisee, Franchisee's owner(s) and such affiliate entity will sign an appropriate agreement in the form Franchisor provides confirming that the WOOF GANG BAKERY® Store is being developed under this Agreement with the same effect as if the franchisee was Franchisee for the WOOF GANG BAKERY® Store.

B. This Agreement represents the entire Agreement of the parties relative to its subject and cannot be waived, altered or rescinded in whole or in part except by an express writing by the parties. The provisions of this Agreement are severable and the invalidity or unenforceability of any of them will not affect the remainder of this Agreement.

Franchisor and Franchisee have signed this Agreement as of the date first written above.

"FRANCHISOR"

"FRANCHISEE"

WOOF GANG BAKERY, INC.

(Print Corporate Name)

By _____
Its _____

By _____
Its _____

EXHIBIT A
TO DEVELOPMENT AGREEMENT
FRANCHISEE'S DEVELOPMENT AREA

1. Map of Development Area:

By: _____
Franchisor

By: _____
Franchisee

EXHIBIT B
TO DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

1. Number of Stores. Franchisor grants to Franchisee the right to establish and operate, pursuant to the Agreement, a total of _____ (____) Stores. The following is the Development Schedule:

Store Number	Date by Which Store Must be Open and Operating
1	
2	
3	
4	
5	

By: _____
Franchisor

By: _____
Franchisee

EXHIBIT D
STATE ADDENDA

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Item 3, Additional Disclosure:

Neither we nor any person described 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.

Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the

franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.)

The franchise agreement requires binding arbitration. The arbitration will occur in the state where our headquarters are located (currently Florida) with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

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

Exhibit I, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

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

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in the state where our headquarters are located (currently Florida) with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

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

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

Franchisee Acknowledgment / Compliance Certification:

The representations under the Franchise Disclosure Acknowledgment Agreement are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

Exhibit I, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

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

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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

Franchisee Acknowledgment / Compliance Certification:

The representations under this Franchise Disclosure Acknowledgment Agreement are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Exhibit I, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of 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 Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

Exhibit I, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as

provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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.

Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): 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.

The Summary section of Item 17(d) is deleted and replaced with the following language: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the Summary sections of Items 17(v) and 17(w): 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.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. This requirement may not be enforceable under North Dakota law.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

“According 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 grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

Exhibit I, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

The undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure:

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Exhibit I, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT,
FRANCHISEE COMPLIANCE QUESTIONNAIRE, AND RELATED AGREEMENTS

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
WOOF GANG BAKERY, INC.

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT E
GENERAL RELEASE FORM

FORM RELEASE OF CLAIMS

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL
BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT.
THIS FORM IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, Woof Gang Bakery, Inc. (“we” or “us”), _____ (“you”) and _____ (“Guarantors”) enter into this Release of Claims (“Agreement”).

RECITALS

- A. We and you entered into a Woof Gang Bakery Franchise Agreement dated _____, _____ (the “Franchise Agreement”).
- B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims.**

A. Definitions.

1. Franchisor Parties: We and each of our subsidiaries, corporate parents and affiliates, and their respective officers, directors, owners, stockholders, members, employees, insurers, attorneys, agents, successors, predecessors, assigns, heirs and personal representatives.

2. Franchisee Parties: You and each of the Guarantors and all persons or entities acting on their behalf or claiming under them including each of their respective past and present corporate parents, subsidiaries, affiliates, owners, heirs, executors, administrators, managers, directors, officers, employees, trustees, agents, partners, business entities, attorneys, insurers, successors and assigns.

B. The Franchisee Parties irrevocably and unconditionally waive, release and forever discharge, and covenant not to sue, the Franchisor Parties of and from any and all claims, suits, debts, liabilities, causes of action, demands, contracts, promises, obligations, losses, rights, controversies, damages, costs, expenses (including actual attorneys’ fees and costs incurred), actions and causes of action of every nature, whether known or unknown, direct or indirect, vested or contingent, at law or in equity, whether arising by statute, common law, or otherwise, including claims for negligence (collectively, “Claims”), that they may now have, or at any time heretofore had, or hereafter may have, against each or any of the Franchisor Parties arising out of or relating to any conduct, transaction, occurrence, act or omission at any time before the [Effective Date] relating to the Franchise Agreement(s), the development or operation of the Studio(s), the franchise

relationship between the parties, the offer or sale of any franchise, or any agreement between any of the Franchisee Parties and any of the Franchisor Parties.

C. The Franchisee Parties specifically and expressly acknowledge and agree that the consideration accepted under this Agreement is accepted in full satisfaction of any and all injuries and/or damages that have previously arisen and which may hereafter arise respecting any of the claims being released.

D. The Franchisee Parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to signing this release and they have executed this release voluntarily. Also, the Franchisee Parties represent that they have not assigned or transferred to anyone any claims released by them under Section 4(B) above.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

YOU:

WE:

WOOF GANG BAKERY, INC.

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

PERSONAL GUARANTORS:

EXHIBIT F

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT G
CURRENT AND FORMER FRANCHISEES

**Current Franchisees
As of December 31, 2022**

Address 1	Address 2	City	State	Zip Code	Phone Nbr	Owners
104 Apple Ave.		Dothan	AL	36301	(803) 941-7159	Jennifer Carico, Chad Carico
1674 30th St.		Boulder	CO	80301	(346) 220-9663	Flavia Rizzi Rodrigues
110 Albany Turnpike	Suite 611A	Canton	CT	6019	(571) 655-2275	Alex Ikonomidis, Renata Sepe
62 Isham Road		West Hartford	CT	6107	(860) 491-5664	Alex Ikonomidis, Renata Sepe
1511 Rock Springs Road		Apopka	FL	32712	(407) 233-9016	Aldo Cavaliere
18800 NE 29th ave.	Suite 6	Aventura	FL	33180	(972) 985-9663	Daniel Brener
9101 Lakeridge Blvd	Unit 23	Boca Raton	FL	33496	(910) 238-2496	Juliana Lucchesi
12393 Hagan Ranch Road	Suite 302	Boynton Beach	FL	33437	(561) 900-7222	Fabiana Cazzani, Jose Guilherme
671 Front Street	Suite 120	Celebration	FL	34747	(407) 373-3376	Cindy Ortiz
8254 ChampionsGate Blvd		ChampionsGate	FL	33896	(912) 358-0537	Nicola Mazzi, Rubens Campos
2481 McMullen Booth Road		Clearwater	FL	33761	(727) 504-0883	Chris Mansueto, Guy Mansueto
1670 E. Highway 50	Suite F	Clermont	FL	34711	(512) 335-9663	Marcus Segnini, Debora Segnini
74 S. Atlantic Ave.		Cocoa Beach	FL	23931	(908) 264-7452	Pete Abrahamsen, Mary Abrahamsen
1384 Coral Ridge Dr		Coral Springs	FL	33071	(402) 332-3481	Jose Pena
2634 LPGA Blvd.		Daytona Beach	FL	32124	(737) 300-9663	David Pence, Michelle Pence
1431 Orange Camp Rd.	Suite 103	Deland	FL	32724	(407) 221-1870	Cynthia Cook
8455 N.W. 53rd St.	Suite G102	Doral	FL	33166	936-506-9663	Jose Pena
818 Highland Ave		Dunedin	FL	34698	(843) 899-2275	Chris Mansueto, Guy Mansueto
20000 S. Tamiami Trail	Suite 204	Estero	FL	33928	(702) 675-8228	Chris Welling
185 Murabella Parkway	Suite 7	Fernandina Beach	FL	32092	(281) 778-9663	Mike Thomas
1960 East West Pkwy	Suite 107	Fleming Island	FL	32003	(904) 434-5788	Mary Hardin
2394 N Federal Hwy		Fort Lauderdale	FL	33305	(760) 529-6295	Anderson Dutra, Natalia Dutra, Ulrich Hansen
3590 Saint Johns Avenue		Jacksonville	FL	32205	(919) 899-0123	Mike Thomas
5440 Military Trail	Suite 7	Jupiter	FL	33458	(561) 714-3536	Bill Bouchard
10164 W Indiantown Rd.		Jupiter	FL	33478	(702) 462-9663	Courtney Rooney, Thomas Rooney
328 Crandon Blvd	#126	Key Biscayne	FL	33149	(720) 265-4887	Francisco Mata
1210 S. International Pkwy	Suite 118	Lake Mary	FL	32746	(407) 432-5644	Deborah Gelwan
1125 TownPark Avenue	Suite 1061	Lake Mary	FL	32746	(609) 731-3617	Carl Preidel
8341 Market Street		Lakewood Ranch	FL	34202	(941) 504-0744	Lauren Redington
2401 W. State Rd 434	Suite 129	Longwood	FL	32779	(316) 928-2200	Marcelo Rondino, Ana Paula Andrade
25914 Sierra Center Blvd		Lutz	FL	33559	(843) 979-9663	Esteban Tapias, Renata Tapias
7777 N. Wickham Road	Suite 26	Melbourne	FL	32940	(908) 888-2683	Gabriel Moraes
3301 NE 1st Avenue	Suite 104-E	Miami	FL	33137	(832) 437-5313	Marjolijn van Hoorn Fajardo
8358 Mills Drive		Miami	FL	33183	(830) 358-7192	Tania Cesar
6751-55 Main Street		Miami Lakes	FL	33014	(786) 556-9588	Araceli Estrada
1666 NE Miami Gardens Drive		North Miami Beach	FL	33179	(305) 987-2182	Daniel Brener
11247 US Hwy 1		North Palm Beach	FL	33408	(910) 256-5557	Christie Coulter, Curtis Coutler

Address 1	Address 2	City	State	Zip Code	Phone Nbr	Owners
283 West Rd.		Ocoee	FL	34761	(281) 351-9663	Nicola Mazzi, Rubens Campos
2578 Maguire Road		Ocoee	FL	34761	(917) 434-7166	Kay Langley, Clayton Langley
5054 Dr Phillips Blvd		Orlando	FL	32819	(917) 434-7166	Kay Langley
7600 Dr. Phillips Blvd	Suite 8	Orlando	FL	32819	(407) 907-9294	Nicola Mazzi, Rubens Campos
13832 Narcoossee Rd	Suite 103B	Orlando	FL	32832	(407) 201-0163	Matt Peters
308 N. Alafaya Trail		Orlando	FL	32828	(407) 907-9294	Nicola Mazzi
4574 E. Michigan Street		Orlando	FL	32812	(828) 743-9663	Eric Feitler
13807 Landstar Blvd	Suite 106	Orlando	FL	32824	(919) 251-8943	Jaime H. Duarte
3123 S. Orange Ave	Suite 104	Orlando	FL	32806	(201) 444-9663	Galen Gritzer
274B N. Nova Road		Ormond Beach	FL	32174	(432) 689-0909	David Pence, Michelle Pence
340 Royal Poinciana Way	Suite 322A	Palm Beach	FL	33480	(914) 494-6963	Ilyse Schaefer
6231 PGA Blvd	Suite 114	Palm Beach Gardens	FL	33418	(561) 329-5566	Lisa Aho
2864 SW Town Center Way	Suite 360	Palm City	FL	34990	(936) 588-4426	Juliana Goncalves
7871 N University Drive		Parkland	FL	33067	(281) 240-9663	Rafaela Fossati, Lawrence Fossati
10350 Pines Boulevard	Suite D107	Pembroke Pines	FL	33026	(901) 207-5829	Anderson Dutra, Fabio Dominguez
2309 N Federal Hwy		Pompano Beach	FL	33062	(561) 414-5505	Clarissa Brillembourg
152 Capital Green Drive	Suite 22	Ponte Vedra	FL	32081	(919) 297-2275	Mike Thomas
1129 S Tamiami Trail		Sarasota	FL	34236	(239) 841-1422	Diana Stevens, Margie Stevens
944 4th Street North	Suite 500	St. Pete	FL	33701	(727) 480-3778	Matt Jones
1714 S. Dale Mabry Hwy		Tampa	FL	33629	(912) 450-6600	Chris Mansueto, Guy Mansueto
13156 N Dale Mabry Hwy		Tampa	FL	33618	(843) 388-5167	James Sayers, Ashley Sayers
9654 W. Linebaugh Avenue		Tampa	FL	33626	(813) 370-8971	Wilson Tortoreli, Patricia Tortorelli
8634 Hunters Village Road		Tampa	FL	33612	(813) 499-6643	Esteban Tapias
3682 Meggison Road		The Villages	FL	32163	(407) 435-9986	Beth Whitcomb
11962 County Rd 101	Suite 401	The Villages	FL	32162	(919) 367-1333	Beth Whitcomb
10625 1st St E.		Treasure Island	FL	33706	(727) 426-4498	John Harris
2205 State Road 7	Suite 300	Wellington	FL	33414	(561) 215-8699	Colleen Valle
1720 Main St		Weston	FL	33326	(760) 529-6295	Anderson Dutra, Natalia Dutra, Fabio Dominguez, Tatiana Enriquez
13524 Summerport Village Pkwy		Windermere	FL	34786	(407) 421-4221	Rubens Campos
7848 Winter Garden Vineland Road	Suite 116	Windermere	FL	34786	(706) 426-6212	Rubens Campos
18 East Plant Street		Winter Garden	FL	34787	(407) 421-4221	Rubens Campos
14416 Shoreside Way		Winter Garden	FL	34787	(512) 329-9663	Nicola Mazzi, Rubens Campos
918 Orange Avenue		Winter Park	FL	32789	(407) 421-4221	Rubens Campos, Andre Delben, Marcia Carvalho
180 E Morse Blvd		Winter Park	FL	32789	(913) 730-8420	Claudia Diaz-Munoz
2701 Washington Road	Suite 22	Augusta	GA	30909	(407) 350-1497	Dean King
4351 Washington Road	#D	Evans	GA	30809	(407) 350-1497	Dean King
100 Blue Moon Crossing	Suite 102	Pooler	GA	31322	(737) 300-9663	David Pence, Michelle Pence
202 West Saint Julian Street		Savannah	GA	31401	(912) 704-4939	Michelle Pence, David Pence

Address 1	Address 2	City	State	Zip Code	Phone Nbr	Owners
141 Bull Street		Savannah	GA	31401	(770) 337-6993	David Pence, Michelle Pence
8507 Ferguson Ave		Savannah	GA	31406	(912) 349-5058	David Pence, Michelle Pence
1601 Bull Street		Savannah	GA	31401	(912) 495-5806	David Pence, Michelle Pence
50 Berwick Blvd	Suite 360	Savannah	GA	31419	(201) 236-9663	David Pence, Michelle Pence
991 Peachtree Industrial Blvd		Suwanee	GA	30024	(713) 842-9663	Angelina Nguyen, Hien Ta
5307 151st Street		Leawood	KS	66224	(919) 420-0065	Jeannette Remington, David Remington
11212 W. 135th Street		Overland Park	KS	66221	(913) 787-5318	Lloyd Moore
9747 East 21st North	Suite 131	Wichita	KS	67206	(402) 957-4764	Kacey Hopper, Steven Hopper
774 West Williams Street		Apex	NC	27502	(702) 462-9663	Lili Lin, Long Wang, Feng Wang
33 Town Square Blvd.	Suite 140	Asheville	NC	28803	(912) 661-4234	Will Coley
305 Ledgestone Way		Cary	NC	27519	(607) 743-1418	Lili Lin, Long Wang, Feng Wang
11 Pillar Drive		Cashiers	NC	28717	(239) 293-0408	Janet Martin
1112 Environ Way		Chapel Hill	NC	27517	(315) 982-0064	Rocco Bouse
4810F Ashley Park Lane		Charlotte	NC	28210	(407) 647-9663	Sara Giruzzi, Arti Jethwa
20 Publix Drive	Unit 101	Clayton	NC	27527	(210) 474-0111	Sara Giruzzi, Louise Bass
19825 N. Cove Rd	Suite C	Cornelius	NC	28031	(704) 875-7683, (704) 578-8311	Carol Wiese, Stacy Wood
1839 Martin Luther King Jr. Pkwy		Durham	NC	27707	(512) 387-2311	Lili Lin, Long Wang
1216 Fort Bragg		Fayetteville	NC	27609	(910) 797-4678	Mike Karaman
4225 Western Blvd	Suite 800	Jacksonville	NC	28546	(252) 676-9572	Arti Jethwa, Mitesh Jethwa
2046 Clark Avenue		Raleigh	NC	27605	(607) 743-1418	Lili Lin, Long Wang, Feng Wang
13600 New Falls of Neuse Road	Suite 102	Raleigh	NC	27614	(704) 239-1602	Sara Giruzzi, Joe Giruzzi
2409 Crabtree Blvd.	Suite 105	Raleigh	NC	27604	(843) 952-7400	Lili Lin, Long Wang, Feng Wang
9400 Brier Creek Pkway	Suite 106	Raleigh	NC	27617	(214) 304-6300	Sara Giruzzi, Arti Jethwa
8111 Creedmoor Road	Suite 15	Raleigh	NC	27613	(210) 822-9663	Lili Lin, Long Wang, Feng Wang
1930 Eastwood Road	Suite 108	Wilmington	NC	28403	(910) 520-7130	Erskine Smith
21351 Nebraska Crossing Drive	#A-113	Gretna	NE	68028	(469) 678-6315	Ken Sharpe
1121 NJ-34	Suite Q	Aberdeen	NJ	7747	(616) 481-7339	Adam Schilling, Heather Schilling
84 West Allendale Avenue		Allendale	NJ	7401	(201) 741-8716	Douglas Kirchner, Lynda Kirchner
732 US-202 South	Suite 130	Bridgewater	NJ	8807	(732) 841-0387	Mehul Patel, Ketna Patel
270 Route 206 South		Chester	NJ	7930	(678) 926- 3405	Frank Buonvicino, Barbara Buonvicino
4 South Ave W		Cranford	NJ	7016	(703) 417-9311	Michelle Hannen, Sherry Butrico
190 Rock Rd		Glenrock	NJ	7452	(828) 650-9950	Maureen Barrett
9780 Coors Blvd. NW	Suite F	Albuquerque	NM	87114	(512) 953-8480	Lucy Romero, Doug Wood
7080 N. Durango Drive	Suite 140	Las Vegas	NV	89149	(702) 521-1969	Chin Li Kuok, Richard Hansen
9500 S. Eastern Avenue	Suite 160	Las Vegas	NV	89123	(702) 275-3881	Carrie Belasky, Roman Sibel
9630 W. Skye Canyon Park Dr.	Suite 150	Las Vegas	NV	89166	(713) 783-9663	Chin Li Kuok, Richard Hansen

Address 1	Address 2	City	State	Zip Code	Phone Nbr	Owners
62 Purchase Street		Rye	NY	10580	(919) 205-1182	Debra Love
7651 Crile Road		Concord	OH	44077	(571) 312-5630	Joe Gilk, Natalee Gilk
8705 Factory Shops Blvd.		Jeffersonville	OH	43128	(740) 948-9488	Jeffrey Weissman
20075 Chagrin Blvd.		Shaker Heights	OH	44122	(843) 757-9663	Joe Gilk, Natalee Gilk
6201 Spirit Street		Pittsburgh	PA	15206	+1 (312) 515-8313	Damon Powell
7 Lawton Street		Bluffton	SC	29910	(832) 862-9663	Will Coley
1221 Chapin Road	Suite C	Chapin	SC	29036	(210) 255-8792	Ginger Cline
341 King Street		Charleston	SC	29401	(910) 273-3624	Angela Castro
7 W. North Street		Greenville	SC	29601	(216) 716-8004	Cara Cook, Stephanie Cook
1055 Johnnie Dodds Blvd		Mount Pleasant	SC	29464	(843) 241-5628	Leigh Reid Hope
10880 Ocean Highway	Suite 10	Pawleys Island	SC	29585	(913) 897-8258	Leigh Reid Hope
1718 State Road	Unit 8B	Summerville	SC	29486	(919) 435-6930	Chris Paitrick, Erin Paitrick
2200 N. Germantown Pkwy	Suite 12	Cordova	TN	38016	(901) 461-3665	Tammy Bishop
1204 N. Lamar Blvd		Austin	TX	78703	(830) 313-8828	Josh Juarez
14900 Avery Ranch Blvd	Suite A-300	Austin	TX	78726	(830) 313-8828	Josh Juarez, Daron Franklin
701 Capital of Texas Hwy South	Suite D450	Austin	TX	78746	(512) 944-5675	Katherine Jourdan, Don Jourdan
5700 W. Slaughter Lane	Suite 250	Austin	TX	78749	(910) 860-1200	Chris Sherback
3500 Ranch Rd 620 S	Unit B-200	Austin	TX	78738	(908) 595-9663	Phiroza Sherback, Chris Sherback
1911 Aldrich Street	Suite 180	Austin	TX	78723	(864) 263-3420	Amish Patel, Beena Patel
525 Woodlands Square Blv.	Suite 150	Conroe	TX	77384	(505) 200-9198	Greg Davis
3091 College Park Dr.	Suite 280	Conroe	TX	77384	(440) 898-0003	Greg Davis
10539 Fry Road	Suite A4-100	Cypress	TX	77433	+55 1 55 25 63 91 96	Regina Gonzalez, Juan Carlos Gruber
18208 Preston Road	Suite D15	Dallas	TX	75252	(850) 300-3523	Guiselle Garcia, Edson Garcia
3135 W. Holcombe Blvd		Houston	TX	77025	(980) 355-0989	Markos Hernandez, Erin Hernandez
5885 San Felipe Street	Suite 250	Houston	TX	77057	(956) 462-7122	Erica Skene
1510 West Grand Pkwy South		Katy	TX	77494	(713) 253-4662	Ana Karen Garcia, James Lin, Lenardo Taylor
7815 McPherson Road	Suite 107B	Laredo	TX	78045	(210) 492-2275	Fernanda Marina
6710 Virginia Pkwy	220	McKinney	TX	75071	(989) 277-6185	Jim Howe, Shelley Howe
1307 North Loop 250 W	Suite 11B	Midland	TX	79706	(432) 288-8434	Iram Molinar
8817 Highway 6	Suite 500	Missouri City	TX	77459	(713) 550-0915	Cathy Dorris
950 Pine Market Ave	Suite 200	Montgomery	TX	77316	(512) 904-9663	Greg Davis
1935 W. State Hwy 46	Suite 102	New Braunfels	TX	78132	(254) 666-9663	Lisett Mahan, James Mahan
8240 Preston Road	Suite 125	Plano	TX	75024	(919) 827-8118	Jim Howe, Shelley Howe
9711 S. Mason Road	Suite 100	Richmond	TX	77407	(912) 446-1110	Pattie Meng
832 Steger Towne Drive		Rockwall	TX	75032	(972) 345-7778	Carrie Harris, Danielle McConnico
1900 University Blvd.	Suite 230	Round Rock	TX	78655	(512) 391-9663	Bindi Bhakta, Viren Bhakta
10003 NW Military Hwy	Suite 1109	San Antonio	TX	78231	(210) 363-8047	Jackie Oliverius
20079 Stone Oak Pkwy	Suite 1103	San Antonio	TX	78258	(361) 522-3326	Maritza Sosa
23718 IH-10 W	Suite 105	San Antonio	TX	78257	(914) 305-4327	Andrew Polunsky, Yelena Polunsky
999 E. Basse Road	Suite 184	San Antonio	TX	78209	(832) 742-9138	Bo Conrad, Emily Conrad
6076 FM 2920		Spring	TX	77379	(912) 417-2149	Kalman Goldstein
2015 Spring Stuebner Rd	Suite 600	Spring	TX	77388	(703) 729-4900	Amith Patel, Divya Daya
3921 Woodson Reserve Parkway	Suite 800	Spring	TX	77386	(832) 808-3292	Amith Patel, Divya Daya
8701 Spring Cypress	Suite D	Spring	TX	77379	+52 55 41911497	Denisse Gonzalez, Arturo Blanco
4755 Sweetwater Blvd		Sugar Land	TX	77479	(713) 548-7188	James Lin, Ana Karen Garcia, Lenardo Taylor

Address 1	Address 2	City	State	Zip Code	Phone Nbr	Owners
26400 Kuykendahl Rd.	Unit C190	Tomball	TX	77375	(732) 441-9663	Aldo Moreno, Gerardo Moreno
1201 Hewitt Drive	Suite 205	Waco	TX	76712	(254) 749-0710	April Sparkman, Lynn Grantham
6462 Landsdowne Centre Drive		Alexandria	VA	22315	(571) 286-1265	Mina Kim
4550 Lee Highway		Arlington	VA	22207	(919) 869-7265	Daniel In
22556 Amendola Terrace	Suite 100	Ashburn	VA	20148	(407) 790-7480	Seung Ae Kim
5750 Union Mill Rd		Clifton	VA	20124	(832) 422-3996	Mina Kim

**Former Franchisees
During the 12 Month Period Ended January 31, 2023**

TRANSFERRED FRANCHISE TO NEW FRANCHISEE

Former Franchisee	City	State	Telephone Number
David & Ilyse Schaefer	Boynton Beach	FL	(914) 494-6963
Pete & Mary Abrahamsen	Longwood	FL	(410) 322-1117
Marcus & Debora Segnini	Orlando	FL	(407) 748-6462
Pam Luszczakoski & Toni Hauck	Orlando	FL	(586) 484-7317
Michael & Elise Morales	Apex	NC	(910) 257-5980
Ann Marie Sindt	Asheville	NC	(912) 571-6338
Michael & Elise Morales	Cary	NC	(910) 257-5980
Michael & Elise Morales	Raleigh	NC	(910) 257-5980
Michael & Elise Morales	Raleigh	NC	(910) 257-5980
Michael & Elise Morales	Raleigh	NC	(910) 257-5980
Meredith Wehrle	Katy	TX	(832) 722-4913
Sharon Taor	Richmond	TX	(832) 815-5492
Jackie Oliverius	San Antonio	TX	(210) 363-8047
Kelly Ross	Tomball	TX	(786) 325-5410

TERMINATED OR CEASED OPERATIONS

Former Franchisee	City	State	Telephone Number
Carrie Belasky, Roman Sibel	Las Vegas	NV	(702) 275-3881
Barry Wander	Boca Raton	FL	(305) 798-0937

EXHIBIT H
OPERATIONS MANUAL TABLE OF CONTENTS

Chapters

- 1) Woof Gang Brand (4 pages)
- 2) Our Woof Gang Way – Our Culture (2 pages)
- 3) Franchisor and Franchisee Relationship (3 pages)
- 4) Franchise Agreement Compliance (3 pages)
- 5) Risk Management (2 pages)
- 6) Patents Copyrights, and Proprietary Information (4 pages)
- 7) General Operations Procedures (23 pages)
- 8) FranPOS POS System (16 pages)
- 9) Safety Protocol (24 pages)
- 10) Building Your Woof Gang Franchise Team (76 pages)
- 11) Grooming Operations (129 pages)
- 12) Marketing and Community Engagement (13 pages)
- 13) Retail Guidelines (58 pages)
- 14) Operations Manual Confidentiality Agreement (3 pages)

TOTAL PAGES - 360

EXHIBIT I
DISCLOSURE ACKNOWLEDGMENT AGREEMENT

DISCLOSURE ACKNOWLEDGMENT AGREEMENT

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Location (Territory) Applied For _____

1. I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement and/or payment of any monies.

2. I have signed and returned to Woof Gang Bakery, Inc. (you or your) the acknowledgment of receipt for each disclosure document given me.

3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of your covenants and obligations and my obligations as a franchisee of the Woof Gang Bakery® system. I understand that the Franchise Agreement contains all obligations of the parties and that you do not grant to me under either agreement any right of first refusal.

4. I understand that this franchised business may be impacted by risks largely outside your or our control such as local, national or global economic, political or social disruption.

5. I understand that this franchised business, as in all business ventures, involves other risks and, despite assistance and support programs, the success of my business will depend largely upon me and my ability.

6. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.

7. I understand that you have established a marketing fund (the National Marketing Fund) which is not directed towards any specific franchise territory but is intended to benefit the entire Woof Gang Bakery® system nationwide. I further understand that amounts from the National Marketing Fund (if established) will be used to offset any in-house expenses you incur in providing marketing services, production art and other activities.

8. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

For Maryland Prospective Franchisees: Do not sign this Disclosure Acknowledgment. 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.

Applicants' Acknowledgment:

Name: _____
Date: _____

Name: _____
Date: _____

EXHIBIT J

STATE EFFECTIVE DATES AND RECEIPTS

State Effective Dates

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

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

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
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

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

If Woof Gang Bakery, 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.

If Woof Gang Bakery, 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, C.C. 20580 and those state administrators listed on Exhibit F.

Issuance Date: April 20, 2023

The franchisor is Woof Gang Bakery, Inc., located at 7575 Dr. Phillips Blvd, Suite 275, Orlando, Florida 32819. Its telephone number is (407) 355-9210.

Woof Gang Bakery, Inc.'s franchise sellers involved in offering and selling the franchise are Alex Macedo, Ricardo Azevedo, Joseph Marin, Tim Brueggemann, Michelle Rounds, Michael Morales, Gina Lund, Eric Brewstein, Steve Olson and Melanie Amore, 7575 Dr. Phillips Blvd, Suite 275, Orlando, Florida 32819; (407) 355-9210, or are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____.

Woof Gang Bakery, Inc., authorizes the respective state agencies identified on Exhibit F to receive service of process for Woof Gang Bakery, Inc., in the particular state.

I have received a Franchise Disclosure Document with an issuance date of April 20, 2023, that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement (and exhibits)
Exhibit C	Multi-Unit Development Agreement
Exhibit D	State Addenda
Exhibit E	General Release Form
Exhibit F	List of State Administrators, Agents for Service of Process
Exhibit G	Current and Former Franchisees
Exhibit H	Operations Manual Table of Contents
Exhibit I	Disclosure Acknowledgment Agreement
Exhibit J	State Effective Dates and Receipt Pages

Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Copy for Franchisee

RECEIPT

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

If Woof Gang Bakery, 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.

If Woof Gang Bakery, 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, C.C. 20580 and those state administrators listed on Exhibit F.

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Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Copy for Woof Gang Bakery, Inc.

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to Franchising Department by email to franchising@woofgangbakery.com.