#### FRANCHISE DISCLOSURE DOCUMENT

**GODOG** 

GoDog Franchising, LLC
a Delaware limited liability company
112 Krog Street NE, Unit D135
Atlanta, GA 30307
(404) 635-6637
franchise@godoghq.com
www.godoghq.com

The franchise offered is to develop and operate a facility, primarily for dogs, under the "GODOG®" name and other trademarks that provides overnight boarding, daycare, dog park facilities, bathing, grooming, pet wellness services and training, with limited services also available to cats.

The total investment necessary to begin operation of a new GoDog Campus is \$1,955,000 to \$4,982,000. This includes \$150,000 to \$170,000 that must be paid to us or our affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact GoDog Franchising, LLC, 112 Krog Street NE, Unit D135, Atlanta, Georgia 30307 or by email at franchise@godoghq.com or by telephone at (404) 635-6637.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at <a href="www.ftc.gov">www.ftc.gov</a> 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 of this Franchise Disclosure Document: May 19, 2023, as amended August 31, 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 I (current franchisees & former franchisees).
How much will I need to invest?	Items 5 and 6 list the 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 in providing support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable and growing, or shrinking?	Item 20 summarized the recent history of the number of company-owned and franchised outlets.
Will my business be the only GODOG® 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 the material litigation or bankruptcy proceeding.
What's it like to be a GODOG® Franchisee	Item 20 or Exhibit I list 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

<u>Continuing responsibility to pay fees</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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 <u>Exhibit D</u>.

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. <u>Out-of-State Dispute Resolution</u>. The Franchise Agreement requires you to resolve disputes with us by arbitration and/or litigation only in our then-current home state (currently in Georgia). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It also may cost more to arbitrate or litigate with us in our then-current home state (currently in Georgia) than in your own state.
- 2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
- 3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

# THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

- (A) A prohibition on the right of a franchisee to join an association of franchisees.
- (B) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and 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.

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

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48909
(517) 335-7567

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

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### **TABLE OF CONTENTS**

### Page

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	3
ITEM 3 LITIGATION	4
ITEM 4 BANKRUPTCY	4
ITEM 5 INITIAL FEES	4
ITEM 6 OTHER FEES	5
ITEM 7 ESTIMATED INITIAL INVESTMENT	14
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	18
ITEM 9 FRANCHISEE'S OBLIGATIONS	21
ITEM 10 FINANCING	23
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	23
ITEM 12 TERRITORY	34
ITEM 13 TRADEMARKS	36
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	38
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	39
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	40
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	41
ITEM 18 PUBLIC FIGURES	45
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	46
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	48
ITEM 21 FINANCIAL STATEMENTS	51
ITEM 22 CONTRACTS	51
ITEM 23 RECEIPTS	51

1

### TABLE OF CONTENTS

### Page

### **EXHIBITS**

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	Operations Manual Table of Contents
Exhibit D	List of State Administrators
Exhibit E	List of Agents for Service of Process
Exhibit F	Franchisee Representations Document
Exhibit G	Form of General Release
Exhibit H	State-Specific Additional Disclosures and Agreement Riders
Exhibit I	List of Franchisees / Departed Franchisees
Exhibit K	State Effective Dates and Receipts

# Item 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

### The Franchisor and its Parents and Affiliates

The franchisor is GoDog Franchising, LLC, referred to in this disclosure document as "we," "us" or "our." We refer to the person interested in buying a franchise as "you" or "your." If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this disclosure document where appropriate.

We are a Delaware limited liability company formed on July 28, 2022. Our principal business address is 112 Krog Street NE, Unit D135, Atlanta, Georgia 30307. We conduct business primarily under our limited liability company name and the "GODOG®" trademark and under no other name. We began offering franchises for GoDog Campuses (defined below) as of the date of this disclosure document. We have no other material business activities and have not offered franchises in other lines of business. While we have never operated a GoDog Campus, our affiliated entities have owned and operated GoDog Campuses since 2015. We refer to GoDog Campuses operated by our affiliates as "company-owned" outlets for the purposes of this disclosure document. We have no predecessors.

Our direct parent is GoDog OpCo Holdings, LLC ("OpCo Holdings"), a Delaware limited liability company. Our indirect parents are GoDog Investment Holdings, LLC, a Delaware limited liability company ("Investment Holdings") and Level 5 Capital Partners, LLC ("L5"), a Georgia limited liability company, which directly owns all outstanding interests in Investment Holdings. All our parents share our principal business address. We have no other parent companies to disclose in this Item. If we have an agent in your state for service of process, we disclose that agent in Exhibit E.

Our affiliate GoDog IP Holdings, LLC ("GoDog IP"), whose principal business address is the same as ours, owns the trademarks, operating systems, and other intellectual property we license to franchisees. GoDog IP licenses that intellectual property to us for use in the GoDog franchise program. GoDog IP has never operated a GoDog Campus or offered franchises in any line of business.

Our affiliate L5 Acceleration Services, LLC ("L5 AS"), whose principal business address is the same as ours, currently provides services related to the public relations and market introduction program you are required to conduct for the Campus. L5 AS has never operated a GoDog Campus or offered franchises in any line of business.

Through common control with L5, we are affiliated with Big Blue Swim School Franchising, LLC ("Big Blue"), the franchisor of "BIG BLUE Swim Schools" that currently provide, following a proprietary curriculum, swim lessons and skills in approximately 90-degree water to children ranging in age from 3 months to 12 years old. Big Blue is an Illinois limited liability company located at 4207 N. Western Avenue, Chicago, Illinois 60618. Big Blue has been the franchisor of "BIG BLUE Swim Schools" since June 2018, and as of December 31, 2022, there were 7 franchised "BIG BLUE Swim Schools" in operation. Big Blue has not offered franchises in any other lines of business and has not conducted a business similar to the GoDog Campus franchise that you will operate.

Except as described above, we have no parents, predecessors or affiliates that have offered franchises for this business or any other lines of business or that sells products or services to our franchisees.

#### The Franchise Offered

We grant franchises to develop and operate campuses, primarily for dogs, identified by the Marks (defined below) that provide overnight boarding, daycare, dog park facilities, bathing, training, grooming, and wellness services with limited services also available to cats (a "GoDog Campus"), and related retail products. GoDog Campuses that offer dog park services will also offer alcoholic beverages (if permitted by applicable law). In this disclosure document, we refer to your GoDog Campus as the "Campus." GoDog Campuses operate under the trademarks, service marks, and other commercial symbols we periodically designate, including "GODOG®" (the "Marks"), and the mandatory specifications, standards, operating procedures, and rules we periodically specify for GoDog Campuses ("Brand Standards"). The Campus must offer the services and products we specify.

### Nature of Market and Competition

The Campus will offer services and products to the general pet-owning public throughout the year. The market for GoDog Campuses is developed and competitive in the areas we are targeting. You will face competition from independently operated and nationally or regionally based franchised pet boarding facilities, independently operated and nationally or regionally based doggie daycare facilities, facility based and home-based dog training services, independently operated and franchised dog grooming facilities, private dog walkers, and other local facilities or providers that provide similar services. Other GoDog Campuses located outside your area of protection, but which market and advertise in your market, also might compete with the Campus.

### Laws and Regulations

Most states and local jurisdictions have enacted laws and regulations that might particularly impact the operation of GoDog Campuses, including those: (a) requiring a kennel license; (b) establishing general standards, specifications, and requirements for constructing, designing, and maintaining the business premises, generally known as animal protection laws; and (c) regulating matters affecting health, safety, and welfare, such as food handling requirements, maintenance of water quality and availability, requirements for temperature control and ventilation, pet waste removal, noise control, drainage, humane care, interior surface requirements, space requirements, lighting requirements, pest control, and record keeping (including vaccination records). You must comply with these laws and with laws applying generally to all businesses. You should investigate these laws and regulations when evaluating your franchise acquisition.

If the Campus offers dog park services, you also will need a liquor license. An application for a liquor license generally requires submission of your state's form of liquor license application and your employer identification number (EIN), business license, sales tax permit, health permit, building permit, and zoning permit. You also generally must submit to fingerprinting and a criminal background check.

# Item 2 BUSINESS EXPERIENCE

### **Our Executives**

### **Chief Executive Officer: Amy Nichols**

Ms. Nichols has been our Chief Executive Officer since March 2023. Prior to that, Ms. Nichols was (i) a General Manager for Kinship, the technology division of Mars Petcare, from June 2021 until March 2023, and (ii) the Vice President of Companion Animals for the Humane Society of the United States from November 2017 until June 2021. Ms. Nichols has been based in Montclair, NJ for each of these positions.

#### Co-Founder, President and Chief Marketing Officer: Ben Eberdt

Mr. Eberdt is our Co-Founder, President and Chief Marketing Officer, and has been since our inception in July 2022. He is also the Co-Founder, President and Chief Marketing Officer of GoDog Enterprises, LLC, which he co-founded in November 2018. From 2008 until present, Mr. Eberdt has started and launched numerous other successful solo ventures, including a private consulting and advertising agency, as well as numerous successful side projects including Jaguar Dreams, Ben Negative and Savoy. Mr. Eberdt has been based in Durham, North Carolina for each of these positions.

### <u>Vice President of Pet Operations: Channon Hasch</u>

Ms. Hasch has been our Vice President of Pet Operations since our inception in July 2022. She has served in the same role for GoDog Enterprises, LLC since January 2020. Ms. Hasch served as General Manager of GoDog Durham in Durham, North Carolina from December 2014 to December 2020. Ms. Hasch has been based in Durham, North Carolina for each of these positions.

#### Vice President of Real Estate: Michael Chin

Mr. Chin has been our Vice President of Real Estate since April 2023. Mr. Chin served as Managing Director of Real Estate for L5 AS in Atlanta, Georgia, from March 2014 to March 2023. Mr. Chin has been based in Atlanta, Georgia for each of these positions.

### <u>Vice President of Franchise Development: Erin Snyder</u>

Ms. Snyder has been the Vice President of Franchise Development for Level 5 Capital Partners since November 2022. Ms. Snyder serves in the same role for us and has done so since May 2023. Ms. Snyder was (i) Director of North American Franchise Development for Papa John's International, Inc. from November 2020 until November 2022, (ii) Director of Global Business Development for Papa John's International, Inc. from January 2019 until November 2020, and (iii) Manager of International Business Development for Papa John's International, Inc. from January 2008 until December 2018. Ms. Snyder has been based in Atlanta, Georgia for each of these positions.

### Co-Founder and Chairman: Jess Eberdt

Mr. Eberdt is our Co-Founder and Chairman of our Board and has been since our inception in July 2022. He has served in the same roles for GoDog Enterprises, LLC since November 2018. He has also

served as the Managing Director for TempusDurham since October 2010. Previously, Mr. Eberdt served as Chairman of Amplicare from January 2017 until June 2020. Mr. Eberdt has been based in Durham, North Carolina for each of these positions.

### **Board Member: Neil Hobbs**

Mr. Hobbs has been a Board Member of ours since inception in July 2022. He has also been a Board Member of L5 since January 2018. Mr. Hobbs has also been a Board Member for Big Blue Swim School since August 2018 and L5 Fitness Holdings, LLC since January 2019. Mr. Hobbs has also been Chairman of euNetworks since January 2014 and has been on the boards of Bandwidth IG since February 2022 and Telarus since May 2014. Mr. Hobbs has been based Atlanta, Georgia for each of these positions.

### **Board Member: Chris Kenny**

Mr. Kenny has been a Board Member of ours since inception in July 2022. He is also a Board Member, co-founder, and Managing Partner of L5, and has been since January 2016. Mr. Kenny has also been co-founder and Chairman of Level 4 Yoga, LLC since January 2019. He previously served as the Chief Executive Officer of Level 4 Yoga, LLC from January 2009 to January 2019 and Chief Executive Officer of Big Blue Swim School from September 2018 to July 2020. Mr. Kenny has been based in in Atlanta, Georgia for each of these positions.

### Board Member: Duane LeVine

Mr. LeVine has been a Board Member of ours since inception and a Board Member of L5 since February 2021. Previously Mr. LeVine was a member of the investment team at Seaport Capital, LLC from May 2015 to February 2021 located in New York, New York. Mr. LeVine has been based in Atlanta, Georgia for each of these positions.

### Item 3 LITIGATION

No litigation information is required to be disclosed at this Item.

## Item 4 BANKRUPTCY

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

# Item 5 INITIAL FEES

### <u>Initial Franchise Fee</u>

You must pay us an \$80,000 initial franchise fee in a lump sum when you sign the Franchise Agreement. It is not refundable under any circumstances. The Franchise Agreement will not be effective, and you will have no franchise rights, until we receive the initial franchise fee.

#### Public Relations and Market Introduction

You must conduct a public relations and market introduction program for the Campus. We expect this program to begin 5 months before the Campus opens (although we may specify a different timeframe). We will consult with you about the type of public relations and market introduction program that we believe is most suitable for the Campus's market and we will create and implement the program for you. You must pay us or our affiliate between \$45,000 and \$65,000 upon signing the franchise agreement for the market introduction program, of which we or our affiliate will retain between \$15,000 to \$25,000 to cover the cost of creating and implementing the program and the remainder of which we or our affiliate will pay to vendors on your behalf. This payment includes costs for production and media placement as well as our creation and implementation of the market introduction program for you. These amounts are non-refundable. The market introduction program will be implemented according to Brand Standards and our other requirements.

### **Development Oversight Fee**

We will charge you a Development Oversight Fee of \$25,000 in consideration of our providing you with a territory development and a target market demographics package, site selection guidance, real estate broker oversight, campus design development and support, design intent package, and construction management guidance and support for the Campus. You must submit market, site, design and construction information to us in the form that we specify. The Development Oversight Fee is payable to us when you sign your Franchise Agreement and is non-refundable under any circumstance.

Item 6 OTHER FEES

Type of Fee <sup>(1)</sup>	Amount(2)	Due Date	Remarks
Royalty	7% of Campus's weekly Gross Revenue <sup>(3)</sup>	Due by Wednesday of each calendar week <sup>(4)</sup>	You must pay us a weekly royalty fee of 7% throughout the term.
Technology Fee	Equal to the lesser of 1% of the Campus's weekly Gross Revenue or \$300 per week	Due by Wednesday of each calendar week <sup>(4)</sup>	You must pay us the "Technology Fee for each weekly period during the franchise term <sup>(2)</sup>
Brand Fund Contributions	Up to 3% of the Campus's weekly Gross Revenue; we currently charge 2% of Campus's weekly Gross Revenue	Due by Wednesday of each calendar week <sup>(4)</sup>	

Type of Fee <sup>(1)</sup>	Amount <sup>(2)</sup>	Due Date	Remarks
Member Services Center Fee ("MSC Fee")	Up to 2% of the Campus's Gross Revenue; we do not currently charge this fee.	Monthly or as otherwise specified	We may, directly or through a designated source (including an affiliate), to develop, implement, operate, maintain, and improve a member services center for the benefit of all GoDog Campuses and which all GoDog Campuses must use. The MSC will perform various services for GoDog Campuses and their customers, including scheduling for customers, handling customer inquiries, helping resolve customer complaints and concerns, and maintaining a customer database that provides management reports to franchisees.  We do not now provide these services and therefore do not have a set charge; we may charge you if we provide these services at a later time and will notify you when we establish the charge.
Local Marketing Spend <sup>(5)</sup>	On a monthly basis, 2% to 6% (depending on the month of operation) of the Campus's prior month's Gross Revenue	As incurred	6% in month 2-12 of operation 4% in month 13-36 of operation 2% in month 37-120 and beyond We may require you to pay us the Local Marketing Spending Requirement directly.
Renewal Fee	\$5,000	When you sign successor franchise agreement (if you have that right)	
Transfer of Franchise Rights or Controlling Ownership Interest in Franchisee	\$25,000 (or \$12,500 if proposed transfer is among your existing owners, immediate family members, or an entity you control)	Upon transfer	
Transfer of Non- Controlling Ownership	\$5,000	Upon transfer	

Type of Fee <sup>(1)</sup>	Amount <sup>(2)</sup>	Due Date	Remarks
Interest in Franchisee			
Additional Training	Currently ranging up to \$2,000 for each additional person (beyond the 3 persons we will train at no cost) you wish to send to initial training and for any required retraining of the original attendees		If your Managing Owner or any general manager or assistant manager cancels participation in any training class for which he or she pre-registers and pays us a training fee, we will not refund or reimburse the training fee you paid. If participation is canceled more than 2 weeks before the class or program is scheduled to begin, we will apply one-half of the training fee as a credit toward the fees due for a future training class or program that your Managing Owner, general managers, or assistant managers attend.
Ongoing and Supplemental Training and Assistance	Our then-current fee for ongoing and supplemental training and assistance is not to exceed \$500 per trainer per day and not to exceed \$2,000 in total if at our location. If not at our location, training is not to exceed \$750 per trainer per day plus our expenses	As incurred	We may charge you for ongoing and supplemental training and assistance that you request or that we determine you need to address issues specific to the Campus.
Retraining of Managers	Our then-current retraining fee is not to exceed \$500 per trainer per day and not to exceed \$2,000 in total if at our location. If not at our location, retraining is not to exceed \$750 per trainer per day plus our expenses	As incurred	Due if (i) your general manager or assistant manager fails to complete initial training program, or (ii) we must train their replacements.

Type of Fee <sup>(1)</sup>	Amount <sup>(2)</sup>	Due Date	Remarks
Annual Meeting / Convention	No fee for up to 3 of your representatives to attend; an amount not to exceed \$1,000 per person for each additional attendee (does not include your actual out-of-pocket attendance costs paid to third parties)	As incurred	You (or your designated representative we approve) must at our request attend an annual meeting of all GoDog Campus franchisees, you can send up to 3 representatives to the annual meeting/convention for no fee. If you send additional representatives, we will charge this fee even if those representatives do not attend.
Testing and Evaluation Costs	Projected testing/evaluation costs to be incurred (amount depends on circumstances, including supplier's location, testing required, and item involved)	As incurred	Covers costs of testing new products/services or inspecting new suppliers you propose.
Computer Software and Technology, Support, and Upgrades	Our then-current charge (depending on number of users and locations) We estimate that the charge will not exceed \$1,000 per month	As incurred	In addition to the Technology Fee described above, we and our affiliates may charge you up-front and ongoing (e.g., weekly, monthly, or other) fees for any other proprietary software or technology licensed to you and related support services; the fee may increase as costs increase.  We do not now provide these services and therefore do not have a set charge; we may charge you if we provide these services at a later time and will notify you when we establish the charge.
Franchise System Website	Up to \$250 per month. We do not currently charge this fee.	As incurred	Brand Fund may pay for creating, developing, maintaining, and operating a Franchise System Website; we may require you to pay a separate fee if (or to the extent) the Brand Fund does not cover these costs. We currently do not charge this separate fee.

Type of Fee <sup>(1)</sup>	Amount(2)	Due Date	Remarks
Relocation	Not to exceed \$25,000 plus reasonable costs we incur	As incurred	Due only if you relocate the Campus.
Audit	Cost of inspection or audit, including legal fees and independent accountants' fees, plus travel expenses, room and board, and compensation of our employees	As incurred	Due if you fail to submit required reports and records or our examination reveals Gross Revenue understatement exceeding 2%. Amount depends on the nature and extent of your non-compliance.
Inspection Fee	Actual costs of first follow-up audit (including our personnel's wages and travel, hotel, and living expenses) \$2,500 (plus our personnel's travel, hotel, and living expenses) for the second and each follow-up evaluation we make and for each inspection you specifically request	As incurred	Compensates our costs and expenses for each follow-up inspection to confirm your compliance with Franchise Agreement and Brand Standards.
Interest	Lesser of 1.5% per month or highest commercial contract interest rate law allows	When invoiced	Due on past due amounts.
Administrative Fee	\$100	When invoiced	Due for each late or dishonored payment.

Type of Fee <sup>(1)</sup>	Amount(2)	Due Date	Remarks
Non-Compliance Fee	\$250 to \$1,000 per deviation from operational requirements/ Brand Standards	When billed	Due if you deviate from contractual requirements, including Brand Standards. This compensates us for administrative and management costs, not for our damages due to your default. We may charge \$250 for each deviation. If the same (or a substantially similar) deviation is discovered on 1 or more consecutive, subsequent visits to or inspections of the Campus, we may charge you \$500 for 1st repeat deviation and \$1,000 for second and each subsequent repeat deviation.
Costs and Attorneys' Fees	Varies under circumstances and depends on nature of your noncompliance	As incurred	Due when you do not comply with the Franchise Agreement.
Indemnification	Varies under circumstances and depends on nature of third-party claim	As incurred	You must reimburse us for all claims and losses arising out of (i) the Campus's construction, design, or operation, (ii) the business you conduct under the Franchise Agreement, (iii) your non-compliance or alleged non-compliance with any law, (iv) a data security incident, or (v) your breach of the Franchise Agreement.
Management Fee	Up to 10% of Campus's Gross Revenue, plus any out-of-pocket expenses (including salaries) incurred in connection with Campus's management (including salaries)	As incurred	Due if we assume Campus's management in certain situations, including your default.

Type of Fee <sup>(1)</sup>	Amount <sup>(2)</sup>	Due Date	Remarks
Reimbursement of Costs of Third- Party Service Providers	Out-of-pocket cost reimbursement	As incurred	If we determine for convenience, or because of the service provider's billing requirements, to pay for Campus-level quality-assurance, safety-audit, guest-satisfaction, "mystery-shop," consumer-survey, and similar programs (rather than having you pay the service provider directly), you must reimburse our actual costs for those service providers.
Reimbursement for Customer Complaints	Cost reimbursement	As incurred	We may require you to reimburse our costs if we resolve a customer complaint because you fail to do so.
Remedial Expense	Out-of-pocket cost reimbursement	As incurred	You must reimburse our costs of correcting any deficiencies at the Campus or in its operation (short of our taking over management) if you fail to do so.
Tax Reimbursement	Out-of-pocket cost reimbursement	As incurred	You must reimburse us for taxes we must pay any state taxing authority on account of either your operation or your payments to us (except for our income taxes).
Insurance Reimbursement	Out-of-pocket cost reimbursement	As incurred	You must reimburse our costs if we obtain insurance coverage for Campus because you fail to do so.
De-Identification Fee	Cost reimbursement	As incurred	You must reimburse our costs of deidentifying the Campus if you fail to do so.
Liquidated Damages	Product of either 24 or the number of months that would have remained in franchise term (as of the effective date of termination) had it not been terminated, whichever is shorter, multiplied by average monthly Royalties and Brand Fund contributions that were due and payable to us during the 12	Within timeframe we specify	If we terminate Franchise Agreement for cause, or you terminate Franchise Agreement without cause, before the franchise term's scheduled expiration date.

Type of Fee <sup>(1)</sup>	Amount <sup>(2)</sup>	Due Date	Remarks
	months before the		
	month of		
	termination (or for		
	such lesser period		
	that the Campus		
	has been open, if		
	less than 12 months)		

#### Notes:

- 1. Except as noted above and except for certain product and service purchases from unaffiliated suppliers, all fees are imposed and collected by and payable to us or an affiliate. We and our affiliates currently do not impose any fees or payments on, or collect any fees or payments from, you on behalf of unaffiliated third parties. No fee in this chart is refundable. All fees represent our current offering and generally are uniformly imposed.
- 2. We may increase any fixed fee, fixed payment, or fixed amount (i.e., not stated as a percentage) under the Franchise Agreement based on changes in the Index (defined below) ("Annual Increase"). An Annual Increase may occur only once per calendar year and may not exceed the corresponding cumulative increase in the Index since the Franchise Agreement's effective date or, as the case may be, since the date on which the last Annual Increase became effective for the particular fixed fee, payment, or amount being increased. All Annual Increases will be made at the same time during the calendar year. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items (1982 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. If any fixed fee, payment, or amount due from you under the Franchise Agreement encompasses any third-party charges we collect from you on a pass-through basis (i.e., for ultimate payment to the third party)—to increase the fixed fee, payment, or amount beyond the Annual Increase to reflect increases in the third party's charges to us.
- 3. "Gross Revenue" means the aggregate amount of all revenue and other consideration generated from any source, including from selling services, products, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if we allow barter) the value of services, products, and merchandise bartered in exchange for the Campus's services, products, or merchandise. All transactions must be entered into the Computer System at the full, standard retail price for purposes of calculating Gross Revenue.

However, Gross Revenue excludes: (i) federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (ii) proceeds from insurance, excluding business interruption insurance; and (iii) proceeds from any civil forfeiture, condemnation, or seizure by government entities. In addition, Gross Revenue is reduced by the value of promotional or marketing discounts offered to the public (with our prior approval) and the amount of any credits provided in compliance with our policies. Each charge or credit sale will be treated as a sale for the full price on the day the charge or sale is made, regardless of when you receive payment (whether full or partial, or at all) on that sale. Revenue from gift/loyalty/stored-value/affinity "cards" and similar items we approve for offer and sale at GoDog Campuses, whether maintained on an App, on another electronic

medium, or in another form (together, "Loyalty Program Media"), is included in Gross Revenue when the Loyalty Program Media are used to pay for services and products (although we may collect our fees due on that revenue when the Loyalty Program Media are acquired by the customer). The Campus may not issue or redeem any coupons or Loyalty Program Media unless we first approve in writing their form and content and your proposed issuing and honoring/redemption procedures. We may grant or withhold our approval as we deem best.

4. Each calendar week currently begins on Sunday and ends on Saturday, although we may change the first and last days of each calendar week for Royalty (and other payment) calculation purposes. You must authorize us to debit your business checking or other account automatically for the Royalty, Technology Fee, Brand Fund contribution, MSC Fees, and other amounts due under the Franchise Agreement or otherwise. We will debit your account on or after the payment due date for the Royalty, Technology Fee, Brand Fund contribution, MSC Fees, and other amounts due. Funds must be available in the account for withdrawal. We may require you to have a specific amount of overdraft protection for your bank account. You must reimburse any "insufficient funds" charges and related expenses we incur due to your failure to maintain sufficient funds in your bank account. You may not close this account without first establishing, and notifying us of, a new account that we are authorized to debit.

If you fail to report the Campus's Gross Revenue when required, we may debit your account for 125% of the Royalty, Technology Fee, Brand Fund contribution, and MSC Fee we debited for the previous payment period. If the amount we debit is less than the amount you actually owe us (once we determine the Campus's actual Gross Revenue), we will debit your account for the balance due on the day we specify. If the amount we debit is greater than the amount you actually owe us (once we determine the Campus's actual Gross Revenue), we will credit the excess, without interest, against the amount we may debit for the following payment period.

5. You must spend, during the second month of the term of the Franchise Agreement and in all subsequent months, at least the following applicable percentage of the prior month's Gross Revenue on approved advertising, promotion, lead-generation, marketing, and promotional formats and materials (collectively, "Marketing Materials") and approved advertising, marketing, and promotional programs for the Campus (the "Local Marketing Spending Requirement"): (i) 6.0% in month 2-12 of operation, (ii) 4.0% from month 13 to month 36 of operation and (iii) 2.0% from month 37 to month 120 of operation and beyond. While we will credit the amount you spend for the market introduction program towards your monthly Local Marketing Spending Requirement until it is exhausted, we do not count Brand Fund contributions toward this minimum obligation. Within 30 days after the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. If you fail to spend (or prove that you spent) the Local Marketing Spending Requirement, we may require you to contribute the shortfall to the Brand Fund.

# Item 7 ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee <sup>(3)</sup>	\$80,000	Lump sum	When you sign Franchise Agreement	Us
Development Oversight Fee (4)	\$25,000	Lump Sum	When you sign Franchise Agreement	Us
Rent (5)	\$20,000 to \$45,000	As agreed	As incurred	Landlord
Security Deposit	\$0 to \$90,000	As agreed	As incurred	Landlord
Professional Fees <sup>(7)</sup>	\$10,000 to \$25,000	As incurred	As incurred	Third-Party Advisors
Insurance (3 Months) (8)	\$6,000 to \$8,000	As incurred	As incurred	Insurance Broker
Market Introduction Program <sup>(9)</sup>	\$45,000 to \$65,000	As incurred	As incurred	Us and Marketing/ Advertising Vendors
Training Expenses (10)	\$15,000 to \$27,000	As incurred	During training	Third-party Vendors
Additional Funds – 3 Months (11)	\$70,500 to \$96,000	As incurred	As incurred	Suppliers, Other Third Parties, and Us
Initial Labor Costs (12)	\$64,500 to \$104,000	As Incurred	As Incurred	Employees
Site Survey (13)	\$1,500 to \$15,000	As incurred	As incurred	Third-Party Vendors
Architect & Engineering Fee	\$37,500 to \$102,000	Lump sum	As incurred	Third-Party Vendors

Type of Expenditure (1)	Amount (2)	Method of	When Due	To Whom Payment is to be Made
Utility Upgrades & Tap Fees (14)	\$0 to \$75,000	As incurred	As incurred	Municipality/ County and Utility Providers
Business Licenses & Permits (15)	\$20,000 to \$50,000	Lump sum	As incurred	Government Agencies
Project Site Management Services (16)	\$0 to \$150,000	Lump sum	When you sign Franchise Agreement	Third-Party Suppliers
Leasehold Improvements	\$1,150,000 to \$3,400,000	As incurred	As incurred	General Contractor
Exterior and Interior Signage and Graphics (18)	\$60,000 to \$75,000	As incurred	As incurred	Third-Party Suppliers
Direct Purchases (19)	\$200,000 to \$350,000	As incurred	As incurred	Third-Party Suppliers
Furniture, Fixtures and Equipment (FFE) (20)	\$150,000 to \$200,000	As incurred	As incurred	Third-Party Suppliers
Total \$1,955,000 to \$4,982,000				

### Notes:

- 1. Except for security and utility deposits paid to landlords and utility companies (based on their business practices), no expenditure in the table is refundable.
- 2. These amounts are estimates based on a GoDog Campus that has approximately 12,000 square feet of indoor, climate-controlled space and approximately 3,000 square feet of outdoor space. This estimate assumes you lease the premises in an urban or suburban market located in a standalone building in a commercial or industrial area.
- 3. Initial Franchise Fee. The initial franchise fee is \$80,000.
- 4. Development Oversight Fee. The Development Oversight Fee is \$25,000. You must submit market, site, design and construction information to us in the form that we specify.
- 5. Rent. You will be responsible for leasing premises suitable for the GoDog Campus. The typical size of the premises for a GoDog Campus will range from 8,500 to 26,000 square feet of total

- indoor and/ or outdoor space. This estimate is for your base rent for the first month only. It does not include an estimate of monthly real estate related expenses, such as real estate taxes, common area maintenance charges and landlord insurance.
- 6. Security Deposit. You may be required to provide a security deposit as a part of your lease. This estimate contemplates a range from 0 months to 2 months base rent.
- 7. Professional Fees. This estimates the funds needed for professional advisors to help you move through the development process. We recommend that you engage an attorney, an accountant, and other consultants to help you in your due diligence.
- 8. Insurance. The estimate contemplates insurance costs for 3 months. You must obtain and maintain certain types and amounts of insurance coverage. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors affecting risk exposure. You should check with your insurance agent regarding additional insurance you might wish to obtain above our stated minimums.
- 9. Market Introduction Program. You must spend the amount recommended by our marketing and advertising firm for the Campus's initial public relations and market introduction program described in Item 5. It is currently estimated to be between \$45,000 to \$65,000 depending on your location.
- 10. Training Expenses. This estimates the cost for 3 people (your Managing Owner, your Operating Manager (if applicable), a general manager, and an assistant manager) to attend our required initial training program. (You may send 3 people to training for no additional fee.) Although we do not charge tuition, you must pay all attendance costs, which depend on point of origin, method of travel, class of accommodations, and living expenses (food, transportation, etc.). You should consider employee wage requirements and practices in your market area.
- 11. Additional Funds. This line-item estimates the funds needed to cover your initial expenses during the first 3 months of operation (other than the items identified separately in the table), including supplies, rent, and utilities. These expenses do not include any draw or salary for you. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. We relied on our affiliate's GoDog Campus development and operating experience since 2020 to compile this Additional Funds estimate.
- 12. Initial Labor Costs. This line item estimates your labor costs pre-opening and during the first 3 months of operation.
- 13. Site Survey. This estimate contemplates performing 1-3 site surveys on different spaces before you choose a location to move forward. You will be responsible for hiring a professional(s) to perform a site survey on the location including the premises and external parts of the property as needed to determine the existing conditions of the property. This information will be used to layout your GoDog Campus as well as to assist you in providing a preliminary budget.
- 14. Utility Upgrades and Tap Fees. You might be required to pay a fee to access and/or upgrade access to the municipality or county's water and/or sewer system as part of development of

the Campus. If you are a new customer of your local utilities, you generally must pay deposits to obtain services, including electric, telephone, gas, and water. The deposit's amount and refundability depend on the local utilities. You should investigate whether a location you are considering will require a utility upgrade and a tap fee.

- 15. Business License and Permits. This covers business and operating licenses and occupancy and construction permits.
- 16. Project Site Management Services. We recommend that you hire (and contract directly with) a Project/Construction Manager to supervise and oversee various real estate, construction, and project-site services (including Campus design, construction, and development services).
- 17. Leasehold Improvements. This estimate covers both materials and labor related to construction of the Campus. Leasehold improvement costs—which could include floor and window coverings, wall treatment, counters, ceilings, painting, electrical, carpentry, plumbing, excavation, construction, signage, trade dress improvements, other construction related work, and contractor's fees—depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for the Campus; and any construction or other allowances the landlord grants. Your costs might be more or less than this estimate based on where you plan to operate the Campus. In our experience, construction costs continue to rise.
- 18. Exterior and Interior Signage and Graphics: This estimates the cost of your exterior signage and interior signage and graphics that are displayed in and on your building. The type and size of the signage you actually install will be based upon the zoning, property use requirements and any landlord-imposed restrictions. There could be an occasion where signage is not permitted because of zoning or use restrictions. The cost of exterior and interior signage and graphics will vary from location to location depending on lease requirements, local ordinances and restrictions, store frontage (including whether the franchisee has an end cap location with more exterior window area), and related factors. The estimate in the table above includes localization graphics and signage.
- 19. Direct Purchases: This includes the purchasing of custom kennels, suites and other items which may have a long lead time and require ordering many months in advance of opening.
- 20. Furniture, Fixtures and Equipment (FFE): You must purchase all furniture, fixtures and equipment we specify. The Campus must meet our then-current standards and specifications, including all daycare and boarding equipment, lobby and office furniture, Computer System (defined below), audio/visual equipment, kennels and suites, hospitality equipment, and any other furniture or equipment we specify. If you lease furniture and/or equipment, your initial investment may decrease. A variety of factors may affect the availability and costs of financing for these items, including local and national economic conditions, availability of credit, whether local suppliers are offering financing in your market, interest rates charged by leasing / finance companies, required security, your credit history and other lease/finance terms.
- 21. Total Initial Investment. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. Availability and terms of financing depend on many factors,

including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

# Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

### Brand Standards and Designated and Approved Suppliers

You must operate the Campus according to our Brand Standards. Brand Standards may regulate, among other things, types, models, and brands of furniture, fixtures, signs, and equipment (including components of and required software licenses for the Computer System) required for the Campus (collectively, "Operating Assets"); required, authorized, and unauthorized services and products for the Campus; and designated and approved manufacturers, suppliers, and/or distributors of items and services. You must buy or lease all Operating Assets, products, and services you use or sell at the Campus only according to Brand Standards and, if we require, only from manufacturers, suppliers, or distributors we designate or approve (which may include or be limited to us, certain of our affiliates, and/or other restricted sources) at the prices those suppliers choose to charge.

We and L5 AS currently are the designated (*i.e.*, only) vendors of creative and implementation services for the Campus's required public relations and market introduction advertising/promotion program. We and our affiliates currently are approved (but not the only) vendors of Marketing Materials to advertise and promote the Campus.

We may, at any time, change, delete, add to our modify any of our standards and specifications or suppliers or service providers. The changes, deletions, additions or modifications, which will be uniform for all franchisees, may require additional expenditures by you. We will notify you in our manuals or other communications of any changes to our Brand Standards or approved suppliers or service providers.

We restrict your sources of items and services in many cases to protect trade secrets and other intellectual property, help assure quality and a reliable supply of products meeting our standards, achieve better purchase and delivery terms, control third-party use of the Marks, and monitor the manufacture, packaging, processing, sale, and delivery of these items. Besides your purchases from designated or approved suppliers, you generally must purchase products and services meeting our minimum standards and specifications.

At least 30 days before using them, you must send us samples or proofs of all Marketing Materials we have not prepared (as an approved source of such items) or already approved and all approved Marketing Materials that you propose to change in any way. If we do not approve those materials within 30 days after receiving them, they will be deemed disapproved for use. You may not use any Marketing Materials we have not approved or have disapproved.

### **Campus Development**

We must approve the site for the Campus and the site must meet our then-current site criteria. If you lease the site for the Campus, you are required to have the landlord sign our then-current Lease Addendum (the current form of which is attached as Appendix D to the Franchise Agreement). Under the Lease Rider, we will be granted the right, but not the obligation, to take possession of the Campus premises if your franchise agreement is terminated.

You are obligated, at your expense, to have an architect designated or approved by us prepare all required construction plans and specifications, based on our design drawings and specifications. You must, at your expense, use construction contractors designated or approved by us. You will not engage any architects or contractors that we have not approved.

We periodically may modify Brand Standards, which may accommodate regional or local variations, and those modifications may obligate you to invest additional capital in the Campus and/or incur higher operating costs. You must implement any changes in mandatory Brand Standards within the time period we request.

### Test Programs

We also periodically may require you to participate in certain test programs and consumer surveys for new services, products, and/or Operating Assets. We have not yet started any test programs or consumer surveys but will advise you in advance of any required procedures. While we need not reimburse the related costs, we will not require you to spend unreasonable amounts to participate. Alternatively, we may use the Brand Fund to pay for these costs. You must follow our standards, procedures, and requirements for participating in and using the MSC.

### <u>Insurance</u>

You must maintain in force at your sole expense insurance coverage for the Campus in the minimum amounts, and covering the minimum risks, we periodically specify in the Brand Standards Manual. We may require some or all of your insurance policies to provide for waiver of subrogation in favor of us and certain of our affiliates. Your insurance carriers must be licensed to do business in the state in which the Campus is located and be rated A-, VII or higher by A.M. Best and Company, Inc. (or any similar criteria we periodically specify). Insurance policies must be in effect before you begin constructing the Campus. We may periodically increase the amounts of coverage required under those insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in Law or standards of liability, higher damage awards, or relevant changes in circumstances. Insurance policies must name us and any affiliates we periodically designate as additional named insureds and provide for 30 days' prior written notice to us of any policy's material modification, cancellation, or non-renewal and notice to us of any nonpayment. You must periodically, including before the Campus opens, send us a valid certificate of insurance or duplicate insurance policy evidencing the coverage specified above and the payment of premiums. We may require you to use our designated insurance broker to facilitate your compliance with these insurance requirements. We may obtain insurance coverage for the Campus at your expense if you fail to do so, in which case you must promptly reimburse our costs. We also may defend claims in our sole discretion.

### Loyalty Program Media

You must participate in, and comply with the requirements of, our Loyalty Program Media and customer loyalty/affinity and similar programs.

### Supplier Approval and Designation Process and Compliance with Brand Standards

Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing

or operating the Campus that you currently must buy or lease from us (or our affiliates) or designated or approved suppliers.

In the future, we may designate other products and services that you must buy only from us, our affiliates, or designated or approved suppliers. To maintain the quality of GoDog Campus services and products and our franchise network's reputation, all Operating Assets and other services and products the Campus uses or sells (besides those described above that you currently may obtain only from us, our affiliates, and/or approved and designated suppliers) must meet our minimum standards and specifications, which we issue and modify based on our, our affiliates', and our franchisees' experience in operating GoDog Campuses. Standards and specifications may impose minimum requirements for production, performance, safety, reputation, prices, quality, design, and appearance. Our Operations Manual will identify our standards and specifications for you. When appropriate and authorized, you may provide those standards and specifications to suppliers if they agree to maintain confidentiality.

If you want to purchase or lease any Operating Assets, products, or services from a supplier or distributor we have not then approved (if we require you to buy or lease the asset, product, or service only from an approved supplier or distributor), then you must establish to our reasonable satisfaction that the quality and functionality of the item or service are equivalent to those of the item or service it replaces and that the supplier or distributor is, among other things, reputable, financially responsible, and adequately insured for product-liability claims. You must pay upon request any actual expenses we incur to determine whether or not the items, services, suppliers, or distributors meet our requirements and specifications. We will decide within a reasonable time (up to 30 days).

We may condition our written approval of a supplier or distributor on requirements relating to product quality and safety; third-party lab-testing; prices; consistency; warranty; supply-chain reliability and integrity; financial stability; customer relations; frequency, economy, and efficiency of delivery; concentration of purchases; standards of service (including prompt attention to complaints); and other criteria. We may inspect the proposed supplier's or distributor's facilities and require the proposed supplier or distributor to send samples directly to us or to a third-party testing service. We may be reimbursed for the costs of testing new products or services or inspecting new suppliers you propose. We may re-inspect a supplier's or distributor's facilities and products and revoke our approval of any supplier, distributor, product, or service no longer meeting our criteria by notifying you and/or the supplier or distributor. We do not make our approval criteria for suppliers or distributors available to franchisees.

Despite these procedures, we may limit the number of approved suppliers and distributors, designate sources you must use, and refuse your requests for any reason, including because we already have designated an exclusive source (which might be us or our affiliate) for a particular item or service or believe that doing so is in the GoDog Campus network's best interest. It might be disadvantageous from a cost and service basis to have more than one supplier in a given market area, and we may consider the impact of any supplier approval on our and our franchisees' ability to obtain the lowest distribution costs and best service. If we approve any supplier or distributor you recommend, we may authorize other GoDog Campuses to buy or lease any Operating Assets or other products or services from that supplier or distributor without compensating you.

### Revenue from Supply Chain

We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you (at prices exceeding our and their costs) for services and products that we or our

affiliates sell you and from promotional allowances, volume discounts, and other amounts paid to us and our affiliates by suppliers we designate, approve, or recommend for some or all GoDog Campus franchisees. We and our affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees' prospective or actual dealings with them, without restriction for any purposes we and our affiliates deem appropriate. While we may do so, we and our affiliates currently do not receive any revenue from suppliers based on your purchases and leases.

Collectively, your purchases and leases from us or our affiliates, from designated or approved suppliers and distributors, or according to our standards and specifications represent 90% to 95% of your overall purchases and leases to establish and then to operate the Campus. Neither we, nor our affiliates derived any revenue during the 2022 fiscal year from purchases or leases of goods and services by franchisees, including any rebates or other revenue from designated and approved suppliers.

There currently are no purchasing or distribution cooperatives. We and our affiliates currently negotiate purchase arrangements with suppliers (including price terms) for promotional items, equipment, office supplies, and retail goods. In doing so, we and our affiliates seek to promote the overall interests of the franchise system and affiliate-owned operations and our interests as the franchisor. (We do not negotiate purchase arrangements, including price terms, solely for the benefit of franchisees.) We and our affiliates might not obtain the best pricing or most advantageous terms on behalf of GoDog Campuses. We and our affiliates also cannot control the performance of suppliers and distributors to GoDog Campuses, including if their products or services fail to conform to or perform in compliance with Brand Standards or our contractual terms with the supplier or distributor.

We do not provide material benefits to a franchisee (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers. Certain of our officers and directors have ownership interest in L5 AS (a wholly owned subsidiary of L5) which provides required services related to the public relations and market introduction program that you must conduct for the Campus. Other than L5 AS, none of our officers currently owns an interest in any supplier to the system.

# Item 9 FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in agreement	Disclosure document item
a.	Site selection and acquisition/lease	4.1, 4.2, and 4.3 of Franchise Agreement	5, 7, 8, 11, and 12
b.	Pre-opening purchases/leases	4.3, 4.4, 7.4 and 7.5 of Franchise Agreement	5, 7, 8, and 11
C.	Site development and other pre-opening requirements	4.1, 4.3, and 13.1 of Franchise Agreement	5, 7, 8, and 11

	Obligation	Section in agreement	Disclosure document item
d.	Initial and ongoing training	6 of Franchise Agreement	6, 7, and 11
e.	Opening	4.4 of Franchise Agreement	11 and 12
f.	Fees	4.1, 4.2, 4.4, 5, 6, 7.3, 7.4, 7.5, 10, 13, 15, 16.3, 16.5, 17, 18.3, 18.4, 19.1, 19.2, 19.3, 20.3, 20.4, 20.5, and 21.3 of Franchise Agreement	5, 6, 7, and 8
g.	Compliance with standards and policies/operating manual	6.7 and 7 of Franchise Agreement	8 and 11
h.	Trademarks and proprietary information	8, 9, 10, and 11 of Franchise Agreement	13 and 14
i.	Restrictions on products/services offered	7 of Franchise Agreement	8, 11, 12, and 16
j.	Warranty and customer service requirements	7.3 of Franchise Agreement	Not Applicable
k.	Territorial development and sales quotas	Not applicable under Franchise Agreement	11 and 12
1.	On-going product/service purchases	7 of Franchise Agreement	6 and 8
m.	Maintenance, appearance and remodeling requirements	7.1, 7.3, 16.3(b)(viii), and 17 of Franchise Agreement	8, 11, and 17
n.	Insurance	20.4 of Franchise Agreement	7 and 8
0.	Advertising	13 of Franchise Agreement	5, 6, 7, 8, and 11
p.	Indemnification	20.5 of Franchise Agreement	6
q.	Owner's participation/ management/staffing	3.3, 6, and 7.3(c) of Franchise Agreement	11 and 15
r.	Records and reports	14 of Franchise Agreement	6
s.	Inspections and audits	15 of Franchise Agreement	6
t.	Transfer	16 of Franchise Agreement	6 and 17
u.	Renewal	17 of Franchise Agreement	6 and 17
v.	Post-termination obligations	18.3 and 19 of Franchise Agreement	6 and 17
w.	Non-competition covenants	12, 16.3(b)(iii) and (xii), and 19.5 of Franchise Agreement	15 and 17
X.	Dispute resolution	21.1, 21.6, 21.7, 21.8, 21.9, 21.10, and 21.12 of Franchise Agreement	17

	Obligation	Section in agreement	Disclosure document item
y.	Consumer Data and Data Security	10 of Franchise Agreement	14
Z.	Social Media Restrictions	7.3 of Franchise Agreement	8
aa.	Compliance with Customer Loyalty Programs	7.3 of Franchise Agreement	6 and 8
bb.	Compliance with MSC Standards and Procedures and Customer Complaint Resolution Procedures	7.3 of Franchise Agreement	6 and 8
cc.	Compliance with All Laws	7.2, 10, and 22 of Franchise Agreement	Not Applicable
dd.	Minimum Days and Hours of Operation	7.3 of Franchise Agreement	16
ee.	Owner Guaranty	Owner's Guaranty and Assumption of Obligations (Exhibit B to Franchise Agreement)	15

### Item 10 FINANCING

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

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

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

### Pre-Opening Assistance

Before you begin operating the Campus, we will (directly or through an affiliate or other designated third party):

- 1. Identify a designated geographical area for you to select a site for the Campus (the "Site Selection Area") and furnish to you site selection guidelines, site selection counseling and assistance, and such on-site evaluation(s) as we consider necessary and appropriate as part of our evaluation of your request for acceptance of a proposed site. Neither we nor our affiliates will select a site for the Campus for you. (Franchise Agreement Section 4.1)
- 2. Review and accept or reject a site you propose for the Campus within the Site Selection Area according to our then-current internal criteria for selection of a GoDog

Campus. The site must meet our criteria for proximity to both boundaries of the Site Selection Area and to the other existing or proposed Campuses located outside of the Site Selection Area boundaries; square footage; visibility; zoning; demographic characteristics (including number of business professionals with dogs); traffic patterns (including drive times to commercial districts); parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We will use reasonable efforts to approve or disapprove the proposed site within 30 days after receiving your proposal. You must receive our approval of the Campus's site and Lease Agreement (defined below) within 365 days after the effective date of the Franchise Agreement, or we may terminate the Franchise Agreement. (Franchise Agreement - Section 4.1)

- 3. Review and, in our reasonable judgment, approve each letter of intent, lease, sublease, or purchase agreement (and any renewals or amendments thereof) that will govern your acquisition, occupancy and/or lawful possession of the Campus (collectively, the "Lease Agreements"). (Franchise Agreement Section 4.2)
- 4. Loan to you a set of sample architectural and design plans and mandatory and suggested specifications including requirements for dimensions, design, color scheme, image, interior layout, decor, fixtures, equipment, signs and furnishings, for a Campus. You must independently, at your expense, have the architectural and design plans and specifications adapted for construction of the Campus in accordance with our approved plans and specifications (Franchise Agreement Section 4.4)
- 5. Review and, in our judgment approve, your initial space plans in writing and then approve your final architectural plans, construction plans and specifications in writing. In developing the Campus, you must follow the steps described under "Developing The Campus" below. You are solely responsible for conforming your Campus to local ordinances and building codes, obtaining any required permits, and constructing, remodeling, or decorating your Campus. (Franchise Agreement Section 4)
- 6. Provide initial orientation and training to your Managing Owner and Campus general managers and assistant general managers. We describe this training later in this Item. We do not otherwise assist you in hiring or training employees. (Franchise Agreement Section 6.1)
- 7. We will provide you in writing or electronically a list of the Operating Assets, equipment, signs, fixtures, opening inventory, supplies, and other products and services you must use to develop and operate the Campus, the minimum standards and specifications you must satisfy, and the designated and approved manufacturers, suppliers, and distributors from which you must or may buy or lease items and services (which may include or be limited to us and/or our affiliates). We do not currently deliver or install any of these items. (Franchise Agreement Sections 4.4, 6.7, 7.4, and 7.5)
- 8. Send an "opening team" to the Campus for at least 5 days to help train your supervisory employees on our philosophy and Brand Standards and prepare the Campus for opening. (Franchise Agreement Section 6.3)
- 9. Give you access to our various operations and technical manuals, bulletins, and other written materials (collectively, the "Operations Manual"). The Operations Manual

may consist of and is defined to include audio, video, computer software, other electronic and digital media, and/or written and other tangible materials. The Operations Manual contains Brand Standards and information on your other obligations under the Franchise Agreement. We may modify the Operations Manual periodically to reflect changes in Brand Standards, but those modifications will not alter your fundamental rights or status under the Franchise Agreement. If there is a dispute over the Operations Manual's contents, our master copy controls. The Operations Manual currently includes 126 pages and the table of contents is listed in Exhibit C (Franchise Agreement - Section 6.7)

10. Create and implement a customizable public relations and market introduction program for the Campus. (Franchise Agreement - Section 13.1)

### **Opening**

The Campus must open for business within 24 months after the Franchise Agreement's effective date, subject to any extensions we might grant.

While we expect the typical opening timetable to be approximately 24 months after you sign the Franchise Agreement (subject to permitted extensions), your own opening timetable depends on how quickly the Campus's site is found and secured; the Campus's original condition and upgrading and remodeling requirements; construction schedules; obtaining required licenses; the delivery schedule for Operating Assets and supplies; attending and completing training; and complying with local laws and regulations. Immediately after the Franchise Agreement's effective date, you must begin to pursue diligently, and secure at least 30 days before the anticipated lease-signing date, all financing required to construct, develop, and open the Campus (using an SBA loan-expeditor, if applicable).

Despite the 24-month contractual opening deadline, you may not open the Campus for business until: (1) we or our designee approves the Campus in writing; (2) you have secured all financing you require to develop and operate the Campus; (3) your Managing Owner, general managers, and assistant managers complete to our satisfaction the initial orientation and training programs; (4) you have purchased or leased and installed all required equipment, fixtures, furnishings, and signs for the Campus according to the requirements in Brand Standards Manual; (5) We have inspected and approved the Campus as having been developed in accordance with our specifications and standards and our approved plans, trade dress and specifications. As an alternative, or in addition, to our physical inspection of the Campus, we may require you to send us video and photographs of the Campus. Our inspection and approval are limited to ensuring your compliance with our standards and specifications, although our approval is not a representation that the Campus complies with our standards and specifications or a waiver of our right to enforce any provision of this Agreement. Our inspection and approval are not designed to assess compliance with Applicable Laws, including the ADA, as compliance with these laws is your responsibility; (6) the Campus has sufficient trained employees to manage and operate the Campus on a day-to-day basis in compliance with our Brand Standards; (7) the Campus's employees complete all required thirdparty certifications for the Campus's lawful operation; (8) you have satisfied all state and federal permitting, licensing, and other legal requirements and sent us copies of any materials we request; and (9) you have paid all amounts owed to, and are not in default under any agreement with, us, our affiliates, and principal suppliers. (Franchise Agreement—Section 4.4)

### Ongoing Assistance

During the Campus's operation, we will (directly or through an affiliate or other designated third party):

- 1. Advise you or make recommendations regarding the Campus's operation with respect to standards, specifications, operating procedures, and methods that GoDog Campuses use; purchasing required or recommended Operating Assets and other products, services, supplies, and materials; supervisory employee training methods and procedures (although you are solely responsible for the employment terms and conditions of all Campus employees); and accounting, advertising, and marketing. We will guide you through our Operations Manual, by electronic media, by telephone, and/or at our office or the Campus. (Franchise Agreement Section 6.7)
- 2. Give you, at your request and expense (and our option), additional or special guidance, assistance, and training that we believe you need to address issues specific to the Campus. We have no obligation to continue providing any specific ongoing training, conventions, advice, or assistance. (Franchise Agreement Section 6.7)
- 3. Continue to give you access to our Operations Manual. (Franchise Agreement Section 6.7)
- 4. Issue and modify Brand Standards. Changes in Brand Standards may require you to invest additional capital in the Campus and/or incur higher operating costs. You must comply with those obligations within the timeframe we specify. Item 8 describes certain time limitations on when we may require you to implement capital modifications and certain related cost caps. Brand Standards may regulate and establish price advertising policies and maximum, minimum, or other pricing requirements for services and products the Campus sells, including requirements for promotions, special offers, and discounts in which some or all GoDog Campuses must participate, in each case to the extent the law allows. (Franchise Agreement Sections 7.1 and 7.3)
  - 5. Let you use our Marks. (Franchise Agreement Section 8)
- 6. Let you use our confidential information (the "Confidential Information"), some of which constitutes trade secrets under applicable law. (Franchise Agreement Sections 5.3, 7.5, and 9)
- 7. Maintain a Brand Fund for advertising, marketing, research and development, public relations, social-media management, lead-generation, and customer-relationship management programs, materials, and activities we deem appropriate to enhance, promote, and protect the GoDog Campus brand and franchise system. We describe the Brand Fund and other advertising activities below. (Franchise Agreement Section 13.2)
- 8. Periodically inspect and monitor the Campus's operation. (Franchise Agreement Section 15.1)
  - 9. Periodically offer refresher training courses. (Franchise Agreement Section 6.4)
- 10. Review Marketing Materials you want to use. (Franchise Agreement Sections 13.3 and 13.4)

11. At our option, directly or through a designated source (including an affiliate) develop, implement, operate, maintain, and improve the MSC for the benefit of all GoDog Campuses. (Franchise Agreement – Section 5.4)

### Advertising and Marketing Programs

#### Brand Fund

We have established the Brand Fund to which you and other franchisees must contribute the amounts we periodically specify, not to exceed 3% of the Campus's weekly Gross Revenue. We currently require you and other franchisees to contribute 2% of the Campus's weekly Gross Revenue.

Until the total number of operational franchised GoDog Campuses equals the total number of operational company- and affiliate-owned GoDog Campuses, the operational company- and affiliate-owned GoDog Campuses collectively need only to match each week the total Brand Fund contributions actually made during that week by all operational franchised GoDog Campuses. Once the total number of operational franchised GoDog Campuses equals the total number of operational company- and affiliate-owned GoDog Campuses, each operational company- and affiliate-owned GoDog Campuses becomes less than the total number of operational company- and affiliate-owned GoDog Campuses) to the Brand Fund each week on the same percentage basis as franchisees, provided, however, that no operational company- or affiliate-owned GoDog Campus must contribute to the Brand Fund during any weekly period during the franchise term more than the highest-contributing operational franchised GoDog Campus actually contributed during that week.

We will direct all programs the Brand Fund finances, with sole control over and ownership of all creative and business aspects of the Fund's activities. The Brand Fund may pay for, among other things, preparing, producing, and placing video, audio, and written materials, digital marketing, and social media; developing, maintaining, and administering one or more System Websites; administering national, regional, and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; implementing and supporting franchisees' local market introduction programs; establishing regional and national promotions and partnerships and hiring spokespersons to promote the GoDog Campus brand; supporting public relations, market research, and other advertising, promotion, marketing, and brand-related activities; creating and implementing customer-satisfaction surveys; organizing and hosting franchisee conferences, conventions, and meetings; and supporting and hosting charitable or nonprofit events and community-based activities.

The Brand Fund may advertise locally, regionally, and/or nationally in printed and on other tangible materials, on radio or television, and/or on the Internet, as we think best. We and/or an outside regional or national advertising agency will produce all advertising and marketing. The Brand Fund periodically may give you sample Marketing Materials at no cost. We may sell you multiple copies of Marketing Materials at our direct production costs, plus any related shipping, handling, and storage charges.

We will account for the Brand Fund separately from our other funds (although we need not keep Brand Fund contributions in a separate bank account) and will not use the Brand Fund for any of our general operating expenses. However, the Brand Fund may reimburse us and our affiliates for

the reasonable salaries and benefits of personnel who manage and administer, or otherwise provide assistance or services to, the Brand Fund; the Brand Fund's administrative costs; travel-related expenses of personnel while they are on Brand Fund business; meeting costs; overhead relating to Brand Fund business; and other expenses we and our affiliates incur administering or directing the Brand Fund and its programs, including conducting market research, preparing Marketing Materials, collecting and accounting for Brand Fund contributions, paying taxes due on Brand Fund contributions we receive; and any other costs or expenses we incur operating or as a consequence of the Fund. We will not use the Brand Fund specifically to develop materials and programs to solicit franchisees. However, media, materials, and programs prepared using Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. Because we did not implement the Brand Fund during our last fiscal year, no contributions to the Brand Fund were collected during our last fiscal year.

The Brand Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Brand Fund or for any other reason.

The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions during that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Unspent monies in the Brand Fund at the end of the year will be rolled over for potential use in the following year. We may use new Brand Fund contributions to pay Brand Fund deficits incurred during previous years. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and either give you a copy upon written request or post the statement on the System Website. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here.

The Brand Fund's principal purposes are to maximize recognition of the Marks, increase patronage of GoDog Campuses, and enhance, promote, and protect the GoDog Campus brand and franchise system. Although we will try to use the Brand Fund in the aggregate to develop and implement Marketing Materials and programs benefiting all GoDog Campuses, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by GoDog Campuses operating in that geographic area or that any GoDog Campus benefits directly or in proportion to its Brand Fund contribution from the development of Marketing Materials or the implementation of programs. (In other words, the Brand Fund need not spend any specific amount in your market area.) We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect unpaid Brand Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We have the right at any time to defer or reduce the Brand Fund contributions of any GoDog Campus franchisee and, upon 30 days' prior written notice to you, to reduce or suspend Brand Fund contributions and operations for one or more periods of any length and to terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Brand Fund contributions during the preceding 12 months.

### **Local Marketing**

You must spend, during the second month of the term of the Franchise Agreement and in all subsequent months, at least the following applicable percentage of the prior month's Gross Revenue on approved Marketing Materials and the Local Marketing Spending Requirement: (i) 6.0% in month 2-12 of operation, (ii) 4.0% from month 13 to month 36 of operation and (iii) 2.0% from month 37 to month 120 of operation and beyond.

Within 30 days after the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. We determine which expenses count or do not count toward your Local Marketing Spending Requirement. While we will credit the amount you spend for the market introduction program towards your monthly Local Marketing Spending Requirement until it is exhausted, we do not count Brand Fund contributions, price discounts or reductions you provide as a promotion, permanent onpremises signs, lighting, personnel salaries, administrative costs, transportation vehicles (even if they display the Marks), and employee-incentive programs do not count. If you do not spend (or prove that you spent) the Local Marketing Spending Requirement, we have the right, among other rights, to require you to contribute the shortfall to the Brand Fund. We may require you to pay us the Local Marketing Spending Requirement, which we will then spend for you in your market for the materials and activities described above.

### **Approval of Marketing**

All Marketing Materials must be legal and not misleading and conform to our policies. To protect the goodwill accumulated in the "GoDog Campus" name and other Marks, at least 30 days before using them, you must send us samples or proofs of all Marketing Materials that we did not prepare or already approve or that we prepared or approved but you want to change in any way. If we do not approve those Marketing Materials in writing within 30 days after we receive them, they are deemed disapproved for use. You may not use any Marketing Materials we have not approved or have disapproved. We have the right upon 30 days' prior written notice to require you to stop using any previously-approved Marketing Materials.

### **Advertising Councils**

There currently are no franchisee advertising councils advising us on advertising and marketing policies and programs. However, we may form, change, dissolve, or merge any franchisee advertising council.

#### **Advertising Cooperatives**

There currently are no advertising cooperatives. However, we may designate a geographic area for an advertising cooperative (a "Cooperative"). The Cooperative's members in any area are the owners of all GoDog Campuses located and operating in that area (including us and our affiliates, if applicable). Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, we determine. There need not be any formal agreements or bylaws to administer the Cooperative. We have the right to change, dissolve, and merge Cooperatives. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop Marketing Materials for the area the Cooperative covers. You automatically will become a member of any existing or new Cooperative formed in your market area and must participate in the Cooperative as we require. We

may require you to contribute up to 4% of the Campus's monthly Gross Revenue to the Cooperative. GoDog Campuses that we and our affiliates own in the Cooperative's area will contribute at the same rate. All Cooperative dues will count toward the Local Marketing Spending Requirement but not toward the initial public relations and market introduction program or Brand Fund contributions. The Cooperative will prepare annual, unaudited financial statements you may review.

### System Website and Electronic Advertising

We or our designees may establish a website or series of websites (with or without restricted access) for the GoDog Campus network: (1) to advertise, market, identify, and promote GoDog Campuses, the services and products they offer, and/or the GoDog Campus franchise opportunity; (2) to help us operate the GoDog Campus network; and/or (3) for any other purposes we deem appropriate for GoDog Campuses or other business activities in which we engage (collectively, the "System Website"). The System Website need not give you a separate interior webpage or "microsite" referencing the Campus. We will own all intellectual property and other rights in the System Website and all information it contains, including domain names or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Campus's customers. We will control, and may use the Brand Fund's assets to develop, maintain, operate, update, and market, the System Website.

All Marketing Materials you develop for the Campus must comply with Brand Standards and contain notices of the System Website's URL as we specify. You may not develop, maintain, or authorize any digital marketing or social media mentioning or describing the Campus or displaying any Marks without our prior written approval and, if applicable, without complying with our Brand Standards for such digital marketing and social media. Except for the System Website and approved digital marketing and social media, you may not conduct commerce or directly or indirectly offer or sell any products or services using any digital marketing, social media, or website. We may maintain websites other than the System Website and to offer and sell services and products under the Marks from the System Website, another website, or otherwise over the Internet without payment or other obligation to you.

### **Computer System**

You must obtain and use the computer hardware and software, point-of-sale system, computer-related accessories and peripheral equipment, tablets, smart phones, web-based scheduling, reservation, and payment systems, and on-line, digital, and App ordering systems we periodically specify (the "Computer System"). You must use the Computer System to input and access information about your revenue and operations. The Computer System must permit 24-hours-perday, 7-days-per-week electronic communications between you and us, including access to the Internet and System Website. There are no contractual limitations on our right to access the information on the Computer System (unrelated to your labor relations and employment practices). We have independent, unlimited access to the information the Computer System generates (and to the content of any GoDog Campus email accounts we provide you).

The Computer System currently includes 4 AIO computers, 2 Konica Minolta printers, a designated point-of-sale (POS) hardware system for GoDog Social<sup>SM</sup>, 1 Unifi UDM Pro SE with 18tb, 1 Ubiquiti UniFi 48 Port Switch PRO POE, up to 6 Ubiquiti UniFi AC Wireless access points, 15 Unifi security cameras, 1 iDog Server Unit, Up to 30 iDog cameras and 1 iDog storage unit (NAS). The Campus's internet connection must be no less than 50Mbps Down/10 Mbps Up or a comparable internet package. The main software you must use is PetExec and the current POS system is Clover.

You must purchase the Clover POS system (hardware and software), and required ongoing maintenance and support, from a designated supplier. The Computer System generates and stores various information, including revenue, transactions, consumer data, utilization data. We estimate the computer and POS systems' cost to range from \$20,000 to \$27,000 excluding labor for installation.

The third parties whose computer-related products you buy have no contractual right or obligation to provide ongoing maintenance, repairs, upgrades, or updates unless you obtain a service contract or a warranty covers the product. We estimate the cost of ongoing maintenance, repairs, upgrades, and updates for the current computer and point-of-sale systems to be \$250 per year (not including any technology refresh required during the franchise term). The Computer System generates and maintains revenue and other financial information. You must upgrade the Computer System, and/or obtain service and support, as we require or when necessary because of technological developments, including complying with PCI Data Security Standards. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse your costs. You may not use any unapproved computer software or security access codes.

We and our affiliates may condition any license to you of required or recommended proprietary software, and/or your use of technology developed or maintained by or for us, on your signing a software license agreement, liability waiver, and/or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent in a click-through license agreement), that we and our affiliates require to regulate your use of the software or technology. In addition to the Technology Fee, we and our affiliates may charge you up-front and ongoing fees for any other required or recommended proprietary software or technology we or our affiliates license to you and for other Computer System maintenance and support services and programs provided during the franchise term.

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (1) acquiring, operating, maintaining, and upgrading the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded (though we are not responsible for any outages in required 3rd party vendor operating software); and (4) independently determining what is required for you to comply (and then complying) at all times with the mostcurrent version of the Payment Card Industry Data Security Standards, and with all laws governing the use, disclosure, and protection of Consumer Data and the Computer System, and validating compliance with those standards and laws as periodically required. "Consumer Data" means the names, addresses, telephone numbers, email addresses, dates of birth, demographic or related information, buying habits, preferences, credit-card information, and other personally-identifiable information of customers. Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication-line disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. It is your responsibility to protect yourself from these problems, which include taking steps to secure your systems (including continually updating firewalls, password protection, and anti-virus systems) and using backup systems.

### **Training**

#### **Initial Orientation and Training Programs**

If this is your first GoDog Campus, your Managing Owner must attend a 2-day initial orientation session on the GoDog Campus franchise system at our principal business address or another designated location before you sign a lease for the Campus's site. Your Managing Owner and a Campus general manager and assistant manager also must attend and complete to our satisfaction our initial training program before opening the Campus for business, which may occur via online courses, video calls, at an operating GoDog Campus or at another location that we designate. The Campus always must have on staff at least 2 fully-trained (or "certified") managers. We will conduct the initial training program at our designated training location and/or through video and other electronic means. We expect training (which currently is approximately 4 weeks long) to occur after you sign the Franchise Agreement and while you develop the Campus. We plan to be flexible in scheduling training to accommodate our and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. We use a learning-management system and other training aids during the training program. Your training attendees must complete training at least 60 days before the Campus's scheduled opening date.

If you replace an existing Certified Manager, the new manager must attend and satisfactorily complete initial training within 90 days after being hired in order to become a Certified Manager. You must pay our then-current training fee to provide initial training to your new manager.

We provide the initial orientation and training programs for your Managing Owner and 2 other people for no additional fee. We may charge our then-current training fee for each person (after 3) you send to initial training. You must pay your employees' wages, benefits, and travel, hotel, and food expenses while they attend training. Our training program may include a "train the trainer" module so your senior-level personnel can learn how to train your other employees in our Brand Standards.

If your Managing Owner or any general manager or assistant manager cancels participation in any training class for which he or she pre-registers and pays us a training fee, we will not refund or reimburse the training fee you paid. If participation is canceled more than 2 weeks before the class or program is scheduled to begin, we will apply one-half of the training fee as a credit toward the fees due for a future training class or program that your Managing Owner, general managers, or assistant managers attend. However, if participation is canceled 2 weeks or less before the class or program is scheduled to begin, you will receive no credit at all toward future training fees. If your Managing Owner, general manager, or assistant manager cancels participation in any training class that is part of the initial training we provide for no additional fee after granting you the franchise, you must pay us a cancellation fee. The cancellation fee is one-half of our then-applicable training fee per person if the person cancels more than 2 weeks before the class or program is scheduled to begin and 100% of our then-applicable training fee per person if the person cancels 2 weeks or less before the class or program is scheduled to begin.

The following chart describes our current initial training program, which we may modify for the particular trainees:

#### TRAINING PROGRAM

Column 1	Column 2		Column 3
	Hours of	Training	
Subject	Classroom	On-the-job	Location
Management of The Campus (Including Sales, Marketing, and Operations)	28	17	Flagship Campus in Chattanooga, Tennessee, other affiliate locations or via online courses or video calls
Front Desk Operations and Communication	18	24	Flagship Campus in Chattanooga, Tennessee, other affiliate locations or via online courses or video calls
GoDog: Stay Operations (Boarding)	8	20	Flagship Campus in Chattanooga, Tennessee, other affiliate locations or via online courses or video calls
GoDog: Play Operations (Daycare)	8	13	Flagship Campus in Chattanooga, Tennessee, other affiliate locations or via online courses or video calls
GoDog: Bathe Operations (Grooming)	2	4	Flagship Campus in Chattanooga, Tennessee, other affiliate locations or via online courses or video calls
GoDog: Social Operations (Bar)	4	10	Flagship Campus in Chattanooga, Tennessee, other affiliate locations or via online courses or video calls
Total	68	88	

Channon Hasch, our current Vice President of Pet Operations, will supervise franchisee training. Ms. Hasch has been with the GoDog Campus system for over 10 years and has 22 years' experience in the pet industry. The rest of our training team, who have worked at GoDog Campuses for between 1 and 2 years and have between 1 and 6 years' experience in the pet industry, and between 3 and 7 years' experience in the franchise industry, also lead all hands-on and instructor-led training; all of them have adequate training and appropriate knowledge to facilitate training in the areas they will teach based on their involvement with our system and work at GoDog Campuses.

We will send an "opening team" to the Campus for at least 5 days (typically starting before and continuing after opening) to help train your supervisory employees on our philosophy and Brand Standards and prepare the Campus for opening. We will pay our opening team's wages and travel, hotel, and living expenses. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase (excluding training relating to labor relations and employment practices), you must pay our then-current training fee (not to exceed \$750 per trainer per day plus the trainer's daily charges, including wages and travel, hotel, and living expenses). We may delay the Campus's opening until all required training has been satisfactorily completed.

#### Retraining

If your Managing Owner, general manager, or assistant manager fails to complete initial training to our satisfaction, or we determine after an inspection that retraining is necessary because the Campus is not operating according to Brand Standards, he or she may attend a retraining session for which we may charge our then-current training fee. You must pay all employee compensation and expenses during retraining. We may terminate the Franchise Agreement if the Campus does not commence operation by the opening deadline with a fully-trained, certified staff. Our fee for supplemental and ongoing training ranges up to \$500 per trainer per day, plus our expenses, if at our location and up to \$750 per trainer per day, plus our expenses, if not at our location.

If your Managing Owner cannot satisfactorily complete initial training (including retraining), we may require you to designate a Replacement Managing Owner who then must attend and satisfactorily complete initial training.

### **Training for Campus Employees**

You must properly train all Campus employees to perform the tasks for their respective positions. We may develop and make available training tools and recommendations for you to use in training the Campus's employees to comply with Brand Standards. We may update these training materials to reflect changes in our training methods and procedures and changes in Brand Standards.

### Ongoing and Supplemental Training

We may require your Managing Owner and Campus's general managers and assistant managers to attend and complete satisfactorily various training courses and programs that we or third parties periodically offer during the franchise term at the times and locations we designate. You must pay their compensation and expenses during training. We may charge our then-current fee for continuing and advanced training. If you request training courses or programs to be provided locally, then subject to our training personnel's availability, you must pay our then-current training fee and our training personnel's travel, hotel, and living expenses. Our fee for supplemental and ongoing training ranges up to \$500 per trainer per day, plus our expenses, if at our location and up to \$750 per trainer per day, plus our expenses, if not at our location.

Besides attending and/or participating in various training courses and programs, at least 1 of your representatives (an owner or another designated representative we approve) must at our request attend an annual meeting of all GoDog Campus franchisees at a location we designate. You must pay all costs to attend. We do not charge a fee for up to 3 of your representatives to attend the annual meeting/convention, but will charge you an amount not to exceed \$1,000 per additional person that attends the annual meeting/convention. You must pay any meeting fee we charge even if your representative does not attend (whether or not we excuse that non-attendance).

### Item 12 TERRITORY

**Site.** The Franchise Agreement grants you the right to operate a single Campus at a specific location in the Site Selection Area that you select and we accept, in our sole discretion. You must select and secure a site that we have accepted within the Site Selection Area within 9 months after

the effective date of the Franchise Agreement. We will identify in the Franchise Agreement an exclusive Site Selection Area in which the site must be found.

**Area of Protection.** We will define the Area of Protection after the site has been found and secured within the Site Selection Area. At that point, you will have no territorial rights in those portions of the Site Selection Area that are outside of the Area of Protection. We will determine the Area of Protection based on factors that we deem relevant, which might include population, traffic flow, presence of businesses, location of competitors (including other Campuses), demographics and other market conditions. The minimum size of the Area of Protection will be 0.2 square miles. We will determine the Area of Protection's precise contours based on demarcation points such as streets, highways, and other markers. We may modify the Area of Protection during the franchise term only if the Campus relocates.

We and our affiliates retain certain rights within and outside the Area of Protection, as described below in this Item. Therefore, you will not receive an exclusive territory. You may face competition from other GoDog Campus franchise owners, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as limited below, as long as you are in full compliance with the Franchise Agreement, then we and our affiliates will not own or operate, or allow another franchisee or licensee to own or operate, another GoDog Campus (operating the GoDog Campus) having its physical location within the Area of Protection.

Otherwise, we and our affiliates retain all rights with respect to GoDog Campuses, the Marks, the offer and sale of similar or dissimilar services and products, and any other activities we and they deem appropriate, whenever and wherever we and they desire, whether inside or outside the Area of Protection. Those rights include the following:

- (1) to own and operate, and to allow other franchisees and licensees to own and operate, GoDog Campuses (whether or not operating the GoDog Campus) at any locations outside the Area of Protection (including at the boundary of the Area of Protection) and on any terms and conditions we and they deem appropriate;
- (2) to offer and sell, and to allow others to offer and sell, inside and outside the Area of Protection, and on any terms and conditions we and they deem appropriate, services and products that are identical or similar to and/or competitive with those offered and sold by GoDog Campuses, whether identified by the Marks or other trademarks or service marks, through any advertising media, distribution channels (including the Internet), and shipping and delivery methods and to any customer, no matter where located, but not through GoDog Campuses operating the GoDog Campus that have their physical locations inside the Area of Protection;
- (3) to establish and operate, and to allow others to establish and operate, anywhere (including inside or outside the Area of Protection) businesses offering similar services and products under trademarks and service marks other than the Marks;
- (4) to acquire the assets or ownership interests of one or more businesses offering and selling services and products similar to those offered and sold at GoDog Campuses (even if such a business operates, franchises, or licenses "Competitive Businesses"), and operate, franchise, license, or create similar arrangements for those businesses once acquired, wherever those businesses (or

the franchisees or licensees of those businesses) are located or operating, including within the Area of Protection:

- (5) to be acquired (through acquisition of assets, ownership interests, or otherwise, regardless of the transaction form) by a business offering and selling services and products similar to those offered and sold at GoDog Campuses, or by another business, even if such a business operates, franchises, or licenses Competitive Businesses inside or outside the Area of Protection; and
  - (6) to engage in all other activities the Franchise Agreement does not expressly prohibit.

We and our affiliates need not compensate you if we engage in these activities. Continuation of your franchise and territorial protection does not depend on your achieving a certain sales volume, market penetration, or other contingency.

You may operate the Campus only at that site and may not relocate the Campus without our prior written consent, which we may grant or deny as we deem best. Whether or not we will allow relocation depends on circumstances at the time and what is in the Campus's and our system's best interests. Factors include, for example, the new site's market area, its proximity to other GoDog Campuses in our system, whether you are complying with your Franchise Agreement, and how long it will take you to open at the new site.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. Although we have the right to do so (as described above), we and our affiliates have not yet established, and have no current plans to establish or operate, other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

Your right to operate a GoDog Campus is limited to services you provide and products you sell at the Campus's physical location. You do not have the right to distribute services and products over the Internet or to engage in other supply or distribution channels.

You may not develop, maintain, or authorize any digital marketing or social media mentioning or describing the Campus or displaying any Marks without our prior written approval and, if applicable, without complying with our Brand Standards. Except for our System Website and approved digital marketing and social media, you may not conduct commerce or directly or indirectly offer or sell any products or services using any digital marketing, social media, or website.

### Item 13 TRADEMARKS

You may use certain Marks in operating your GoDog Campus. GoDog IP owns the following principal Mark, which is registered on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

W	REGISTRATION (R) OR APPLICATION (A)	REGISTRATION (R) OR
Mark	Number	APPLICATION (A) DATE
"GODOG" (word mark)	6,798,112 (R)	July 19, 2022 (R)

GoDog IP has filed, or will file when due, all required affidavits for its registered Marks. While no Marks are due for renewal, GoDog IP intends to renew them if they remain important to the GoDog Campus brand. GoDog IP licenses us to use these Marks and related intellectual property, and to authorize franchisees to use them in operating GoDog Campuses, under a Trademark, Copyright, and Know-How License Agreement effective February 15, 2023 (the "License Agreement"). The License Agreement's initial term is 20 years; we have the right to renew the License Agreement for 3 successive 10-year terms. We have the right to terminate the License Agreement at any time. GoDog IP may terminate the License Agreement immediately if we breach the License Agreement and fail to cure the breach within 30 days after receiving written notice from GoDog IP. When the License Agreement terminates or expires, we must stop using and sublicensing the Marks and related intellectual property. However, any GoDog Campus franchisee that has been authorized to use the Marks in its franchise may continue using the Marks until that franchisee's franchise agreement, and any permitted successor franchise agreement, expire or are terminated, but only if the franchisee continues to comply with its obligations in the franchise agreement and any permitted successor franchise agreement during their remaining terms. No other agreement limits our right to use or sublicense any Mark (whether we own them or GoDog IP licenses them for use in operating GoDog Campuses).

There are no currently-effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks.

On August 4, 2023, we became aware of the use of a "goDog" mark in connection with certain pet products, which are available for purchase online and in retail outlets nationwide. We received notice from the owner of the "goDog" mark alleging that our principal Mark infringes upon their marks, on the basis of prior rights and consumer confusion. The infringement claim applies nationwide. We dispute the infringement allegations and are working with the third party to address their claims.

You must follow our rules and other Brand Standards when using the Marks, including giving proper notices of trademark and service mark registration and obtaining required fictitious or assumed-name registrations. You may not use any Mark as part of your corporate or legal business name; with modifying words, terms, designs, or symbols (other than logos we license to you); in selling any unauthorized products or services; or in connection with any digital marketing or in any user name, screen name, or profile associated with any Social Media sites without our consent or, if applicable, without complying with our Brand Standards.

If we believe at any time that it is advisable for us and/or you to modify, discontinue using, and/or replace any Mark, and/or to use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse your expenses to comply with those directions (such as your costs to change signs or replace supplies for the Campus), any loss of revenue due to any modified or discontinued Mark, or your expenses to promote a modified or substitute trademark or service mark. If we discontinue using or replace any Mark, you will have the right to continue operating your Campus under the substitute trademark or service mark.

You must notify us immediately of any actual or apparent infringement or challenge to your use of any Mark, any person's claim of any rights in any Mark (or any identical or confusingly similar

trademark), or unfair competition relating to any Mark. You may not communicate with any person other than us and GoDog IP, our respective attorneys, and your attorneys regarding any infringement, challenge, or claim. We and GoDog IP may take the action we or it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding or enforcement action arising from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions that we and our, and GoDog IP's, attorneys deem necessary or advisable to protect and maintain our and GoDog IP's interests in any litigation, USPTO or other proceeding, or enforcement action or otherwise to protect and maintain our and GoDog IP's interests in the Marks.

We need not participate in your defense in a proceeding involving the Mark; however, we will reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark, provided your use has been consistent with the Franchise Agreement, the Operations Manual, and Brand Standards communicated to you and you have timely notified us of, and complied with our directions in responding to, the proceeding. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from or relating to your use of any Mark.

### Item 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. We and our affiliates claim copyrights in the Operations Manual (containing our and our affiliates' trade secrets and Confidential Information), Campus blueprints and other design features, signage, Marketing Materials, software, our System Website, and similar items used in operating GoDog Campuses. We and our affiliates have not registered these copyrights with the United States Copyright Office but currently need not do so to protect them. You may use copyrighted items only as we specify while operating the Campus (and must stop using them at our direction). You have no other rights under the Franchise Agreement with respect to a copyrighted item if we require you to modify or discontinue using the subject matter covered by the copyright. Our right to use many of the copyrighted materials described above and much of the Confidential Information described below arises from the same License Agreement described in Item 13.

There currently are no effective adverse material determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. Except for our agreement with GoDog IP, no agreement limits our right to use or allow others to use copyrighted materials.

We do not actually know of any infringing uses of our or GoDog IP's copyrights that could materially affect your using them in any state. We and GoDog IP need not protect or defend copyrights, although we intend to do so if in the system's best interests. We and GoDog IP may control any action we choose to bring, even if you voluntarily bring the matter to our attention. You must follow any instructions we give you. We and GoDog IP need not participate in your defense of and/or indemnify you for damages or expenses incurred in a copyright proceeding.

Our Operations Manual and other materials contain our and our affiliates' Confidential Information (some of which are trade secrets under applicable law). Confidential Information includes our proprietary Campus curriculum; layouts, designs, and other Plans for GoDog Campuses; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating GoDog Campuses; the standards, processes, information, and technologies involved in creating, developing, operating, maintaining,

and enhancing digital and other sales platforms, Apps, and Loyalty Program Media; marketing research and promotional, marketing, and advertising programs for GoDog Campuses; strategic plans, including expansion strategies and targeted demographics; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, services, products, materials, and supplies that GoDog Campuses use and sell; knowledge of operating results and financial performance of GoDog Campuses other than the Campus; customer solicitation, communication, and retention programs, along with data and information used or generated in connection with those programs; and information generated by, or used or developed in, operating the Campus, including Consumer Data, and any other information contained in the Computer System or that visitors (including you) provide to the System Website.

You must comply with all laws governing the use, protection, and disclosure of Consumer Data. If there is a data security incident at the Campus, you must notify us immediately, specify the extent to which Consumer Data was compromised or disclosed, and comply and cooperate with our instructions for addressing the data security incident in order to protect Consumer Data and the GoDog Campus brand (including giving us or our designee access to your Computer System, whether remotely or at the Campus).

You may not use Confidential Information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure agreements with those having access to Confidential Information. We may pre-approve your non-disclosure agreements solely to ensure that you adequately protect Confidential Information and the competitiveness of GoDog Campuses. Under no circumstances will we control the forms or terms of employment agreements you use with Campus employees or otherwise be responsible for your labor relations or employment practices.

You must promptly disclose to us all ideas, concepts, techniques, or materials relating to a GoDog Campus ("Innovations"), whether or not protectable intellectual property and whether created by or for you or your owners, employees, or contractors. Innovations belong to and are works made-for-hire for us. If any Innovation does not qualify as a "work made-for-hire" for us, you assign ownership of and all related rights to that Innovation to us and must sign (and cause your owners, employees, and contractors to sign) whatever assignment or other documents we periodically request to evidence our ownership and to help us obtain intellectual property rights in the Innovation. You may not use any Innovation in operating the Campus without our prior written approval.

## Item 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Brand Standards may require adequate staffing levels to operate the Campus in compliance with Brand Standards and address appearance of Campus personnel, courteous service to customers, and conducting criminal background checks and due diligence on the Campus's employees (although you alone will review the results and make employment decisions on the basis of those results). However, you have sole responsibility and authority for your labor relations and employment practices.

You must designate one of your individual owners to serve as your "Managing Owner." We must pre-approve the proposed Managing Owner or any replacement Managing Owner. The Managing Owner is responsible for the Campus's overall management. The Managing Owner will

communicate with us directly regarding Campus-related matters and must have sufficient authority to make decisions for you and the Campus. The Managing Owner's decisions will be final and will bind you. The Managing Owner must attend a 2-day initial orientation session on the GoDog Campus franchise system at our principal business address (or another location we designate) before you sign a lease for the Campus's site. The Managing Owner also must attend and satisfactorily complete our initial training program. If your Managing Owner cannot satisfactorily complete initial training (including retraining), we may require you to designate a Replacement Managing Owner who then must attend and satisfactorily complete initial training.

The Campus always must have on staff at least 2 fully-trained (or "certified") managers (including an assistant manager). A Campus general manager or assistant manager need not have an equity interest in you or the Campus. All Campus general managers and assistant managers must successfully complete our initial training program before you open the Campus to the public. Campus managers and your officers and directors must sign confidentiality and other agreements (including non-compete agreements) we pre-approve. Our right to pre-approve your forms is solely to protect Confidential Information and the competitiveness of GoDog Campuses. Under no circumstances will we control the forms or terms of employment agreements you use with Campus employees or otherwise be responsible for your labor relations or employment practices.

If you propose to change the Managing Owner, you must seek a new individual (the "Replacement Managing Owner") for that role and appoint the Replacement Managing Owner within 30 days after the former Managing Owner's last day. The Replacement Managing Owner must attend our initial orientation session, and attend and satisfactorily complete our initial training program, within the timeframe we specify.

Each person or entity having a direct or indirect ownership interest in you generally must personally guarantee all of your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is Exhibit B of the Franchise Agreement. In that case, however, we still may require individuals owning a certain percentage of the franchisee entity or actively involved in the Campus's management to commit to comply with certain non-monetary contractual obligations, including confidentiality and non-disclosure.

A spouse of any of your owners need not sign the Guaranty and Assumption of Obligations unless he or she also is an owner.

### Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Campus must offer for sale all services and products that we periodically specify. The Campus may not offer, sell, or otherwise distribute at the Campus's premises or another location any services or products that we have not authorized. There are no limits on our right to modify the services and products that the Campus must or may offer and sell. We may change such services and products from time to time and from market to market based on numerous considerations. Brand Standards may regulate price advertising policies and maximum, minimum, or other pricing requirements for services and products the Campus sells, including requirements for national, regional, and local promotions, special offers, and discounts in which some or all GoDog Campuses must participate, in each case to the extent the law allows. There are no limits on the customers to whom the Campus may sell goods and services at its premises.

Your right to operate the Campus is limited to services you provide and products you sell at the Campus's physical location. You do not have the right to distribute services and products over the Internet or to engage in other supply or distribution channels.

We may require the Campus to be open 7 days a week and a certain minimum hours each day or week.

## Item 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

	Provision	Section in franchise agreement	Summary
a.	Length of the franchise term	3.2 of Franchise Agreement	10 years from first day on which Campus opens to the public for business.
b.	Renewal or extension of the term	17 of Franchise Agreement	If you are in good standing, you may acquire successor franchise for 10 years on our then-current terms.
c.	Requirements for franchisee to renew or extend	17 of Franchise Agreement	You (i) timely request and conduct a business review, (ii) formally notify us of your desire to acquire a successor franchise at least 3 months before the franchise term ends, (iii) substantially complied with contractual obligations and operated Campus in substantial compliance with Brand Standards, (iv) continue complying substantially with contractual obligations between time you notify us of your desire to acquire a successor franchise and the end of the franchise term, (v) retain right to occupy Campus at its original site, (vi) remodel/upgrade Campus, (vii) sign our then-current form of franchise agreement and release (if applicable state law allows), and (viii) pay \$5,000 successor franchise fee.  Terms of our new franchise agreement that you sign for successor franchise may differ materially from any and all terms contained in your original expiring Franchise Agreement (including higher fees), although the Area of Protection will remain the same during the successor-franchise term.

	Provision	Section in franchise agreement	Summary
d.	Termination by franchisee	18.1 of Franchise Agreement	Subject to state law, if we breach Franchise Agreement and do not cure default within applicable cure period after notice from you; you may not terminate without cause.
e.	Termination by franchisor without cause	18.2 of Franchise Agreement	We do not have the right to terminate your Franchise Agreement without cause.
f.	Termination by franchisor with cause	18.2 of Franchise Agreement	We have the right to terminate your Franchise Agreement only if you or your owners commit one of several violations.
g.	"Cause" defined ↓ curable defaults	18.2 of Franchise Agreement	You have 5 days to cure monetary and insurance defaults; 10 days to satisfy unpaid judgments of at least \$25,000; 30 days to pay suppliers and to cure other defaults not listed in (h) below; 60 days to vacate attachment, seizure, or levy of Campus or appointment of receiver, trustee, or liquidator; and time allowed by law to cure violations of material law.
h.	"Cause" defined ↓ non- curable defaults	18.2 of Franchise Agreement	Non-curable defaults include: material misrepresentation or omission; failure to complete initial training to our satisfaction; failure to secure, at least 30 days before anticipated lease-signing date, all financing required to construct, develop, and open the Campus; failure to open Campus (with fullytrained staff) by deadline; abandonment or failure to operate for at least 3 consecutive days; unapproved transfer; felony conviction or guilty plea; dishonest, unethical, or immoral conduct adversely impacting our Marks; foreclosure on Campus's assets; misuse of confidential information; violation of noncompete; material underreporting of Gross Revenue; failure to pay taxes due; repeated defaults; assignment for benefit of creditors or admission of inability to pay debts when due; violation of anti-terrorism laws; losing right to Campus premises; or causing or contributing to a data security incident or failure to comply with requirements to protect Consumer Data.

	Provision	Section in franchise agreement	Summary
i.	Franchisee's obligations on	19 of Franchise	Obligations include paying outstanding
	termination/nonrenewal	Agreement	amounts (plus, if applicable, liquidated damages); complete de-identification; returning confidential information; destroying (at your own cost) branded materials and proprietary items; assigning telephone and telecopy numbers and directory listings; and assigning or canceling any website or other online presence or electronic media associating you with us or the Marks (also see (o) and (r) below); we have the right to control de-identification process if you do not voluntarily take required action; we have the right to assume Campus's management while deciding whether to buy Campus's assets.
j.	Assignment of contract by franchisor	16.1 of Franchise Agreement	No restriction on our right to assign; we have the right to assign without your approval.
k.	"Transfer" by franchisee↓ defined	16.2 of Franchise Agreement	Includes transfer of (i) Franchise Agreement; (ii) Campus or its profits, losses, or capital appreciation; (iii) all or substantially all Operating Assets; or (iv) ownership interest in you or controlling ownership interest in entity with ownership interest in you. Also includes pledge of Franchise Agreement or ownership interest.
l.	Franchisor approval of transfer by franchisee	16.2 of Franchise Agreement	We must approve all transfers; no transfer without our prior written consent.
m.	Conditions for franchisor approval of transfer	16.3 of Franchise Agreement	We will approve transfer of non-controlling ownership interest in you if transferee (and each owner) qualifies and meets our thenapplicable standards for non-controlling owners, is not (and has no affiliate) in a competitive business, signs our then-current form of Guaranty, and pays transfer fee.  We will not unreasonably withhold approval of a proposed transfer of franchise rights or controlling ownership interest if transferee (and each owner) qualifies (including, if transferee is an existing franchisee, transferee is in substantial operational compliance under all other franchise agreements for GoDog Campuses) and is not restricted by another agreement from moving forward with the transfer; you have paid us and our affiliates all amounts due, have submitted all reports, and

	Provision	Section in franchise	Summary
	PIOVISIOII	agreement	Summary are not then in breach; transferee and its
			owners and affiliates are not in a competitive
			business; training completed; transfer fee paid;
			transferee may occupy Campus's site for
			expected franchise term; transferee (at our
			option) assumes your Franchise Agreement or
			signs our then-current form of franchise
			agreement and other documents for unexpired
			portion of your original franchise term (then-
			current form may have materially different
			terms except that your original Royalty,
			Technology Fee, and Brand Fund contribution
			levels and the definition of Area of Protection
			will remain the same for unexpired portion of
			your original franchise term); transferee
			agrees to repair and upgrade; you (and transferring owners) sign general release (if
			applicable state law allows); we determine that
			sales terms and financing will not adversely
			affect Campus's operation post-transfer; you
			subordinate amounts due to you; and you stop
			using Marks and our other intellectual
			property (also see (r) below).
n.	Franchisor's right of first	16.7 of Franchise	We have the right to match any offer for the
	refusal to acquire	Agreement	Campus or ownership interest in you or entity
	franchisee's business		that controls you.
0.	Franchisor's option to	19.6 of Franchise	We have the right to buy Campus's operating
	purchase franchisee's	Agreement	assets at fair market value and take over site
	business		after Franchise Agreement is terminated or
n	Dooth or disability of	16.5 of Franchise	expires (without renewal).  Must transfer to approved party (which may
p.	Death or disability of franchisee	Agreement	include an immediate family member) within 6
	11 allellisee	Agreement	months; we have the right to operate Campus
			in interim if it is not then managed properly.
q.	Non-competition covenants	12 of Franchise	No owning interest in, performing services for,
-1·	during the term of the	Agreement	or loaning money or guaranteeing loan to
	franchise		competitive business, wherever located or
			operating; no diverting business to competitive
			business; and no solicitation of other
			franchisees for other commercial purposes.
			"Competitive Business" means any (a) business
			providing similar services as stated in Item 1,
			or (b) business granting franchises or licenses
			to others to operate the type of business
			described in clause (a).

		Section in franchise	
	Provision	agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	19.5 of Franchise Agreement	For 2 years after franchise term, no owning interest in or performing services for Competitive Business located or operating at Campus's site, within 10 miles of Campus's site, or within 10 miles of physical location of another GoDog Campus (same restrictions apply after transfer).
S.	Modification of the agreement	21.11 of Franchise Agreement	No modifications generally, but we have the right to change Operations Manual and Brand Standards.
t.	Integration/merger clause	21.13 of Franchise Agreement	Only terms of Franchise Agreement and other documents you sign with us are binding (subject to state and federal law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	21.6 of Franchise Agreement	We and you must arbitrate all disputes within 10 miles of where we (or then-current franchisor) have our principal business address when the arbitration demand is filed (it currently is in Fulton County, Atlanta, Georgia).  The provisions above are subject to state law (except to the extent preempted by federal law).
V.	Choice of forum	21.8 of Franchise Agreement	Subject to arbitration requirements, litigation must be (with limited exception) in the a court with competent jurisdiction nearest to our principal place of business (it currently is in Fulton County, Atlanta, Georgia) (subject to applicable state law).
W.	Choice of law	21.7 of Franchise Agreement	Federal law and Georgia law apply under the Franchise Agreement (subject to applicable state law).

## Item 18 PUBLIC FIGURES

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

### Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The tables below present historical Gross Revenue data for the 2 affiliate owned and operated GoDog Campuses ("Reporting Company Owned Campuses") that were operating during the entire 12 month period ending December 31, 2022. The Reporting Company Owned Campuses operate in Durham, North Carolina (opened in 2015) and Nashville, Tennessee (opened in 2020). The tables below do not include Gross Revenue data for the 1 affiliate owned and operated GoDog Campus in Chattanooga, Tennessee because it opened in January 2023 and was not operating during the 2022 calendar year. The Gross Revenue data provided below covers the period between January 1, 2022 and June 30, 2023.

Table 1 below provides the Gross Revenue broken down by quarter during 2022 and the total for the entire 2022 calendar year.

TABLE 1: 2022 GROSS REVENUE					
<u>Period</u>	<b>Durham, NC Gross Revenue</b>	Nashville, TN Gross Revenue			
Quarter 1 2022	\$443,272	\$378,026			
Quarter 2 2022	\$530,337	\$501,347			
Quarter 3 2022	\$560,028	\$524,255			
Quarter 4 2022	\$399,034	\$489,927			
2022 Calendar Year	\$1,932,672	\$1,893,555			

Table 2 below provides the Gross Revenue broken down by quarter for the 2023 calendar year.

TABLE 2: 2023 GROSS REVENUE					
Period <u>Durham, NC Gross Revenue</u> <u>Nashville, TN Gross Revenue</u>					
Quarter 1 2023	\$428,613	\$479,700			
Quarter 2 2023	\$527,843	\$558,956			

"Gross Revenue," as defined in the Franchise Agreement, means the aggregate amount of all revenue and other consideration generated from any source, including from selling services, products, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if we allow barter) the value of services, products, and merchandise bartered in exchange for the Campus's services, products, or merchandise. All transactions must be entered into the Computer System at the full, standard retail price for purposes of calculating Gross Revenue. However, Gross Revenue excludes: (i) federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (ii) proceeds from insurance, excluding business interruption insurance; and (iii) proceeds from any civil forfeiture, condemnation, or seizure by government entities. In addition, Gross Revenue is reduced by the value

of promotional or marketing discounts offered to the public (with our prior approval) and the amount of any credits provided in compliance with our policies.

The financial performance representation above does not reflect the cost 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 Campus.

The Reporting Company Owned Campuses do not currently offer social services (e.g. a social space for dog owners to gather including a bar and/or food trucks) which your Campus will. In addition, franchise owners are required to pay Royalties and Technology Fees, which the Reporting Company Owned Campuses do not pay. The Reporting Company Owned Campuses also do not currently make Brand Fund contributions, but will do so in the future. There are no other material financial or operational characteristics of the Company Owned Campuses that are reasonably anticipated to differ materially from franchised GoDog Campuses.

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

You are strongly encouraged to consult with your own financial advisors in reviewing the table above and, in particular, in estimating your Gross Revenue as well as the types and amounts of costs and expenses that you will or may incur in operating your Campus.

We recommend that you make your own independent judgment investigation about your Campus' potential financial performance, and that you consult with your attorney and other advisors before signing a Franchise Agreement.

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

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Stores. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Store, however, we may provide you with the actual records of that Store. 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 legal@godoghq.com at 112 Krog Street NE, Unit D135, Atlanta, Georgia 30307, (404) 635-6637, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Item 20 OUTLETS AND FRANCHISEE INFORMATION

All figures in the tables below are as of December 31 of each year. The "Company-Owned" outlets referenced in tables 1 and 4 below are owned by one or more of our affiliated entities.

Table No. 1

Systemwide Outlet Summary
For years 2020 to 2022

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

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2020	0
All States	2021	0
	2022	0
	2020	0
Total	2021	0
	2022	0

Table No. 3

### Status of Franchised Outlets For years 2020 to 2022

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2020	0	0	0	0	0	0	0
All States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets
For years 2020 to 2022

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2020	1	0	0	0	0	1
North Carolina	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2020	0	1	0	0	0	1
Tennessee	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2020	1	1	0	0	0	2
Totals	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	1

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

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
North Carolina	0	1	0
South Carolina	0	0	0
Tennessee	0	0	0
Total	0	1	1

Our franchisees as of this disclosure document's issuance date are identified on Exhibit I (including which franchisees have multi-unit development rights). Also identified on Exhibit I are the franchisees that had GoDog Campuses terminated, canceled, or not renewed, or that otherwise voluntarily or involuntarily ceased doing business under our Franchise Agreement, during our last fiscal year or that have not communicated with us within 10 weeks of this disclosure document's

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

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the GoDog Campus franchise system.

### Item 21 FINANCIAL STATEMENTS

Exhibit A contains our (i) audited financial statements for the period from July 28, 2022 (inception) through December 31, 2022 and (ii) unaudited financial statements as of August 31, 2023. We have not been in business for three years or more and cannot include all the financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year end is December 31.

### Item 22 CONTRACTS

The following contracts/documents are exhibits:

- 1. Franchise Agreement (Exhibit B)
- 2. Franchisee Representations Document (Exhibit F)
- 3. Form of General Release (Exhibit G)
- 4. State-Specific Agreement Riders (Exhibit H)

### Item 23 RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

### EXHIBIT A

### FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITH-OUT AN AUDIT. PROSPECTIVE FRANCHISES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

## GoDog Franchising LLC Balance Sheet

As of August 31, 2023

	Total		
ASSETS	 		
Current Assets			
Total Bank Accounts	\$ 2,916,330		
Accounts Receivable			
Accounts Receivable (A/R)	3,890.9		
Total Accounts Receivable	3,890.9		
Total Current Assets	\$ 2,920,221		
TOTAL ASSETS	\$ 2,920,221		
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable (A/P)	\$ 165,768		
Accrued Expenses	 9,800.0		
Total Accounts Payable	\$ 175,568		
Other Current Liabilities			
Accrued Bonus	 223,332		
<b>Total Other Current Liabilities</b>	\$ 223,332		
Total Current Liabilities	398,900		
Total Liabilities	\$ 398,900		
Equity			
Owner investments	\$ 6,867,000		
Retained Earnings	\$ (1,413,940)		
Net Income	\$ (2,931,739)		
Total Equity	\$ 2,521,321		
TOTAL LIABILITIES AND EQUITY	\$ 2,920,221		

## GoDog Franchising LLC Profit and Loss

January - August, 2023

		Total
Income		
Total Income		
Gross Profit	\$	0
Expenses		
2023 Retreat	\$	8,967
Advertising & marketing		60,392
General business expenses		9,591
Meals		7,755
Office expenses		17,120
Online Marketing		23,273
Payroll expenses		1,054,727
Professional Services Fees		1,749,810
Promotional Marketing		6,848
Travel		40,866
Total Expenses	\$	2,979,348
Net Operating Income	-\$	2,979,348
Other Income		
Other income	\$	47,610
Total Other Income	\$	47,610
Net Other Income	\$	47,610
Net Income	-\$	2,931,739

## GODOG FRANCHISING, LLC (A Limited Liability Company)

### FINANCIAL STATEMENTS

PERIOD FROM JULY 28, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

# GODOG FRANCHISING, LLC (A Limited Liability Company) FOR THE PERIOD FROM JULY 28, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

### **Table of Contents**

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Balance sheet	3
Statement of operations and changes in member's equity	4
Statement of cash flows	5
Notes to financial statements	6 - 11



### Citrin Cooperman & Company, LLP

Certified Public Accountants

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#### INDEPENDENT AUDITOR'S REPORT

To the Member GoDog Franchising, LLC

### **Opinion**

We have audited the accompanying financial statements of GoDog Franchising, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2022, and the related statements of operations and changes in member's equity, and cash flows for the period from July 28, 2022 (inception) through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoDog Franchising, LLC as of December 31, 2022, and the results of its operations and its cash flows for the period from July 28, 2022 (inception) through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### Responsibilities of Management for the Financial Statements

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

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



### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
  that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
  effectiveness of GoDog Franchising, LLC's internal control. Accordingly, no such opinion is
  expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant
  accounting estimates made by management, as well as evaluate the overall presentation of the
  financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GoDog Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

CERTIFIED PUBLIC ACCOUNTANT

New York, New York May 17, 2023

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. Citrin Cooperman is an independent member of Moore North America, which is itself a regional member of Moore Global Network Limited (MGNL).

### GODOG FRANCHISING, LLC (A Limited Liability Company) BALANCE SHEET DECEMBER 31, 2022

### **ASSETS**

Cash	\$	3,215,902
TOTAL ASSETS	\$	3,215,902
LIABILITIES AND MEMBER'S EQUITY		
Liabilities: Accounts payable and accrued expenses Due to related party	\$ 	96,488 124,462
Total liabilities  Member's equity		220,950 2,994,951
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ <u></u>	3,215,902

### GODOG FRANCHISING, LLC

### (A Limited Liability Company)

### STATEMENT OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY FOR THE PERIOD FROM JULY 28, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

Revenues	\$	-
Operating expenses	_	1,413,049
Net loss		(1,413,049)
Member's equity - beginning		-
Contributions	_	4,408,000
MEMBER'S EQUITY - ENDING	\$	2,994,951

### GODOG FRANCHISING, LLC

### (A Limited Liability Company)

### STATEMENT OF CASH FLOWS

## FOR THE PERIOD FROM JULY 28, 2022 (INCEPTION) THROUGH DECEMBER 31, $2022\,$

Operating activities:		
Net loss	\$	(1,413,049)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating liabilities:		
Accounts payable and accrued expenses		96,486
Due to related party	_	124,462
Net cash used in operating activities		(1,192,101)
Cash provided by financing activities:		
Member contributions	_	<b>4,4</b> 08,000
Net increase in cash		3,215,902
Cash - beginning	_	
CASH - ENDING	\$	3,215,902

### GODOG FRANCHISING, LLC (A Limited Liability Company) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

GoDog Franchising, LLC (the "Company"), a wholly-owned subsidiary of GoDog Investment Holdings, LLC (the "Parent"), was formed on July 28, 2022, as a Delaware limited liability company to sell franchises under the "GoDog" name and system pursuant to a license agreement with the GoDog IP Holdings, LLC (the "Licensor"). Pursuant to the Company's standard franchise agreement, franchisees will operate a facility, primarily for dogs, offering overnight boarding, daycare, dog park facilities, bathing, grooming, pet wellness services and training under the "GoDog" name.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

During the period from July 28, 2022 (inception) through December 31, 2022, primarily all of the Company's operating expenses were paid for through capital contributions by the Parent. The Parent has committed to continue to fund the operations of the Company through May 2024 or until such time that the Company generates meaningful revenues and attains profitable operations.

### NOTE 2. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

### Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### Use of estimates

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

### Accounts receivable

Accounts receivable will be stated at the amount the Company expects to collect. The Company will maintain allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Management will consider the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisees were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company will provide for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts will be written off through a charge to the valuation allowance and a credit to accounts receivable.

# NOTE 2. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)</u>

#### Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

# Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2022.

The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

# Revenue and cost recognition

The Company will recognize revenue in accordance with FASB ASC Topic 606, Revenue from Contracts with Customers, and will elect to adopt FASB Accounting Standards Update ("ASU") No. 2021-02, Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) ("ASU 2021-02"), when revenue-generating activities commence. The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise fee revenue, royalty revenue, transfer fees, technology fees, and brand fund revenue. No such franchise agreements have been executed as of the date these financial statements were available to be issued.

# Franchise fees, royalties and other franchise related fees

Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, sales-based royalties, sales-based brand fund fees, technology fees and transfer fees payable by a franchisee for the transfer of its franchise unit to another franchisee. The initial franchise fees are nonrefundable and collectible when the underlying franchise agreement is signed by the franchisee. Sales-based royalties, sales-based brand fund fees, and technology fees are payable weekly. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

# NOTE 2. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)</u>

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise related fees (continued)

The Company's primary performance obligation under the current franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU 2021-02 are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of preopening activities that is not brand specific will be deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Considerations allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific is recognized ratably as those services are rendered. Consideration allocated to pre-opening activities that are not brand specific will be recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties will be earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property will be recognized as franchisee sales occur and the royalty is deemed collectible.

# NOTE 2. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)</u>

#### Revenue and cost recognition (continued)

#### Brand fund

The Company has a brand fund which was established to collect and administer funds contributed for use in marketing programs for franchise units. Brand fund contributions will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand fund and therefore will recognize the revenues and expenses related to the brand fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the brand fund will represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

If brand fund income exceeds the related brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of brand fund revenues recognized.

#### Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, if applicable, associated with the sale of franchises and amortize them over the term of the franchise agreement.

#### Advertising

Advertising costs are expensed as incurred and are included in "Operating expenses" in the accompanying statement of operations and changes in member's equity. Advertising costs amounted to \$19,528 for period from July 28, 2022 (inception) through December 31, 2022.

# Variable interest entities

In October 2018, FASB issued ASU No. 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. This standard is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company has elected to adopt and apply the alternative accounting and disclosures for certain variable interest entities provided to private companies pursuant to U.S. GAAP. The Company has determined that the related parties, as described in Note 5, meet the conditions under the standard, and, accordingly, the Company is not required to include the accounts of the related party in its financial statements.

#### Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through May 17, 2023, the date on which these financial statements were available to be issued. Except as disclosed in Notes 4 and 5, there were no other material subsequent events that required recognition or additional disclosure in the financial statements.

#### NOTE 3. RECENTLY ADOPTED ACCOUNTING STANDARDS

In February 2016, FASB issued ASU No. 2016-02, Leases ("ASU 2016-02"), which among other items, requires an entity to recognize lease assets and lease liabilities in the Company's balance sheet and to disclose key information about leasing transactions. In June 2020, FASB issued ASU No. 2020-05, which defers the effective date for annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 25, 2022. The Company does not have any leases in place as of the date these financial statements were available to be issued. The Company will evaluate the effect ASU 2016-02 will have on its financial statements upon entering into a lease agreement.

# NOTE 4. CONCENTRATION OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with major financial institutions. Management believes that this policy will limit the Company's exposure to credit risk.

In March 2023, the shutdown of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system. However, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. The Company currently maintains cash amounts in excess of federally insured limits in the amount of \$2,965,902 that exposes the Company to risk of loss if the counterparty is unable to perform as a result of future disruptions in the U.S. banking system or economy. Given the uncertainty of the situation, the related financial impact cannot be reasonably estimated at this time.

# NOTE 5. <u>RELATED-PARTY TRANSACTIONS</u>

#### License agreement

On February 15, 2023, the Company entered into a 99-year non-exclusive license agreement with the Licensor for the use of the registered name "GoDog" (the "license agreement"). Pursuant to the license agreement, the Company has the right to sell "GoDog" franchises, and the right to earn franchise fees, royalties and other fees from franchisees.

#### Due to related party

The Company entered into a service agreement with a related party through common ownership to assist in various marketing and franchise development services. The Company incurred \$893,828 for services rendered by the related party for the period from July 28, 2022 (inception) through December 31, 2022, and these expenses are included in "Operating expenses" in the accompanying statement of operations and changes in member's equity. The balance owed to the related party amounted to \$124,462 at December 31, 2022, and is included in "Due to related party" in the accompanying balance sheet.

#### NOTE 6. <u>BRAND FUND</u>

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand fund fees of up to 3% of franchisees' weekly reported sales, currently set at 2%. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. There have been no contributions to the brand fund during the period from July 28, 2022 (inception) through December 31, 2022.

# EXHIBIT B

# FRANCHISE AGREEMENT

#### GODOG FRANCHISING, LLC FRANCHISE AGREEMENT

Franchisee Name: **«Entity\_Name»**Campus Address: **«Street\_Address», «City», «State»**Franchise ID: **«Franchise\_ID»** 

1.	Pre	eambles		
2.	Ack	nowledgements	1	
	2.1	You acknowledge that:	1	
3.	Gra	nt of Franchise	2	
	3.1	Grant of Franchise	2	
	3.2	Term	3	
	3.3	Territorial Rights	3	
	3.4	Reservations of Rights	3	
	3.5	Guaranty	4	
	3.6	Your Form and Structure	4	
	3.7	Managing Owner	5	
	3.8	Operating Manager	6	
4.	Dev	veloping Your Campus	6	
	4.1	Site Selection and Acceptance	6	
	4.2	Lease Negotiation and Acceptance	8	
	4.3	Development of Campus	8	
	4.4	Opening	10	
5.	Fee	es s	11	
	5.1	Initial Franchise Fee	11	
	5.2	Royalty	11	
	5.3	Technology Fee	12	
	5.4	Member Services Center Fee	12	
	5.5	Payment Method and Timing	12	
	5.6	Administrative Fee and Interest on Late Payments	13	
	5.7	Application of Payments and Right of Set Off	13	
	5.8	Annual Increase in Fixed Fees and Amounts	13	
6.	Tra	ining, Guidance, and Assistance	14	
	6.1	Initial Orientation and Training	14	
	6.2	Retraining	14	
	6.3	Opening Set-Up and Support	15	
	6.4	Ongoing and Supplemental Training/Convention	15	
	6.5	Training for Campus Employees	16	
	6.6	Training Cancellation Fee	16	

# TABLE OF CONTENTS

SECTION	PAGE	
6.7 General Guidance and the Br	and Standards Manual	16
6.8 Delegation		17
7. Campus Operations and Brand St	tandards	18
7.1 Condition and Appearance o	f Campus	18
7.2 Compliance with Applicable	Laws and Good Business Practices	19
7.3 Compliance with Brand Stan	dards	19
7.4 Approved Services, Products	s, and Supplies	22
7.5 Computer System		23
8. Marks		24
8.1 Ownership and Goodwill of I	Marks	24
8.2 Limitations on Use of Marks		25
8.3 Notification of Infringements	s and Claims	25
8.4 Discontinuance of Use of Ma	rks	26
8.5 Indemnification for Use of M	arks	26
9. Confidential Information		26
10. Consumer Data		28
11. Innovations		28
12. Exclusive Relationship		29
12.1 Restrictions		29
12.2 Directives		30
13. Advertising and Marketing		30
13.1 Market Introduction Program	m	30
13.2 Brand Fund		30
13.3 Approval of Marketing and C	Other External Communications	32
13.4 Local Marketing		32
13.5 Regional Advertising Cooper	ratives	33
13.6 System Website		33
14. Records, Reports, and Financia	l Statements	34
15. Inspections and Audits		35
15.1 Inspections		35
15.2 Our Right to Audit		36
16. Transfer		36
16.1 Transfer By Us		36
16.2 Transfer by You and Definiti	on of Transfer	37
16.3 Conditions for Approval of T	ransfer	38

# TABLE OF CONTENTS

SECTIO	PAGE	
16.4	Transfer to a Wholly-Owned or Affiliated Entity	41
16.5	Death or Disability	41
16.6	Effect of Consent to Transfer	41
16.7	Our Right of First Refusal	41
17. E	Expiration of Agreement	43
17.1	Offer of Successor Franchise Agreement	43
17.2	Requirements to Obtain a Successor Franchise Agreement.	43
17.3	Failure to Notify	44
18. T	Termination of Agreement	44
18.1	Termination by You	44
18.2	Termination by Us	44
18.3	Assumption of Campus's Management	47
18.4	Other Remedies On Default	47
19. F	Rights and Obligations on Termination or Expiration of This Agreement	48
19.1	Payment of Amounts Owed	48
19.2	De-Identification	48
19.3	Confidential Information	50
19.4	Notification to Customers	50
19.5	Covenant Not to Compete	50
19.6	Option to Purchase Operating Assets	51
19.7	Liquidated Damages	53
19.8	Continuing Obligations	54
20. F	Relationship of the Parties; Indemnification	54
20.1	Independent Contractors	54
20.2	No Liability for Acts of Other Party	55
20.3	Taxes	55
20.4	Insurance	55
20.5	Indemnification	55
21. E	Enforcement	57
21.1	Severability	57
21.2	Waiver of Obligations and Force Majeure	57
21.3	Costs and Attorneys' Fees	58
21.4	You May not Withhold Payments	58
21.5	Rights of Parties Are Cumulative	58
21.6	Arbitration	58

#### TABLE OF CONTENTS

SECTION		
21.7	Governing Law	60
21.8	Consent to Jurisdiction	60
21.9	Waiver of Punitive and Exemplary Damages	61
	Waiver of Jury Trial	
21.11	Binding Effect	61
21.12	Limitations of Claims	61
21.13	Construction	62
	The Exercise of Our Business Judgment	
21.15	Covenant of Good Faith	63
21.16	Multiple Forms of Agreement	63
21.17	Limited Liability for Our Related Parties	63
	ompliance with Anti-Terrorism Laws	
23. N	lotices and Payments	64
24. E	lectronic Mail	65
EXHIBIT	TS .	

Exhibit A - Basic Terms

Exhibit B – Guaranty and Assumption of Obligations

Exhibit C – Franchisee and Its Owners

Exhibit D – Lease Rider

Exhibit E – Sample Form of Confidentiality Agreement

# GODOG FRANCHISING, LLC FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement	<b>nt</b> ") is made between <b>GoDog Franchising, LLC</b> , a
Delaware limited liability company, whose princip	pal business address is 112 Krog Street NE, Unit
D135, Atlanta, GA 30307 ("we," "us," or "our"), and	d <b>«Entity_Name»</b> , a «State» «Entity_Type» (" <b>you</b> "
or " <b>your</b> ") and is effective as of	_ (the "Effective Date").

#### 1. <u>Preambles</u>

- 1.1 We and certain of our affiliates have created, designed, and developed a GoDog franchise identified by the Marks (defined below) that currently includes a facility, primarily for dogs, that provides overnight pet boarding, dog day care, dog park facilities, pet grooming, pet bathing, and dog training, with limited services also available to cats, and related retail products. GoDog Campuses (defined below) that offer dog park services also will offer alcoholic beverages (if permitted by applicable law). We and our affiliates currently use, promote, and license certain trademarks, service marks, and other commercial symbols for the GoDog Concept, including "GODOG®," and from time to time may create, use, and license new trademarks, service marks, and commercial symbols (collectively, the "Marks"). One of our affiliates currently owns the Marks, the Confidential Information (defined in Section 9 below), and all aspects of our branded system, and licenses that intellectual property to us for use in our franchise program for GoDog facilities ("GoDog Campuses") operating under the GoDog Concept.
- **1.2** We offer and grant franchises to operate a GoDog Campus operating and using the GoDog Concept, including the GoDog business system, business formats, methods, procedures, designs, layouts, trade dress, standards, specifications, and Marks, all of which we and our affiliates periodically may improve, further develop, and otherwise modify (collectively, the "**Franchise System**").
- **1.3** You have applied for a franchise to operate a GoDog Campus, and we are willing to grant you the franchise on the terms in this Agreement.

#### 2. Acknowledgements

#### 2.1 You acknowledge that:

- (a) You independently investigated the GoDog franchise opportunity and recognize that the nature of the Campus's business will evolve and change over time.
- (b) Investing in a GoDog Campus involves business risks that could result in your losing a significant portion or all of your investment.
- (c) We have not made, and you have not relied on, any express or implied guaranty or representation about the extent to which or where we and our affiliates will continue developing and expanding the GoDog network.
  - (d) Your business abilities and efforts are vital to your success.

- (e) Attracting customers for your GoDog Campus will require you to make consistent marketing efforts in your community, including through permitted media advertising, direct mail and on-line advertising, social media marketing and networking, and display and use of in-Campus promotional materials.
- (f) Retaining customers for your GoDog Campus will require you to provide high-quality services and adhere strictly to the Franchise System and our Brand Standards (defined in Section 6.7(c) below and categorized in Section 7.3 below).
  - (g) You are committed to maintaining Brand Standards.
- (h) Other than disclosures appearing in our franchise disclosure document, if any, you have not received from us or our affiliates any representations or guarantees, express or implied, of a GoDog Campus's potential volume, revenue, income, or profits.
- (i) In their dealings with you, our officers, directors, employees, consultants, lawyers, and agents act only in a representative, and not in an individual capacity, and business dealings between you and them as a result of this Agreement are deemed to be only between you and us.
- (j) To induce our signing this Agreement, you have represented to us that all application and qualification materials you gave us are accurate and complete, and you made no misrepresentations or material omissions to obtain the franchise.
- (k) You read this Agreement and our franchise disclosure document and understand and accept that this Agreement's terms are reasonably necessary for us to maintain our high service-quality and product standards (and the uniformity of those standards at each GoDog Campus) and to protect and preserve the goodwill of the Marks.
- (l) You independently evaluated this opportunity (including by using your business professionals and advisors) and relied on those evaluations in deciding to sign this Agreement.
- (m) You had an opportunity to ask questions and to review materials of interest to you concerning the GoDog franchise opportunity.
- (n) You had an opportunity, and we encouraged you, to have an attorney or other professional advisor review this Agreement and all other materials we gave or made available to you.

#### 3. **Grant of Franchise**

#### 3.1 **Grant of Franchise**

Subject to this Agreement's terms, we grant you the right, and you commit, to operate a GoDog Campus at the address identified on Exhibit A (the "Campus") using the Franchise System and the Marks. (If the Campus's address is unknown as of the Effective Date, the address will be determined as provided in Section 4.1 and then listed on an amended and restated Exhibit A we will give you.) Your right to operate the Campus is limited to the services you provide and products you sell at the Campus's physical location. You do not have the right to distribute services and products over the

Internet or to engage in other supply or distribution channels. You acknowledge and agree that we shall have no liability to you if you are prohibited from offering at your Campus any of the services typically offered by GoDog Campuses (including without limitation, if the prohibition is specified under applicable local law).

#### 3.2 <u>Term</u>

The franchise term (the "**Term**") begins on the Effective Date and expires 10 years from the first day on which the Campus opens to the public for business. The Term is subject to earlier termination under Section 18. You agree to operate the Campus in compliance with this Agreement for the entire Term unless this Agreement is properly terminated under Section 18.

#### 3.3 <u>Territorial Rights</u>

- (a) Subject to the reservation of rights in Section 3.4 below, during the Term, we and our affiliates will not own or operate, or allow another franchisee or licensee to own or operate, another GoDog Campus using the GoDog Concept that has its physical location within the geographical area described on Exhibit A (the "Area of Protection").
- (b) We may modify the Area of Protection only as provided in Exhibit A. If the Campus's address is unknown as of the Effective Date, we will describe the Area of Protection on an amended and restated Exhibit A that we will send you after we accept the Campus's site as provided in Section 4.1.

#### 3.4 Reservations of Rights

We and our affiliates retain all rights with respect to GoDog Campuses, the Marks, the offer and sale of similar or dissimilar services and products, and any other activities we and they deem appropriate, whenever and wherever we and they desire, whether inside or outside the Area of Protection. Specifically, but without limitation, we and our affiliates reserve the following rights:

- (a) to own and operate, and to allow other franchisees and licensees to own and operate, GoDog Campuses (whether or not operating the GoDog Concept) at any locations outside the Area of Protection (including at the boundary of the Area of Protection) and on any terms we and they deem appropriate;
- (b) to offer and sell, and to allow others to offer and sell, inside and outside the Area of Protection, and on any terms we and they deem appropriate, services and products that are identical or similar to and/or competitive with those offered and sold by GoDog Campuses, whether identified by the Marks or other trademarks or service marks, through any advertising media, distribution channels (including the Internet), and shipping and delivery methods and to any customer, no matter where located, but not through GoDog Campuses operating the GoDog Concept that have their physical locations inside the Area of Protection;
- (c) to establish and operate, and to allow others to establish and operate, anywhere (including inside or outside the Area of Protection) businesses offering similar services and products under trademarks and service marks other than the Marks;

- (d) to acquire the assets or ownership interests of one or more businesses offering and selling services and products similar to those offered and sold at GoDog Campuses (even if such a business operates, franchises, or licenses Competitive Businesses (defined in Section 12.1(b) below)), and operate, franchise, license, or create similar arrangements for those businesses once acquired, wherever those businesses (or the franchisees or licensees of those businesses) are located or operating, including within the Area of Protection;
- (e) to be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the transaction form) by a business offering and selling services and products similar to those offered and sold at GoDog Campuses, or by another business, even if such a business operates, franchises, or licenses Competitive Businesses inside or outside the Area of Protection; and
  - (f) to engage in all other activities this Agreement does not expressly prohibit.

#### 3.5 **Guaranty**

Your Guarantors must fully guarantee all of your financial and other obligations to us under this Agreement or otherwise arising from our franchise relationship with you, and agree personally to comply with this Agreement's terms, by signing the form of Guaranty attached as <u>Exhibit B</u>. "**Guarantors**" means each individual or Entity having an ownership interest (direct or indirect) in you. Each owner's name and his, her, or its percentage ownership interest (direct or indirect) in you are stated in <u>Exhibit C</u>. Subject to our rights and your obligations in Section 16, you must notify us of any change in the information in <u>Exhibit C</u> within 10 days after the change occurs.

#### 3.6 **Your Form and Structure**

As a corporation, limited liability company, or general, limited, or limited liability partnership (each, an "**Entity**"), you agree and represent that:

- (a) You have the authority to sign, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly exist in good standing under the laws of the state of your incorporation or formation;
- (b) Your organizational documents, operating agreement, or partnership agreement, as applicable, will, at our request, recite that this Agreement restricts the issuance and transfer of any direct or indirect ownership interests in you, and all certificates and other documents representing ownership interests in you will, at our request, bear a legend (the wording of which we may require) referring to this Agreement's restrictions;
- (c) Your organizational documents, operating agreement, or partnership agreement, as applicable, will, at our request, include a provision requiring any dissenting or non-voting interest-holders to sign all documents necessary to effectuate any action that is properly authorized under the organizational documents, operating agreement, or partnership agreement, as applicable;
- (d) Exhibit C to this Agreement completely and accurately describes all of your owners and their interests (direct or indirect) in you as of the Effective Date;

- (e) Your (and your owners') signing and delivery of this Agreement and any related agreement with us (or our affiliates), and performance of your (and their) obligations under this Agreement and all other related agreements, (a) have not violated and will not violate any other agreement or commitment to which you (or they) are a party or by which you (or they) are otherwise bound, and (b) have not violated and will not violate the rights of, or duties owed to, any third party; and
- (f) You may not use any Mark (in whole or in part) in, or as part of, your legal business name or email address or use any name that is the same as or similar to, or an acronym or abbreviation of, the GoDog name (although you may register the "assumed name" or "doing business as" name "GoDog" in the jurisdictions where you are formed and qualify to do business).

#### 3.7 **Managing Owner**

On signing this Agreement, you must designate one of your individual owners to serve as your managing owner (the "**Managing Owner**"). At all times during the Term, there must be a Managing Owner meeting the following qualifications and any other standards we state from time to time in the Brand Standards Manual (defined below in Section 6.7) or otherwise communicate to you:

- (a) We must approve the proposed Managing Owner in writing before the Effective Date. We have the right, as we deem best, to approve or disapprove the proposed Managing Owner or any proposed change in the individual designated as the Managing Owner. The Managing Owner must attend our initial orientation session on the Franchise System and attend and satisfactorily complete our Initial Training.
- (b) The Managing Owner is responsible for managing your business. The Managing Owner must have sufficient authority to make decisions on your behalf that are essential to your Campus's effective and efficient operation. The Managing Owner must communicate directly with us on any Campus-related matters (but not matters relating to labor relations and employment practices). Your Managing Owner's decisions are final and binding on you, we may rely solely on the Managing Owner's decisions without discussing the matter with another party, and we will not be liable for actions we take based on your Managing Owner's decisions or actions.
- (c) If you want or need to change the individual designated as the Managing Owner, you must seek a new individual (the "Replacement Managing Owner") for that role in order to protect our brand. You must appoint the Replacement Managing Owner within 30 days after the former Managing Owner no longer occupies that position. You must obtain our approval in writing for the Replacement Managing Owner. The Replacement Managing Owner must attend our initial orientation session on the Franchise System, and attend and satisfactorily complete Initial Training, within the timeframe we require. You are responsible for the Replacement Managing Owner's compensation and TRE during the orientation session. As used in this Agreement, "TRE" means travel-related expenses of our or your personnel, as applicable. In the case of our personnel, TRE includes coach or economy airfare, local transportation (including airport transfers), accommodations in a facility subject to our approval, meals, and a daily allowance on which we and you agree for reasonable miscellaneous expenses.

# 3.8 **Operating Manager**

If at any time during the Term, the Managing Owner is not involved in the day-to-day operations of your Campus, you must designate an operations manager to serve as your Operating Manager (the "**Operating Manager**") in addition to your Managing Owner. Any Operating Manager must meet the following qualifications and any other standards we state from time to time in the Brand Standards Manual or otherwise communicate to you:

- (d) We must approve the proposed Operating Manager in writing. We have the right, as we deem best, to approve or disapprove the proposed Operating Manager or any proposed change in the individual designated as the Operating Manager. The Operating Manager must attend our initial orientation session on the Franchise System and attend and satisfactorily complete our Initial Training.
- (e) The Operating Manager is responsible for day-to-day management of your business. The Operating Manager must have sufficient authority to make decisions on your behalf that are essential to your Campus's effective and efficient operation. The Operating Manager must communicate directly with us on any Campus-related matters (but not matters relating to labor relations and employment practices). Your Operating Manager's decisions are final and binding on you, we may rely solely on the Operating Manager's decisions without discussing the matter with another party, and we will not be liable for actions we take based on your Operating Manager's decisions or actions.
- (f) If you want or need to change the individual designated as the Operating Manager, you must seek a new individual (the "Replacement Operating Manager") for that role in order to protect our brand. You must appoint the Replacement Operating Manager within 30 days after the former Operating Manager no longer occupies that position. You must obtain our approval in writing for the Replacement Operating Manager. The Replacement Operating Manager must attend our initial orientation session on the Franchise System, and attend and satisfactorily complete Initial Training, within the timeframe we require. You are responsible for the Replacement Operating Manager's compensation and TRE during the orientation session.

#### 4. <u>Developing Your Campus</u>

#### 4.1 <u>Site Selection and Acceptance</u>

- (a) If the Campus's address is unknown as of the Effective Date, this Section 4.1 will govern the site selection and acceptance process. Within 365 days after the Effective Date, but subject to the potential extensions described below in Section 4.2, an acceptable site for the Campus within the exclusive geographical area described in <a href="Exhibit A">Exhibit A</a> (the "Site Selection Area") must be found and secured (a lease signed or land purchased). The timeframe during which the Campus's site must be located, accepted, and secured within the Site Selection Area (the "Site Selection Period") will expire on the earliest of (a) our acceptance of the Campus's site and Lease and giving you an amended and restated <a href="Exhibit A">Exhibit A</a>, (b) this Agreement's termination, or (c) 365 days after the Effective Date.
- (b) If you have not yet located an approved site for your Campus as of the Effective Date, then promptly after the Effective Date, you must deliver to us for our review a complete site proposal along with a letter of intent and other materials and information we request

for a suitable site within the Site Selection Area confirming favorable prospects for obtaining the proposed site. We will furnish you site selection guidelines, site selection counseling and assistance, and on-site evaluation(s) as we consider necessary and appropriate as part of our evaluation of your request for acceptance of the proposed site. Your proposed site must meet our then-current site selection criteria for Campuses. You must send us initial space plans for our approval when you submit your site proposal. Neither we nor our affiliates will select a site for you, however, and it is your responsibility to locate a site for the Campus.

- (c) You must obtain our written acceptance of the Campus's proposed site before signing any lease, sublease, or other document for the site. We will use our reasonable efforts to review and accept or reject a site you propose within about 30 days after receiving the complete site proposal and other materials we request. If we do not accept then proposed site within this 30-day period, the proposed site is deemed rejected.
- (d) We may (but have no obligation to) visit the Site Selection Area to review potential Campus sites. If we determine that on-site evaluation is necessary (on our own initiative or at your request), we will provide our on-site evaluation at our expense, unless we determine that the on-site evaluations (at the same or any other location) are or become excessive, in which case we may require you to reimburse us for all reasonable expenses we incur in relation to each evaluation, including the cost of travel, lodging, and meals for our employees and agents. We will not provide on-site evaluation for any proposed site before we receive all information and materials required by this Section. You are limited initially to 2 site proposals; however, if we do not accept one of those initial proposed sites, you will have the ability at that time to provide an additional site proposal for a different site located within your Site Selection Area.
- (e) We will not unreasonably withhold our acceptance of a site that meets our then-current internal criteria, including the site's proximity to both boundaries of the Site Selection Area and to the other existing or proposed Campuses located outside of the Site Selection Area boundaries. However, we have the absolute right to reject any site not meeting our criteria or to require you to acknowledge in writing that a site you prefer is accepted but not recommended due to its incompatibility with certain factors that bear on a site's suitability as a location for a GoDog Campus.
- (f) You agree that our acceptance or proposal of a proposed site is not a representation or warranty of any kind, express or implied, as to the potential success or profitability of your Campus. While we may provide assistance and guidance, it is solely your responsibility to select a suitable site for the Campus. Our recommendation or acceptance of a site indicates only that we believe the site meets our then-current criteria. We are not responsible if the site we recommend or accept fails to meet your expectations. Your acceptance of the site is based on your own independent investigation of, or agreement in the future to investigate the site's suitability. Once a proposed site is accepted and secured, we will list the accepted site's location as the Campus's address in Exhibit A.
- (g) As noted above, subject to the potential extensions described below in Section 4.2, if an acceptable Campus site is not found and secured within 365 days after the Effective Date, we may terminate this Agreement on written notice to you.

# 4.2 <u>Lease Negotiation and Acceptance</u>

- (a) You must present to us for our review and approval, which will not be unreasonably withheld, each letter of intent, lease, sublease, or purchase agreement (and any renewals or amendments thereof) (collectively, the "Lease Agreements") that will govern your occupancy and lawful possession of the Campus's site at least 30 days before you intend to sign it. We may (but have no obligation to) provide you with guidance or assistance relating to the Lease Agreements and its negotiation. You may not sign any Lease Agreements unless it contains the terms that we require in accordance with this Section and until you have received a written "Certificate of Lease Agreement Approval" from us. If we have not approved the Lease Agreement in writing within 10 Business Days after we receive a complete clean copy of the Lease Agreement from you (containing all negotiated terms and in signature-ready form), then it will be deemed disapproved. A "Business Day" means any day other than Saturday, Sunday or a legal United States holiday.
- (b) The Lease or sublease must either (i) include our then-current form of Lease Rider (our current form is attached to this Agreement as Exhibit D), or (ii) provide in the body of the lease or sublease, as applicable, the terms found in our then-current standard form of Lease Rider. You may not change the Lease Rider form without our written approval.
- (c) If you will own the premises for your Campus, you agree to sign an Agreement to Lease, in the firm acceptable to us, that requires you, at our option, to lease the site to us or our designee on any expiration or termination of this Agreement at a fair market rent for a minimum of 10 years.
- (d) You agree that our guidance and assistance (if we choose to provide it) and our acceptance of the terms of your Lease is not a guarantee or warranty, express or implied, of the Campus's success or profitability or of the Lease's suitability for your business purposes.
- (e) You must sign and deliver to us a fully-signed copy of the approved Lease Agreement for the site within 30 days from the effective date of the Lease Agreement.
- (f) You may not relocate the Campus without our prior written-approval. Any relocation of the Campus will be at your sole expense, and we may charge you for the reasonable costs we incur, plus a reasonable fee (not to exceed \$25,000) for our services, in connection with any relocation of the Campus.

#### 4.3 **Development of Campus**

- (a) You must, immediately following the Effective Date, begin to pursue diligently (including by engaging a Small Business Administration loan-expeditor if you intend to pursue Small Business Administration-assisted financing), and secure at least 30 days before the anticipated Lease signing date, a commitment for financing required to construct, develop, and open the Campus. In addition, within 24 months following the Effective Date (the "Opening Deadline"), but subject to the potential extensions described below in this Section, you must:
  - (i) prepare all required construction plans and specifications for the Campus only in accordance with our then-current Brand Standards, and to make sure that these plans and specifications comply with the Americans with Disabilities Act (the "ADA") and similar rules governing public accommodations for persons with

disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We may require you to use architects and engineers we designate or approve. You must provide us with complete space plans, architectural drawings, construction plans and specifications for review and receive our written approval of them before you begin construction of the Campus. You also must send us all revised plans and specifications, including any additions or substitutions, for our review and written approval of them as we determine necessary or appropriate, in our sole discretion. You may not begin construction of your Campus without a written certification from us that the final plans and specifications have been approved. On completion of construction, you must provide us with "as built" plans for your Campus. Any review of your construction plans and specifications will be limited to ensuring your compliance with our design and other requirements for Campuses. We will not assess your compliance with any applicable federal state or local laws, rules regulations or ordinances ("Applicable Laws") related to the development or construction of your Campus, which is solely your responsibility. Any changes that you make to the space plans, architectural drawings, construction plans or specifications to comply with Applicable Laws must be provided to us for our prior review and written approval (including via e-mail);

- (ii) obtain all required zoning permits, all required building, utility, health, sign permits and licenses, and any other required permits and licenses (including, if applicable, a permit to allow you to operate a bar and serve alcoholic beverages) to construct and operate your Campus. You must certify in writing to us that all such permits and certifications have been obtained. We may require you to use a permit expeditor we designate or approve;
- (iii) construct your Campus and all required improvements to the site and decorate the Campus in compliance with our approved plans and specifications. You agree to employ a qualified licensed general contractor who is reasonably acceptable to us to construct your Campus. You agree to obtain (and maintain) during the entire period of construction the insurance required per the Lease Agreements and Section 20.4 below; and you agree to deliver to us such proof of insurance as we may reasonably require. Obtain all customary contractor's partial and final waivers of lien for construction, remodeling, decorating and installation services;
- (iv) purchase or lease and install all required Operating Assets (defined below);
- (v) purchase an opening inventory of required, authorized, and approved products, materials, and supplies;
  - (vi) complete all required training; and
- (vii) open your Campus for business in accordance with all requirements of this Agreement.
- (b) If you cannot open the Campus for business by the Opening Deadline despite your diligent efforts to do so, you may request a 30-day extension to open. We will not unreasonably deny your request if the reasons for your request demonstrate your diligence in the Campus

development and opening process. You may request no more than 2 separate 30-day extensions on the same terms.

(c) The Campus must contain all Operating Assets, and only those Operating Assets, we specify or pre-approve. You agree to place or display at the Campus (interior and exterior), according to our guidelines, only the signs, emblems, lettering, logos, and display materials we approve from time to time. You agree to purchase or lease from time to time only approved brands, types, and models of Operating Assets according to our standards and specifications and, at our direction, only from one or more suppliers we designate or approve (which may include or be limited to us and/or certain of our affiliates). "Operating Assets" means all required furniture, fixtures, signs, and equipment (including components of and required software licenses for the Computer System (defined in Section 7.5)) we periodically require for the Campus.

# 4.4 Opening

Despite the Opening Deadline, you may not open the Campus for business until:

- (a) we or our designee approves the Campus in writing;
- (b) you have secured all financing you require to develop and operate the Campus;
- (c) your Managing Owner, Operating Manager (if applicable), general managers, and assistant managers have completed to our satisfaction the initial orientation and training programs described in Section 6.1;
- (d) you have purchased or leased and installed all required equipment, fixtures, furnishings, and signs for the Campus according to the requirements in Brand Standards Manual;
- (e) We have inspected and approved the Campus as having been developed in accordance with our specifications and standards and our approved plans, trade dress and specifications. As an alternative, or in addition, to our physical inspection of the Campus, we may require you to send us video and photographs of the Campus. Our inspection and approval are limited to ensuring your compliance with our standards and specifications, although our approval is not a representation that the Campus complies with our standards and specifications or a waiver of our right to enforce any provision of this Agreement. Our inspection and approval are not designed to assess compliance with Applicable Laws, including the ADA, as compliance with these laws is your responsibility;
- (f) the Campus has sufficient trained employees to manage and operate the Campus on a day-to-day basis in compliance with Brand Standards;
- (g) the Campus's employees have completed all required third-party certifications for the Campus's lawful operation (including certifications required under Laws);
- (h) you have satisfied all state and federal permitting, licensing, and other legal requirements for the Campus's lawful operation and, on our request, have sent us copies of all permits, licenses, and insurance policies required by this Agreement;

- (i) all amounts due to us, our affiliates, and principal suppliers have been paid; and
- (j) you are not in default under any agreement with us, our affiliates, or principal suppliers.

#### 5. Fees

#### 5.1 **Initial Franchise Fee**

You must pay us a \$80,000.00 initial franchise fee (the "**Initial Franchise Fee**") when you sign this Agreement. The Initial Franchise Fee is not refundable under any circumstances. This Agreement will not be effective, and you will have no franchise rights, until we receive the Initial Franchise Fee.

#### 5.2 Royalty

- You agree to pay us, on or before Wednesday of each calendar week (the "Payment Day"), a royalty ("Royalty") equal to 7.0% of your Campus's Gross Revenue during the preceding calendar week. Each calendar week currently begins on Sunday and ends on Saturday, although on notice to you we may change the first and last days of each calendar week for Royalty (and other payment) calculation purposes. In this Agreement, "Gross Revenue" means the aggregate amount of all revenue and other consideration generated from any source, including, without limitation, from selling services, products, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if we permit barter) the value of services, products, and merchandise bartered in exchange for the Campus's services, products, or merchandise. However, Gross Revenue excludes: (i) federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (ii) proceeds from insurance, excluding business interruption insurance; and (iii) proceeds from any civil forfeiture, condemnation, or seizure by government entities. In addition, Gross Revenue is reduced by (y) the value of promotional or marketing discounts offered to the public (with our prior approval), and (z) the amount of any credits the Campus provides in accordance with the terms in the Brand Standards Manual.
- (b) All transactions must be entered into the Computer System (defined in Section 7.5 below) at the full, standard retail price for purposes of calculating Gross Revenue. Each charge or sale on credit will be treated as a sale for the full price on the day the charge or sale is made, irrespective of when you receive payment (whether full or partial, or at all) on that sale. Revenue from gift/loyalty/stored-value/affinity "cards" and similar items we approve for offer and sale at GoDog Campuses, whether maintained on an App, on another electronic medium, or in another form (together, "Loyalty Program Media"), is included in Gross Revenue when the Loyalty Program Media are used to pay for services and products (although we may collect our fees due on that revenue when the customer acquires the Loyalty Program Media). Your Campus may not issue or redeem any coupons or Loyalty Program Media unless we first approve in writing their form and content and your proposed issuing and honoring/redemption procedures. We may grant or withhold our approval as we deem best.

#### 5.3 <u>Technology Fee</u>

You agree to pay us the Technology Fee we periodically specify, not to exceed 2.0% of the Campus's weekly Gross Revenue. Your Technology Fee is due and payable at the same time and in the same manner as the Royalty or in any other manner we periodically specify. If the weekly Technology Fee you pay us, based on 1.0% of the Campus's weekly Gross Revenue, is not more than \$200, you will pay the Minimum Technology Fee amount of \$200. The Technology Fee is (1) for technology products or services we determine to associate or use in the System and (2) to cover all or certain portions of the corresponding costs. The Technology Fee currently covers ongoing licensing associated with internal/external communications, learning management platforms, recruiting platforms, operational-data analytics, and data input/storage.

### 5.4 <u>Member Services Center Fee</u>

- (a) We have the right (but no obligation), directly or through a designated source (including an affiliate), to develop, implement, operate, maintain, and improve a member services center ("MSC") for the benefit of all GoDog Campuses and that all GoDog Campuses must use. The "MSC" will have dedicated individual local phone numbers for each GoDog Campus and perform various services for GoDog Campuses and their customers, including, but not limited to, scheduling reservations for customers, handling customer inquiries, helping resolve customer complaints and concerns, and maintaining a customer database that provides management reports to franchisees. You must comply with our Brand Standards for participating in and using the MSC. We assume no direct or indirect liability or obligation to you with respect to the MSC's maintenance, direction, or administration. We have no obligation to ensure that any particular GoDog Campus benefits on a pro rata basis from the MSC. You are not a third-party beneficiary of the MSC. We may discontinue operation of the MSC at any time in our sole judgment.
- (b) We may charge you and other GoDog Campuses (or cause GoDog Campuses to be charged) an administrative fee, not to exceed 2.0% of the Campus's Gross Revenue, payable on a weekly, monthly, or other basis, to support the MSC's operation, including staffing, equipment, and technology (the "MSC Fee"). The purpose of the MSC Fee is to cover, and/or reimburse us or our designee for, the actual costs of operating the MSC. The MSC Fee is separate from the Royalty, Brand Fund contribution (defined in Section 13.2 below), Technology Fee, and other fees and charges due under this Agreement. While we or our designee may control use of the MSC Fee, the MSC Fee will not be used to pay any of our general operating costs, except for salaries for MSC staff and other actual costs to administer and operate the MSC.

### 5.5 Payment Method and Timing

(a) You authorize us to debit your business checking or other account automatically for the Royalty, Technology Fee, Brand Fund contribution, MSC Fee, and other amounts due under this Agreement and any related agreement between us (or our affiliates) and you. We will debit your account on or after the Payment Day for the Royalty, Technology Fee, Brand Fund contribution, MSC Fee, and other amounts due. Funds must be available in the account before the Payment Day for withdrawal by electronic transfer. We may require you to obtain, at your expense, overdraft protection for your bank account in an amount we specify. You must reimburse any "insufficient funds" charges and related expenses we incur due to your failure to maintain sufficient funds in your bank account. You may not close this account without first establishing, and notifying us of, a new account that we are authorized to debit as provided in this Section.

- (b) If you fail to report the Campus's Gross Revenue when required, we may debit your account for 125.0% of the Royalty, Technology Fee, Brand Fund contribution, and MSC Fee we previously debited for any payment period. If the amount we debit from your account is less than the amount you owe us for the payment period (once we determine the Campus's actual Gross Revenue), we will debit your account for the balance due on the day we specify. If the amount we debit from your account is greater than the amount you owe us for the payment period (once we determine the Campus's actual Gross Revenue), we will credit the excess, without interest, against the amount we may debit from your account for the following payment period.
- (c) We have the right, at our sole option on notice to you, to change from time to time the timing and terms for payment of Royalties, Technology Fees, Brand Fund contributions, MSC Fees, and other amounts due to us under this Agreement. You may not subordinate to any other obligation your obligation to pay us Royalties, Technology Fees, Brand Fund contributions, MSC Fees, or any other amount due under this Agreement.

#### 5.6 Administrative Fee and Interest on Late Payments

In addition to our other remedies, including, without limitation, the right to terminate this Agreement under Section 18, if you fail to pay (or make available for withdrawal from your account) when due any amounts you owe us or our affiliates relating to this Agreement or the Campus, those amounts will bear interest, accruing as of their original due dates, at 1.5% per month or the highest commercial contract interest rate the Law allows, whichever is less. In addition, you must pay us a \$100 administrative fee for each payment not made to us or our affiliate when due (or for each dishonored payment) to cover the increased expenses incurred due to your failure to pay the amounts when due.

#### 5.7 Application of Payments and Right of Set Off

Notwithstanding any designation you make, we may apply any of your payments (whether made by debit or otherwise) to any of your past due indebtedness to us or our affiliates relating to this Agreement or the Campus. We may set off any amounts you or your owners owe us or our affiliates against any amounts that we or our affiliates owe you or your owners, whether in connection with this Agreement or otherwise.

#### 5.8 Annual Increase in Fixed Fees and Amounts.

We reserve the right to increase any fixed fee, fixed payment, or fixed amount (i.e., not stated as a percentage) under this Agreement, including the Royalty and the Minimum Technology Fee, based on changes in the Index (defined below) ("Annual Increase"). An Annual Increase to these fees, payments, and amounts may occur only once during any calendar year and may not exceed the corresponding cumulative increase in the Index since the Effective Date or, as the case may be, since the date on which the last Annual Increase became effective for the particular fixed fee, payment, or amount being increased. Any Annual Increases will be made at the same time during the calendar year. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. Notwithstanding this Section, if any fixed fee, payment, or amount due under this Agreement encompasses any third-party charges we collect from you on a pass-through basis (i.e., for ultimate payment to the third party),

we also reserve the right to increase the fixed fee, fixed payment, or fixed amount beyond the Annual Increase to reflect increases in the third party's charges to us.

#### 6. <u>Training, Guidance, and Assistance</u>

# 6.1 <u>Initial Orientation and Training</u>

- (a) If this is your first GoDog Campus, your Managing Owner must attend a 2-day initial orientation session on the GoDog Campus franchise system at our principal business address or another designated location before you sign a lease for the Campus's site. Your Managing Owner and a Campus general manager and assistant manager also must attend and complete to our satisfaction our initial training program ("Initial Training") before opening the Campus for business, which may occur via online courses, video calls, at an operating GoDog Campus or at another location that we designate. The Campus always must have on staff at least 2 fully-trained (or "certified") managers. We will conduct the initial training program at our designated training location and/or through video and other electronic means. We expect training (which currently is approximately 4 weeks long) to occur after you sign the Franchise Agreement and while you develop the Campus. We plan to be flexible in scheduling training to accommodate our and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. We may use a learning-management system and other training aids during the training program. Your training attendees must complete training at least 60 days before the Campus's scheduled opening date.
- (b) The Campus always must have on staff at least 2 fully trained people (also known as "Certified Managers"). If you replace an existing Certified Manager, the new manager must attend and satisfactorily complete Initial Training within 90 days after being hired to become a Certified Manager. You must pay our then-current training fee to provide Initial Training to your new manager.
- (c) You are responsible for paying your employees' wages, benefits, and TRE while they attend training. We will give you information about the number of hours your employees are actively involved in classroom and in-Campus training, and you are responsible for evaluating any other information you believe you need to ensure your employees are accurately paid during training. You also are responsible for maintaining workers' compensation insurance over your employees during training and must send us proof of that insurance at the outset of the training program.

#### 6.2 Retraining

(a) If your Managing Owner, Operating Manager (if applicable), general manager, or assistant manager fails to complete Initial Training to our satisfaction, or we determine after an inspection that retraining is necessary because the Campus is not operating according to Brand Standards, he or she may attend a retraining session for which we may charge our then-current training fee. You are responsible for all employee compensation and TRE during retraining, not to exceed \$500 per trainer per day and not to exceed \$2,000 in total if at our location. If not at our location, retraining is not to exceed \$750 per trainer per day plus our expenses. We may terminate this Agreement if the Campus does not begin operation by the Opening Deadline with a fully trained, certified staff.

(b) You may request additional or repeat training for your Managing Owner, Operating Manager (if applicable), and Campus general managers and assistant managers at the end of Initial Training if they do not feel sufficiently trained to operate a GoDog Campus. We and you will jointly determine the duration of any additional training, which is subject to our personnel's availability. You must pay our then-current training fee for additional or repeat training. However, if you do not expressly inform us that your Managing Owner, Operating Manager (if applicable), and Campus general managers and assistant managers do not feel sufficiently trained to operate a GoDog Campus, they will be deemed to have been trained sufficiently to operate a GoDog Campus. If your Managing Owner or Operating Manager (if applicable) cannot satisfactorily complete Initial Training (including retraining), we have the right to require you to designate a Replacement Managing Owner or Operating Manager (if applicable), who then must attend and satisfactorily complete Initial Training.

# 6.3 **Opening Set-Up and Support**

We will send an "opening team" (involving the number of people we determine) to the Campus during its opening to the public for business for at least 5 days (typically starting before and continuing after actual opening), as we deem best under the circumstances (including if this Agreement covers your second or subsequent GoDog Campus), to help you train your supervisory employees on our philosophy and Brand Standards (but not matters relating to labor relations and employment practices) and prepare the Campus for opening. We will pay our opening team's wages and TRE. However, if you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase (excluding training relating to labor relations and employment practices), you must pay our then-current training fee in addition to our personnel's daily charges (including wages) and TRE. We may delay the Campus's opening until all required training has been satisfactorily completed.

#### 6.4 Ongoing and Supplemental Training/Convention

- (a) We may require your Managing Owner, Operating Manager (if applicable), and Campus's general managers and assistant managers to attend and complete satisfactorily various training courses and programs offered periodically during the Term by us or third parties at the times and locations we designate. You are responsible for their compensation and TRE during their attendance. We may charge our then-current fee for continuing and advanced training, not to exceed \$500 per trainer per day and not to exceed \$2,000 in total if at our location. If you request any training courses and programs to be provided locally, then subject to our training personnel's availability, you must pay our then-current training fee, not to exceed \$750 per trainer per day, and our training personnel's TRE.
- (b) Besides attending and/or participating in various training courses and programs, at least one of your representatives (an owner or another designated representative we approve) must at our request (in our sole discretion) attend an annual meeting of all GoDog franchisees at a location we designate. We do not charge a fee for up to 3 of your representatives to attend the annual meeting/convention, but will charge you an amount not to exceed \$1,000 per additional person that attends the annual meeting/convention. You must pay any meeting fee we charge even if your representative does not attend (whether or not we excuse that non-attendance).

# 6.5 <u>Training for Campus Employees</u>

- (a) You must properly train all Campus employees to perform the tasks required of their positions. We may develop and make available training tools and recommendations for you to use in training the Campus's employees to comply with Brand Standards. We may update these training materials periodically to reflect changes in our training methods and procedures and changes in Brand Standards.
- (b) We may periodically and without prior notice review the Campus's performance to determine if the Campus meets our Brand Standards. If we determine that the Campus is not operating according to Brand Standards, we may, in addition to our other rights under this Agreement, recommend that you retrain one or more Campus employees.

#### 6.6 Training Cancellation Fee

If your Managing Owner, Operating Manager (if applicable), or any general manager or assistant manager cancels participation in any training class or program for which he or she preregisters and pays us a training fee, we will not refund or reimburse the training fee you paid. If participation is canceled more than 2 weeks before the class or program is scheduled to begin, we will apply 50% of the training fee as a credit toward the fees due for a future training class or program that your general managers or assistant managers attend.

#### 6.7 General Guidance and the Brand Standards Manual

- (a) We periodically will advise you or make recommendations regarding the Campus's operation with respect to:
  - (i) standards, specifications, operating procedures, and methods that GoDog Campuses use;
  - (ii) purchasing required or recommended Operating Assets and other products, services, supplies, and materials;
  - (iii) supervisory employee training methods and procedures (although you are solely responsible for the employment terms of all Campus employees); and
    - (iv) accounting, advertising, and marketing.
- (b) We may guide you through our various operations and technical manuals, bulletins, and other written materials ("**Brand Standards Manual**"), by electronic media, by telephone consultation, and/or at our office or the Campus. If you request and we agree to provide, or we determine that you need, additional or special guidance, assistance, or training, you agree to pay our then-applicable charges, including reasonable training fees and our personnel's daily charges and TRE. Any specific ongoing training, conventions, advice, or assistance we provide does not obligate us to continue providing that training, convention, advice, or assistance, all of which we may discontinue and modify at any time.
- (c) We will give you access to our Brand Standards Manual, which will be made available to you in hardcopy or through the System Website (defined in Section 13.6 below). Any

passwords or digital identifications necessary to access the Brand Standards Manual are considered part of Confidential Information. The Brand Standards Manual may consist of and is defined to include audio, video, computer software, other electronic and digital media, and/or written and other tangible materials. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures, and rules we periodically issue for developing and operating a GoDog Campus ("Brand Standards") and information on your other obligations under this Agreement. We may modify the Brand Standards Manual periodically to reflect changes in Brand Standards, but those modifications will not alter your fundamental rights or status under this Agreement.

- (d) You agree to keep current your copy of the Brand Standards Manual (if delivered in hardcopy) and timely communicate all updates to your employees. You must, as applicable, periodically monitor the System Website and our other communications for updates to the Brand Standards Manual or Brand Standards. You agree to keep all parts of the Brand Standards Manual secure and restrict access to any passwords for accessing the Brand Standards Manual. If there is a dispute over its contents, our master copy of the Brand Standards Manual controls. You agree that the Brand Standards Manual's contents are confidential and not to disclose any part of the Brand Standards Manual to any person other than Campus employees and others needing access to perform their duties, but only if they agree to maintain its confidentiality by signing a form of confidentiality agreement. We have the right to pre-approve the form used (an acceptable sample of which is attached as Exhibit E). You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Brand Standards Manual, except for certain forms provided in the Brand Standards Manual.
- (e) While we have the right to pre-approve the form of confidentiality agreement you use with Campus employees and others having access to our Confidential Information to protect that Confidential Information, under no circumstances will we control the forms or terms of employment agreements you use with Campus employees or otherwise be responsible for your labor relations.
- (f) In addition, Brand Standards do not include any personnel policies or procedures, or any Campus security-related policies or procedures, that we (at our option) may make available to you in the Brand Standards Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your Campus's operation. You and we agree that we do not dictate or control labor or employment matters for franchisees and GoDog Campus employees. You are solely responsible for obtaining, installing, and maintaining the security and safety procedures, measures, devices, and systems reasonably necessary to protect employees, the public, guests, and customers of your Campus from foreseeable harm during and after business hours.

#### 6.8 **Delegation**

We have the right from time to time to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether they are our affiliates, agents, or independent contractors with which we contract to perform these obligations.

# 7. <u>Campus Operations and Brand Standards</u>

# 7.1 Condition and Appearance of Campus

- (a) You may not use, or allow another to use, any part of the Campus for any purpose other than operating a GoDog Campus in compliance with this Agreement. You must place or display at the Campus (interior and exterior), according to our guidelines, only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials we periodically specify. You agree to maintain the condition and appearance of the Campus, the site, and the Operating Assets in accordance with Brand Standards. Without limiting that obligation, you must take the following actions during the Term at your own expense: (1) thorough cleaning, repainting, and redecorating of the Campus's interior and exterior at intervals we periodically specify and at our direction; (2) interior and exterior repair of the Campus and the site as needed; and (3) repair or replacement, at our direction, of damaged, worn-out, unsafe, non-functioning, or obsolete Operating Assets at intervals we periodically specify (or, if we do not specify an interval for replacing an Operating Asset, as that Operating Asset needs to be replaced in order to provide services required to be offered by GoDog Campuses in compliance with Brand Standards).
- (b) In addition to your obligations described above in clauses (1) through (3), we periodically may modify Brand Standards, which may accommodate regional or local variations, and those modifications may obligate you to invest additional capital in the Campus and/or incur higher operating costs. You agree to implement any changes in mandatory Brand Standards within the time period we request as if they were part of this Agreement on the Effective Date. However, except for:
  - (i) changes in the Computer System;
  - (ii) changes in signage and logo (i.e., Campus exterior and interior graphics);
  - (iii) changes provided in Sections 16.3(b)(vi) and (viii) in connection with a transfer;
    - (iv) changes required by the Lease or applicable Law; and
    - (v) your obligations in clauses (1) through (3) in this Section 7.1(a),

for all of which the timing and amounts are not limited during the Term, we will not obligate you to make any capital modifications:

- (1) during the first 3 years after the Campus begins operation; or
- (2) during the last 2 years of the Term, unless the proposed capital modifications during those last 2 years (the amounts for which are not limited) are in connection with Campus upgrades, remodeling, refurbishing, and similar activities for your acquisition of a successor franchise (as provided in Section 17.1(d).
- (c) This means that, besides the rights we reserve above in Section 7.1(b), we may during the 4<sup>th</sup> through 8<sup>th</sup> years after the Campus begins operation (and unrelated to your potential acquisition of a successor franchise) require you substantially to alter the Campus's

appearance, layout, and/or design, and/or replace a material portion of the Operating Assets, in order to meet our then-current requirements and then-current Brand Standards for new GoDog Campuses. You agree that this could obligate you to make extensive structural changes to, and significantly remodel and renovate, the Campus, and/or to spend substantial amounts for new Operating Assets. You agree to spend any sums required to comply with this obligation and our requirements (even if these expenditures cannot be amortized over the remaining Term). Within 60 days after receiving written notice from us, you must prepare plans according to the standards and specifications we prescribe, using architects and contractors we designate or approve, and you must submit those plans to us for written approval. You agree to complete all work according to the plans we approve within the time period we reasonably specify and in accordance with this Agreement.

(d) We also may from time to time require you to participate in certain test programs and consumer surveys for new services, products, and/or Operating Assets. This could obligate you to spend money for new Operating Assets and to incur other operating costs for the Campus. While we need not reimburse those costs, we will not require you to spend unreasonable amounts to participate in test programs and consumer surveys. Alternatively, we have the right to use the Brand Fund to pay for these costs. You agree to maintain and timely send us any records and reports we require related to the test programs. We may discontinue any test programs before their scheduled completion dates and choose not to implement any changes to the Franchise System.

# 7.2 <u>Compliance with Applicable Laws and Good Business Practices</u>

You must secure and maintain all licenses, permits, and certificates required for the (a) Campus's operation and operate the Campus in full compliance with all Laws, including for example, kennel licenses, liquor laws (if applicable), government regulations relating to occupational hazards, advertising, health, environment, employment, workers' compensation and unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes, and sales and service taxes. Your advertising and promotion must be completely factual and conform to the highest standards of ethical advertising. The Campus must in all dealings with its customers, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You may not engage in any business or advertising practice that could injure our business and the goodwill associated with the Marks, the Franchise System, and other GoDog Campuses. You alone are responsible for ensuring that your membership agreements and presale of memberships (to the extent applicable) comply with all applicable Laws. You will be liable to the applicable legal authorities for your failure to do so (and to us if we are brought into the matter because of your failure). You must notify us in writing immediately if (i) any legal charge is asserted against you or the Campus (even if there is no formal proceeding), (ii) any action, suit, or proceeding is filed against you or the Campus, (iii) you receive any report, citation, or notice regarding the Campus's failure to comply with any licensing, health, cleanliness, or safety Law or standard, or (iv) any bankruptcy or insolvency proceeding or an assignment for the benefit of creditors is filed by or against you, your owners, or the Campus.

#### 7.3 <u>Compliance with Brand Standards</u>

(a) You agree to comply with all Brand Standards, as we may periodically modify them, as if they were part of this Agreement. You may not offer, sell, or provide at or from the Campus any services or products not authorized in the Brand Standards Manual. You must offer, sell, and provide all services and products we prescribe from time to time. We may change these services and products from time to time and from market to market based on numerous considerations. Brand

Standards may direct any aspect of the Campus's operation and maintenance that is material to the goodwill associated with the Marks, the Franchise System, and GoDog Campuses. While we maintain the right to issue and modify Brand Standards, you alone exercise day-to-day control over the Campus's operation and remain solely responsible for compliance with Brand Standards, which may include any one or more of the following:

- (i) required and/or authorized services and products; unauthorized and prohibited services and products; and inventory requirements so the Campus may operate at full capacity. We always have the right to approve or disapprove in advance all items and services to be used or sold by the Campus. We may withdraw our approval of previously-authorized products and services;
- (ii) sales, marketing, advertising, and promotional programs and the materials and media used in those programs, including participating in and complying with the requirements of any special advertising, marketing, and promotional programs we periodically specify;
- adequate staffing levels to operate the Campus in compliance with Brand Standards, appearance of Campus personnel, conducting criminal background checks and due diligence on the Campus's employees (although you alone will review the results and make employment decisions on the basis of those results), and courteous service to customers. However, you have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. Campus employees are exclusively under your control at the Campus. You must communicate clearly with Campus employees in your employment agreements, human resources manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of GoDog Campuses, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. You must obtain an acknowledgment (in the form we approve) from all Campus employees that you (and not us or our affiliates) are their employer;
- (iv) standards, procedures, and requirements for participating in and using the MSC and responding to customer complaints, including reimbursing our out-of-pocket costs if we resolve a customer complaint because you fail to do so as or when required;
- (v) price advertising policies and maximum, minimum, or other pricing requirements for services and products the Campus sells, including requirements for national, regional, and local promotions, special offers, and discounts in which some or all GoDog Campuses must participate, in each case to the maximum extent the Law allows:
- (vi) standards and recommendations for training your Campus's supervisory personnel to follow Brand Standards;

- (vii) use and display of the Marks at the Campus and on supplies;
- (viii) quality-assurance, safety-audit, guest-satisfaction, "mystery-shop," consumer-survey, and similar programs, including your using and paying directly (or reimbursing us for) our designated third-party service providers;
- (ix) minimum days and hours of operation, which may vary depending on the Campus's location;
- (x) use of various electronic, cloud-based, digital, and other payment systems (including cryptocurrency);
- (xi) use of mobile or digital systems and Franchise System applications and other digital channels ("Apps") for which we or a third-party provider has the right to charge fees;
- (xii) issuing and honoring/redeeming Loyalty Program Media and administering customer loyalty/affinity and similar programs. You must participate in, and comply with the requirements of, our Loyalty Program Media and customer loyalty programs. You agree that we may draft from your bank account all monies paid to you for Loyalty Program Media and similar customer loyalty initiatives and hold those monies until the Loyalty Program Media and similar customer loyalty initiatives are redeemed at your Campus (or, if applicable, another GoDog Campus). However, we may keep any prepaid amounts that are not used by customers to the extent allowed by Law;
- (xiii) standards, platforms, and procedures for (a) communications among you, us, and other franchisees, (b) accessing and using various aspects of the System Website, (c) using blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio, and video-sharing sites, and other similar social-networking media or tools (collectively, "Social Media") that in any way reference the Marks or involve the Campus, and (d) using the Marks as part of any domain name, homepage, electronic address, metatag, or otherwise in connection with any website or other online presence, including on or through Social Media and display ads (collectively, "Digital Marketing") (except to the extent our standards or procedures are prohibited under Law);
- (xiv) communicating with the Campus's customers only through branded mobile Apps, branded email domains, online brand-reputation-management sites, or other channels we expressly designate and only for purposes related to the Campus's operation; and
- (xv) any other aspects of operating and maintaining the Campus that we determine are useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and GoDog Campuses.
- (b) Brand Standards will not include any employment-related policies or procedures or dictate or regulate the employment terms for the Campus's employees. Any

information we provide (in the Brand Standards Manual or otherwise) concerning employment-related policies or procedures or relating to employment terms for Campus employees, is only a suggestion, and not a requirement, for your optional use.

- (c) As described in Section 7.1 above, we have the right periodically to modify and supplement Brand Standards, which may require you to invest additional capital in the Campus and incur higher operating costs. Those Brand Standards will constitute legally binding obligations on you when we communicate them. Although we retain the right to establish and modify periodically the Brand Standards you have agreed to follow, you retain complete responsibility and authority for the Campus's management and operation and for implementing and maintaining Brand Standards at the Campus.
- (d) You acknowledge the importance of operating the Campus in full compliance with this Agreement and Brand Standards. You agree that your deviation from any contractual requirement, including any Brand Standard, is a violation of this Agreement and will trigger incalculable administrative and management costs for us to address the violation (separate and apart from any damages your violation might cause to the Franchise System, our business opportunities, or the goodwill associated with the Marks). Therefore, you agree to compensate us for our incalculable administrative and management costs by paying us \$250 for each deviation from a contractual requirement, including any Brand Standard, cited by us (the "Non-Compliance Fee"). However, if we discover that same (or a substantially similar) deviation on one or more consecutive, subsequent visits to or inspections of the Campus, the Non-Compliance Fee will, at our option, be \$500 for the first repeat deviation and \$1,000 for the second and each additional repeat deviation. (The Non-Compliance Fee does not apply to payment defaults for which we may charge late fees and interest under Section 5.5 above.) We and you deem the Non-Compliance Fee to be a reasonable estimate of our administrative and management costs and not a penalty. We may debit your bank account for Non-Compliance Fees or set off monies that might otherwise be due and payable to you to cover the payment of Non-Compliance Fees. We must receive the Non-Compliance Fee within 5 days after we notify you that we are charging it due to your violation. We need not give you a cure opportunity before charging the Non-Compliance Fee. Charging the Non-Compliance Fee does not prevent us from seeking to recover damages to the Franchise System, our business opportunities, or the goodwill associated with the Marks due to your violation, seeking injunctive relief to restrain any subsequent or continuing violation, and/or formally defaulting you and terminating this Agreement under Section 18.2.

#### 7.4 Approved Services, Products, and Supplies

(a) We may periodically designate and approve Brand Standards, manufacturers, suppliers, and/or distributors for the Operating Assets and other services and products we periodically authorize for use or sale by GoDog Campuses. You must purchase or lease all Operating Assets and other services and products you use or sell at the Campus only according to our Brand Standards and, if we require, only from suppliers or distributors we designate or approve (which may include or be limited to us, certain of our affiliates, and/or other restricted sources). We and/or our affiliates may derive revenue based on your purchases and leases, including, without limitation, from charging you (at prices exceeding our and their costs) for services and products we or our affiliates sell you and from promotional allowances, volume discounts, and other amounts paid to us and our affiliates by suppliers that we designate, approve, or recommend for some or all GoDog Campus franchisees. We and our affiliates may use all amounts received from suppliers, whether or

not based on your and other franchisees' prospective or actual dealings with them, without restriction for any purposes we and our affiliates deem appropriate.

- (b) If you want to purchase or lease any Operating Assets or other products or services from a supplier or distributor we have not then approved (if we require you to buy or lease the product or service only from an approved supplier or distributor), then you must establish to our reasonable satisfaction that the product or service is of equivalent quality and functionality to the product or service it replaces and the supplier or distributor is, among other things, reputable, financially responsible, and adequately insured for product liability claims. You must pay on request any actual expenses and TRE we incur to determine whether or not the products, services, suppliers, or distributors meet our requirements and specifications.
- (c) We may condition our written approval of a supplier or distributor on requirements relating to product quality and safety; third-party lab-testing; prices; consistency; warranty; supply-chain reliability and integrity; financial stability; customer relations; frequency, economy, and efficiency of delivery; concentration of purchases; standards of service (including prompt attention to complaints); and other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any third party we designate for testing. If we approve a supplier or distributor you recommend, you agree that we may allow other GoDog Campuses to purchase or lease the Operating Assets or other products or services from those suppliers or distributors without limitation and without compensation to you.
- (d) Despite the foregoing, we may limit the number of approved suppliers and distributors with which you may deal, designate sources you must use, and refuse any of your requests for any reason, including, without limitation, because we have already designated an exclusive source (which might be us or one of our affiliates) for a particular item or service or believe that doing so is in the GoDog Campus network's best interests. You agree that it might be disadvantageous from a cost and service basis to have more than one supplier in a given market area, and that we have the right to consider the impact of any supplier approval on our and our franchisees' ability to obtain the lowest distribution costs and best service. However, we make no guaranty, warranty, or promise that we will obtain the best pricing or most advantageous terms on behalf of GoDog Campuses. We also do not guaranty the performance of suppliers and distributors to GoDog Campuses. We are not responsible or liable if the products or services provided by a supplier or distributor fail to conform to or perform in compliance with Brand Standards or our contractual terms with the supplier or distributor.
- (e) We have the right (without liability) to consult with your suppliers about the status of your account with them and to advise your suppliers and others with whom you, we, our affiliates, and other franchisees deal that you are in default under any agreement with us or our affiliates (but only if we or our affiliate has notified you of the default).

#### 7.5 <u>Computer System</u>

(a) You agree to obtain and use the computer hardware and software, point-of-sale system, computer-related accessories and peripheral equipment, tablets, smart phones, web-based scheduling, reservation, and payment systems, and on-line, digital, and App ordering systems we periodically specify (the "Computer System"). You must use the Computer System to input and access information about your revenue and operations. You must maintain the Computer System's

continuous operation. We will have continuous, unlimited access to all information maintained on the Computer System (excluding matters relating to labor relations and employment practices) and to the content of any GoDog Campus e-mail accounts we provide you.

- (b) We may periodically modify the Computer System's specifications and components. Our modification of Computer System specifications, and/or other technological developments or events, may require you to purchase, lease, or license new or modified computer hardware, software, peripherals, and other components and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you must incur the costs to obtain the computer hardware, software, peripherals, and other components comprising the Computer System (and additions and modifications) and required service or support. Within 90 days after we deliver notice to you, you must obtain the Computer System components we designate and ensure that your Computer System, as modified, is functioning properly.
- (b) We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us, on your signing a software license agreement, liability waiver, and/or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically prescribe to regulate your use of, and our (or our affiliates') and your respective rights and responsibilities with respect to, the software or technology. In addition to the Technology Fee described in Section 5.3 above, we and our affiliates may charge you upfront and ongoing fees for any other required or recommended proprietary software or technology we or our affiliates license to you and for other Computer System maintenance and support services and programs provided during the Term.
- according to our standards and specifications, you have sole and complete responsibility for: (1) acquiring, operating, maintaining, and upgrading the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; (3) all consequences if the Computer System is not properly operated, maintained, and upgraded (though we are not responsible for any outages in any of our proprietary operating software); and (4) independently determining what is required for you to comply (and then complying) at all times with the most current version of the Payment Card Industry Data Security Standards, and with all Laws governing the use, disclosure, and protection of Consumer Data (defined in Section 10) and the Computer System, and validating compliance with those standards and Laws as may be periodically required. The Computer System must permit 24 hours per day, 7 days per week electronic communications between you and us, including access to the Internet and System Website (but excluding matters relating to labor relations and employment practices).

#### 8. Marks

#### 8.1 Ownership and Goodwill of Marks

Your right to use the Marks is derived only from this Agreement and is limited to your operating the Campus according to this Agreement and all mandatory Brand Standards we prescribe. Your unauthorized use of the Marks is a breach of this Agreement and infringes our (and our licensor's) rights in the Marks. Any use of the Marks relating to the Campus, and any goodwill that use establishes, are for our (and our licensor's) exclusive benefit. We (and our licensor) may take the

action necessary to enforce all trademark use obligations under this Agreement. This Agreement does not confer any goodwill or other interests in the Marks on you, other than the right to operate the Campus according to this Agreement. All provisions in this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we periodically authorize you to use. You may not at any time during or after the Term contest or assist any other person to contest the validity, or our (or our licensor's) ownership, of the Marks.

#### 8.2 <u>Limitations on Use of Marks</u>

- (a) You agree to use the Marks as the Campus's sole identification, subject to the notices of independent ownership we periodically designate. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we license to you), (3) in selling any unauthorized services or products, (4) in any Digital Marketing, or in any user name, screen name, or profile in connection with any Social Media sites, without our consent or, if applicable, without complying with our Brand Standards, or (5) in any other manner we have not expressly authorized in writing. You may not use any Mark to advertise the transfer, sale, or other disposition of the Campus or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You must give the notices of trademark and service mark registrations we periodically specify and obtain any fictitious or assumed name registrations that applicable Law requires. You may not pledge, hypothecate, or grant a security interest in any property that bears or displays the Marks (unless the Marks are readily removable from the property) and must advise your proposed lenders of this restriction.
- (b) You must include a clear disclaimer in all of the Campus's employee-facing materials that you (and only you) are the employer of Campus employees and that we, as the franchisor of GoDog Campuses, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You also must obtain an acknowledgment (in the form we approve) from all Campus employees that you (and not we or our affiliates) are their employer.

#### 8.3 Notification of Infringements and Claims

You agree to notify us immediately of any actual or apparent infringement or challenge to your use of any Mark, any person's claim of any rights in any Mark (or any identical or confusingly similar trademark), or unfair competition relating to any Mark. You may not communicate with any person other than us and our licensor, our respective attorneys, and your attorneys regarding any infringement, challenge, or claim. We and our licensor may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding or enforcement action arising from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions we and our, and our licensor's, attorneys deem necessary or advisable to protect and maintain our (and our licensor's) interests in any litigation, Patent and Trademark Office or other proceeding, or enforcement action or otherwise to protect and maintain our (and our licensor's) interests in the Marks.

### 8.4 Discontinuance of Use of Marks

If we believe at any time that it is advisable for us and/or you to modify, discontinue using, and/or replace any Mark, and/or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse your expenses to comply with those directions (such as your costs to change signs or to replace supplies for the Campus), any loss of revenue due to any modified or discontinued Mark, or your expenses to promote a modified or substitute trademark or service mark.

#### 8.5 Indemnification for Use of Marks

We agree to reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided your use has been consistent with this Agreement, the Brand Standards Manual, and Brand Standards communicated to you and you have timely notified us of, and complied with our directions in responding to, the proceeding. At our option, we and/or our affiliate(s) may defend and control the defense of any proceeding arising from or relating to your use of any Mark under this Agreement.

## 9. <u>Confidential Information</u>

- (a) We and our affiliates possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable Law, relating to developing and operating GoDog Campuses (the "Confidential Information"), which includes, but is not limited to:
  - (i) information in the Brand Standards Manual and our Brand Standards;
  - (ii) layouts, designs, and other Plans for GoDog Campuses;
  - (iii) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating GoDog Campuses;
  - (iv) the standards, processes, information, and technologies involved in creating, developing, operating, maintaining, and enhancing digital and other sales platforms, Apps, and Loyalty Program Media;
  - (v) marketing research and promotional, marketing, and advertising programs for GoDog Campuses;
  - (vi) strategic plans, including expansion strategies and targeted demographics;
  - (vii) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, services, products, materials, and supplies that GoDog Campuses use and sell;
  - (viii) knowledge of the operating results and financial performance of GoDog Campuses other than the Campus;

- (ix) customer solicitation, communication, and retention programs, along with Data (defined in Section 13.6(a)) used or generated in those programs;
- (x) all Data and other information generated by, or used or developed in, operating the Campus, including Consumer Data, and any other information contained from time to time in the Computer System or that visitors (including you) provide to the System Website; and
- (xi) any other information we reasonably designate as confidential or proprietary.
- (b) You will not acquire any interest in any Confidential Information, other than the right to use certain Confidential Information as we specify in operating the Campus during the Term according to Brand Standards and this Agreement. You agree that using any Confidential Information in another business would constitute an unfair method of competition with us and our affiliates, suppliers, and franchisees. You agree that Confidential Information is proprietary, includes our and our affiliates' trade secrets, and is disclosed to you only on the condition that you, your owners, and your employees agree, and you and they do agree:
  - (i) not to use any Confidential Information in another business or capacity and at all times to keep Confidential Information absolutely confidential, both during and after the Term (afterward for as long as the information is not generally known in the dog and cat boarding, dog park, dog training, or pet grooming industries);
  - (ii) not to make unauthorized copies of any Confidential Information disclosed by electronic medium or in written or other tangible form;
  - (iii) to adopt and implement all reasonable procedures we periodically specify to prevent unauthorized use or disclosure of Confidential Information, including disclosing it only to Campus personnel and others needing to know the Confidential Information to operate the Campus and using confidentiality and non-disclosure agreements with those having access to Confidential Information. (We have the right to pre-approve the forms of agreements you use solely to ensure that you adequately protect Confidential Information and the competitiveness of GoDog Campuses. Under no circumstances will we control the forms or terms of employment agreements you use with Campus employees or otherwise be responsible for your labor relations or employment practices); and
  - (iv) not to sell, trade, or otherwise profit in any way from the Confidential Information (including by selling or assigning any Consumer Data or related information or Data), except during the Term using methods we have approved.
- (c) "Confidential Information" does not include information, knowledge, or know-how that lawfully is or becomes generally known in the dog and cat boarding, dog park, dog training, or pet grooming industries or that you knew from previous business experience before we gave you access to it (directly or indirectly). If we include any matter in Confidential Information,

anyone claiming it is not Confidential Information must prove that the exclusion in this Section applies.

### 10. Consumer Data

- (a) You must comply with our reasonable instructions regarding the organizational, physical, administrative, and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, buying habits, preferences, credit-card information, and other personally-identifiable information of customers ("Consumer Data") and, in any event, employ reasonable means to safeguard the confidentiality and security of Consumer Data. You must comply with all Laws governing the use, protection, and disclosure of Consumer Data.
- (b) If there is a Data Security Incident at the Campus, you must notify us immediately after becoming aware of the actual or suspected occurrence, specify the extent to which Consumer Data was compromised or disclosed, and comply and cooperate with our instructions for addressing the Data Security Incident to protect Consumer Data and the GoDog brand (including giving us or our designee access to your Computer System, whether remotely or at the Campus). We (and our designated affiliates) have the right, but no obligation, to take any action or pursue any proceeding or litigation with respect to the Data Security Incident, control the direction and handling of the action, proceeding, or litigation, and control any remediation efforts.
- (c) "Data Security Incident" means any act that initiates either internally or from outside the Campus's computers, point-of-sale terminals, and other technology or networked environment and violates the Law or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the Franchise System, GoDog Campuses, or their Data or to view, copy, or use Consumer Data or Confidential Information without authorization or in excess of authorization; unwanted disruption or denial or service; unauthorized use of a system for processing or storage of Data; and changes to system hardware, firmware, or software characteristics without our knowledge, instruction, or consent.
- (d) If we determine that any Data Security Incident results from your failure to comply with this Agreement or any requirements for protecting the Computer System and Consumer Data, you must (a) indemnify us under Section 20.5 and (b) compensate us for all other damages we incur as a result of your breach of this Agreement.

#### 11. <u>Innovations</u>

All ideas, concepts, techniques, or materials relating to a GoDog Campus, whether or not protectable intellectual property and whether created by or for you or your owners, employees, or contractors ("Innovations"), must be promptly disclosed to us and will be deemed to be our sole and exclusive property and works made-for-hire for us. To the extent any Innovation does not qualify as a "work made-for-hire" for us, by this Section you assign ownership of and all related rights to that Innovation to us and agree to sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we periodically request to evidence our ownership and to help us obtain intellectual property rights in the Innovation. You may not use any Innovation in operating the Campus or otherwise without our prior written approval.

# 12. <u>Exclusive Relationship</u>

### 12.1 Restrictions

- (a) You agree that we granted you the rights under this Agreement in consideration of and reliance on your and your owners' agreement to deal exclusively with us with respect to the services and products that GoDog Campuses offer and sell. You therefore agree that, during the Term, neither you, your owners, nor any members of your or their Immediate Families (defined below) will:
  - (i) have any direct or indirect, controlling or non-controlling interest as an owner—whether of record, beneficial, or otherwise—in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not prohibit ownership of shares of a class of securities publicly-traded on a United States stock exchange and representing less than 3% of the number of shares of that class of securities issued and outstanding;
  - (ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;
  - (iii) directly or indirectly loan any money or other thing of value, or guarantee any other person's loan, to any Competitive Business or any owner, director, officer, manager, or employee of any Competitive Business, wherever located or operating;
  - (iv) divert or attempt to divert any actual or potential business or customer of the Campus to a Competitive Business; or
  - (v) solicit other franchisees, or use available lists of franchisees, for any commercial purpose other than purposes directly related to the Campus's operation.
- (b) The term "**Competitive Business**," as used in this Agreement, means any (a) business that provides overnight pet boarding, dog day care, dog park facilities, pet grooming, and dog training, or (b) business granting franchises or licenses to others to operate the type of business described in clause (a), other than a GoDog Campus operated under a franchise agreement with us.
- (c) The term "Immediate Family" includes the named individual, his or her spouse or domestic partner, and all children of the named individual or his or her spouse or domestic partner. You agree to obtain similar covenants from your officers, directors, and other supervisory personnel, to the extent permitted by applicable Law, to the extent their competitive activities would adversely affect your Campus or the GoDog brand. We may pre-approve the forms of agreements you use solely to ensure that you adequately protect Confidential Information and the competitiveness of GoDog Campuses. Under no circumstances will we control the forms or terms of employment agreements you use with Campus employees or otherwise be responsible for your labor relations or employment practices.

#### 12.2 Directives

If there is a dispute related to this Section 12 or Section 19.5, you and your owners agree to direct any third party construing this Section or Section 19.5, including any court, arbitrator, mediator, master, or other party acting as trier-of-fact or law:

- (a) To presume conclusively that the restrictions in this Section and in Section 19.5 are reasonable and necessary to protect (a) our legitimate business interests, including the interests of our other franchisees, (b) the confidentiality of Confidential Information, (c) the integrity of the Franchise System, (d) our investment in the Franchise System, (e) the investment of our other franchisees in their franchised GoDog Campuses, and (f) the goodwill associated with the Franchise System;
- (b) To presume conclusively that the restrictions in this Section and in Section 19.5 will not unduly burden your or your owners' ability to earn a livelihood;
- (c) To construe this Section and Section 19.5 under the Laws governing distribution contracts between commercial entities in an arms-length transaction and not under Laws governing employment contracts; and
- (d) To presume conclusively that any violation of this Section or Section 19.5 was accompanied by the misappropriation and inevitable disclosure of Confidential Information and constitutes a deceptive and unfair trade practice and unfair competition.

#### 13. Advertising and Marketing

#### 13.1 Market Introduction Program

You must conduct a public relations and market introduction program for the Campus. We expect this program to begin about 5 months before the Campus opens (although we may specify a different timeframe). We will consult with you about the type of public relations and market introduction program that we believe is most suitable for your Campus's market and we will create and implement the program for you. You must spend between \$45,000 to \$65,000 on the market introduction program. The program includes fees for production and media placement and for our creation and implementation of the market introduction program for you. You must pay us for our services at the times and in the installments we specify and pay for the production and media placement expenses directly to the vendors as invoiced. The market introduction program will be implemented according to Brand Standards and our other requirements.

### 13.2 Brand Fund

(a) We have established a fund ("**Brand Fund**") for advertising, marketing, research and development, public relations, Social-Media management, lead-generation, and customer-relationship management programs, materials, and activities, the purpose of which is to enhance, promote, and protect the GoDog brand and Franchise System. You agree to contribute to the Brand Fund the amounts we periodically specify, not to exceed 3.0% of the Campus's weekly Gross Revenue. Your Brand Fund contribution is due and payable at the same time and in the same manner as the Royalty or in any other manner we periodically specify.

- We will direct all programs the Brand Fund finances, with sole control over and ownership of all creative and business aspects of the Brand Fund's activities. The Brand Fund may pay for, among other things, preparing, producing, and placing video, audio, and written materials, Digital Marketing, and Social Media; developing, maintaining, and administering one or more System Websites; administering national, regional, and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; implementing and supporting franchisees' local market introduction programs; establishing regional and national promotions and partnerships and hiring spokespersons to promote the GoDog brand; supporting public relations, market research and development, and other advertising, promotion, marketing, and brand-related activities; creating and implementing customer-satisfaction surveys; organizing and hosting franchisee conferences, conventions, and meetings; and supporting and hosting charitable or nonprofit events and community-based activities. The Brand Fund periodically may give you sample advertising, marketing, and promotional formats and materials (collectively, "Marketing Materials") at no cost. We may sell you multiple copies of Marketing Materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.
- (c) We will account for the Brand Fund separately from our other funds (although we need not keep Brand Fund contributions in a separate bank account) and not use the Brand Fund for any of our general operating expenses. However, the Brand Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer, or otherwise provide assistance or services to, the Brand Fund; the Brand Fund's administrative costs; TRE of our personnel while they are on Brand Fund business; meeting costs; overhead relating to Brand Fund business; and other expenses we and our affiliates incur administering or directing the Brand Fund and its programs, including conducting market research, public relations, creating, preparing and producing Marketing Materials, collecting and accounting for Brand Fund contributions, paying taxes due on Brand Fund contributions we receive, and any other expenses we incur operating or as a consequence of the Brand Fund.
- (d) The Brand Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Brand Fund or for any other reason.
- Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, invest any surplus for future use, and roll over unspent monies to the following year. We may use new Brand Fund contributions to pay Brand Fund deficits incurred during previous years. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. Within 120 days after each fiscal year end, we will annually prepare a report of the operations of the Brand Fund as shown on the books of the Brand Fund, and we will provide you a copy of the report on your reasonable written request. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 13.2.
- (f) The Brand Fund's principal purposes are to maximize recognition of the Marks, increase patronage of GoDog Campuses, and enhance, promote, and protect the GoDog brand and Franchise System. Although we will try to use the Brand Fund in the aggregate to develop and implement Marketing Materials and programs benefiting all GoDog Campuses, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to

Brand Fund contributions by GoDog Campuses operating in that geographic area or that any GoDog Campus benefits directly or in proportion to its Brand Fund contribution from the development of Marketing Materials or the implementation of programs. The Brand Fund will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs (including the System Website) prepared using Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect unpaid Brand Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 13.2, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

(g) We may at any time defer or reduce the Brand Fund contributions of any GoDog franchisee and, on 30 days' prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will either (i) spend the remaining Brand Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Brand Fund contributions during the preceding 12-month period.

## 13.3 Approval of Marketing and Other External Communications

All advertising, promotion, lead-generation, marketing, and public relations activities you conduct and Marketing Materials you prepare must be legal and not misleading and conform to the policies stated in the Brand Standards Manual or that we otherwise prescribe from time to time. To protect the goodwill that we and certain of our affiliates have accumulated in the "GODOG" name and other Marks, at least 30 days before you intend to use them, you must send us samples or proofs of (1) all Marketing Materials we have not prepared or already approved, and (2) all Marketing Materials we have prepared or already approved that you propose to change in any way. However, you need not send us any Marketing Materials in which you have simply completed the missing Campus-specific or pricing information based on templates we sent you. If we do not approve your Marketing Materials in writing within 30 days after we actually receive them, they will be deemed disapproved for use. We will not unreasonably withhold our approval. You may not use any Marketing Materials we have not approved or have disapproved. We reserve the right on 30 days' prior written notice to require you to discontinue using any previously-approved Marketing Materials.

## 13.4 Local Marketing

- (a) You agree to spend, during the second month of the Term and in all subsequent months, at least the following applicable percentage of the prior month's Gross Revenue on approved Marketing Materials and advertising, marketing, and promotional programs for the Campus (the "Local Marketing Spending Requirement"): (i) 6.0% in month 2-12 of operation, (ii) 4.0% from month 13 to month 36 of operation and (iii) 2.0% from month 37 to month 120 of operation and beyond.
- (b) You must help us prepare a local marketing plan for the Local Marketing Spending Requirement. Within thirty (30) days after the end of each month, you agree to send us, in

the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month.

- (c) While we will credit the amount you spend for the market introduction program towards your monthly Local Marketing Spending Requirement until it is exhausted, we do not count any of the following expenditures towards your Local Marketing Spending Requirement: Brand Fund contributions, price discounts or reductions you provide as a promotion, permanent onpremises signs, lighting, personnel salaries, administrative costs, transportation vehicles (even if they display the Marks), employee incentive programs, and other amounts that we, in our reasonable judgment, deem inappropriate to satisfy the Local Marketing Spending Requirement. If you fail to spend (or prove that you spent) the Local Marketing Spending Requirement, we may, in addition to and without limiting our other rights and remedies, require you to contribute the shortfall to the Brand Fund for use as provided in Section 13.2 above. Despite anything above, we may require you to pay us the Local Marketing Spending Requirement, which we will then spend for you in your market for the materials and activities described above.
- (d) You acknowledge that the marketing activities in which you engage will materially affect your Campus's success or lack of success. While you agree to the Local Marketing Spending Requirement above, that amount might be insufficient for you to achieve your business objectives.

#### 13.5 Regional Advertising Cooperatives

We may designate a geographic area for an advertising cooperative (a "Cooperative"). The Cooperative's members in any area are the owners of all GoDog Campuses located and operating in that area (including us and our affiliates, if applicable). Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, we determine. We may change, dissolve, and merge Cooperatives. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop Marketing Materials for the area the Cooperative covers. If, as of the Effective Date, we have established a Cooperative for the geographic area in which the Campus is located, or if we establish a Cooperative in that area during the Term, you automatically will become a member of the Cooperative and then must participate as its governing documents require. We reserve the right to require you to contribute up to 4.0% of the Campus's monthly Gross Revenue to the Cooperative. All of the Cooperative dues you contribute will count toward the Local Marketing Spending Requirement under Section 13.4 but will not affect your market introduction program obligations under Section 13.1 or be credited toward your required Brand Fund contributions.

## 13.6 System Website

(a) We or our designees may establish a website or series of websites (with or without restricted access) for the GoDog Campus network: (1) to advertise, market, identify, and promote GoDog Campuses, the services and products they offer, and/or the GoDog Campus franchise opportunity; (2) to help us operate the GoDog Campus network; and/or (3) for any other purposes we deem appropriate for GoDog Campuses or other business activities in which we engage (collectively, the "System Website"). The System Website need not provide you with a separate interior webpage or "micro-site" referencing your Campus. You must give us the information and materials we request for you to participate in the System Website. In doing so, you represent that they are accurate and not misleading and do not infringe another party's rights. We will own all intellectual property and other rights in the System Website and all information it contains, including

domain names or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Campus's customers (collectively, the "**Data**").

- (b) We will control, and may use Brand Fund contributions to develop, maintain, operate, update, and market, the System Website. You must pay our then-current monthly or other fee to participate in the various aspects of the System Website or as we otherwise require to maintain and operate the System Website's various features and functions (if, or to the extent, the Brand Fund does not pay for these costs). We have final approval rights over all information on the System Website. We may implement and periodically modify Brand Standards for the System Website.
- (c) We will allow you to participate in the System Website only while you are in substantial compliance with this Agreement and all Brand Standards (including those for the System Website). If you are in material default of any obligation under this Agreement or Brand Standards, we may, in addition to our other remedies, temporarily suspend your participation in the System Website until you fully cure the default. We will permanently terminate your access to and participation in the System Website on this Agreement's expiration or termination.
- (d) All Marketing Materials you develop for the Campus must comply with Brand Standards and contain notices of the System Website's URL in the manner we periodically designate. You may not develop, maintain, or authorize any Digital Marketing or Social Media mentioning or describing the Campus or displaying any Marks without our prior written approval and, if applicable, without complying with our Brand Standards for Digital Marketing and Social Media. Except for the System Website and approved Digital Marketing and Social Media, you may not conduct commerce or directly or indirectly offer or sell any products or services using any Digital Marketing, Social Media, or website.
- (e) Nothing in this Section limits our right to maintain websites other than the System Website or to offer and sell services and products under the Marks from the System Website, another website, or otherwise over the Internet without payment or any other obligation to you.

## 14. Records, Reports, and Financial Statements

- (a) To assure consistency and reliability with respect to the various forms of financial reporting you must make to us, you must acquire at your own expense and then use our preferred accounting and bookkeeping system that we prescribe from time to time (whether or not proprietary to us or our affiliates). The records and information in any accounting, bookkeeping, or other recordkeeping system we require will not include any records or information relating to the Campus's employees, as you control exclusively your labor relations and employment practices. You must use a Computer System to maintain certain revenue data and other information (including Consumer Data) and give us access to that data and other information (but excluding employee records, as you control exclusively your labor relations and employment practices) in the manner we specify. We may, as often as we deem appropriate (including on a daily, continuous basis), independently access the Computer System and retrieve all information regarding the Campus's operation (other than Campus employee records, as you control exclusively your labor relations and employment practices). You must give us:
  - (i) on or before the Payment Day, statistical reports showing the Campus's total Gross Revenue, customer count, and other information we request regarding you and the Campus covering the previous weekly period;

- (ii) within 15 days after the end of each month, the Campus's operating statements and financial statements (including a balance sheet and cash flow and profit and loss statements) as of the end of that month;
- (iii) within 90 days after the end of each of your fiscal years, annual profit and loss and cash flow statements, a balance sheet for the Campus as of the end of the previous fiscal year, and a narrative written description of your year-end operating results; and
- (iv) within 15 days after our request, exact copies of federal and state income, sales tax, and other tax returns and any other forms, records, books, reports, and other information we periodically require relating to you or the Campus (other than Campus employee records, as you control exclusively your labor relations and employment practices).
- (b) We may periodically specify the form and content of the reports and financial statements described above. You must verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data from these reports and statements (and to identify the Campus as the source of the reports and statements) for any business purpose we determine in our sole judgment, including the right to identify the Campus and disclose its individual financial results in both a financial performance representation appearing in Item 19 of our franchise disclosure document and a supplemental financial performance representation.
- (c) You agree to preserve and maintain all records, in the manner we periodically specify, in a secure location at the Campus or at another location we have approved in writing for at least 5 years after the end of the fiscal year to which the records relate or for any longer time the Law requires. If we reasonably determine that any report or financial statement you send us is willfully or recklessly, and materially, inaccurate, we may require you to prepare, at your own expense, audited financial statements annually during the Term until we determine that your reports and statements accurately reflect the Campus's business and operations.

## 15. <u>Inspections and Audits</u>

### 15.1 **Inspections**

(a) To determine whether you and the Campus are complying with this Agreement, all Brand Standards, and safety standards, we and our designated representatives and vendors (including "mystery" shoppers) have the right before you open the Campus for business and afterward from time to time during your regular business hours, and without prior notice to you, to inspect and evaluate the Campus, observe and record operations (including through electronic monitoring), remove samples of products and supplies, interview and interact with the Campus's supervisory employees and customers, inspect all books and records relating to the Campus, and access all electronic records on your Computer System to the extent necessary to ensure compliance with this Agreement and all Brand Standards (in all cases excluding records relating to labor relations and employment practices, as you control exclusively labor relations and employment practices for Campus employees). You must cooperate with us and our representatives and vendors in those activities. We will give you a written summary of the evaluation.

- (b) Without limiting our other rights and remedies under this Agreement, you must promptly correct at your own expense all deficiencies (i.e., failures to comply with Brand Standards) noted by our evaluators within the time period we specify after you receive notice of those deficiencies. We then may conduct one or more follow-up evaluations to confirm that you have corrected the deficiencies and otherwise are complying with this Agreement and all Brand Standards. You must pay the actual costs of the first follow-up audit, including our personnel's daily charges (including wages) and TRE. We may charge you a \$2,500 inspection fee, plus our personnel's TRE, for the second and each follow-up evaluation we make and for each inspection you specifically request. If you fail to correct a deficiency at the Campus or in its operation after these inspections, we may (short of taking over the Campus's management) take the required action for you, in which case you must immediately reimburse all of our costs.
- (c) Because we do not have the right to inspect your employment records, you agree to confirm for us periodically (in the manner specified in Brand Standards) that the Campus's employees have all certifications required by Law.

#### 15.2 Our Right to Audit

We and our designated representatives may at any time during your business hours, and without prior notice to you, examine the Campus's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records (other than records we have no authority to control and/or remedy, such as your employment records, as you control exclusively your labor relations and employment practices). You must fully cooperate with our representatives and independent accountants conducting any inspection or audit. If any inspection or audit discloses an understatement of the Campus's Gross Revenue, you must pay us, within 10 days after receiving the inspection or audit report, the amounts due on the understatement plus our administrative fee and interest from the date originally due until the date of payment. If any inspection or audit discloses an overstatement of the Campus's Gross Revenue, we will credit you (without interest) for the overpayment. Further, if an inspection or audit is necessary due to your failure to furnish reports, supporting records, or other information as required or on a timely basis, or if our examination reveals an understatement exceeding 2.0% of the amount you actually reported to us for the period examined, you must reimburse our costs for the examination, including, without limitation, legal fees, independent accountants' fees, and compensation and TRE for our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable Law.

#### 16. Transfer

## 16.1 Transfer By Us

We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After we assign this Agreement to a third party that expressly assumes this Agreement's obligations, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement. Specifically, and without limiting the foregoing, you agree that we may sell our assets (including this Agreement), the Marks, or the Franchise System to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another business entity; and/or undertake a refinancing, recapitalization, leveraged buyout, securitization, or other economic or financial restructuring.

## 16.2 Transfer by You and Definition of Transfer

- (a) You agree that the rights and duties this Agreement creates are personal to you and your owners, and we have granted you the rights under this Agreement in reliance on our perceptions of your and your owners' character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither: (i) this Agreement or any interest in this Agreement; (ii) the Campus or any right to receive all or a portion of the profits, losses, or capital appreciation relating to the Campus; (iii) all or substantially all of the Operating Assets; (iv) any ownership interest in you; nor (v) a controlling ownership interest in an Entity with an ownership interest in you, may be transferred without our prior written approval. A transfer of the Campus's ownership, possession, or control, or all or substantially all of the Operating Assets, may be made only with the concurrent transfer (to the same proposed transferee) of the franchise rights (with the transferee assuming this Agreement or signing our then-current form of franchise agreement and related documents, as we may require). Any transfer without our prior written approval is a breach of this Agreement and has no effect, meaning you and your owners will continue to be obligated to us for all your obligations under this Agreement.
- (b) In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including the following events:
  - (i) transfer of record or beneficial ownership of stock or any other ownership interest or the right to receive (directly or indirectly) all or a portion of the profits, losses, or any capital appreciation relating to the Campus;
  - (ii) a merger, consolidation, or exchange of ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or a redemption of ownership interests;
  - (iii) any sale or exchange of voting interests or securities convertible to voting interests, or any management or other agreement granting the right (directly or indirectly) to exercise or control the exercise of any owner's voting rights or to control your (or an Entity with an ownership interest in you) or the Campus's operations or affairs;
  - (iv) transfer in a divorce, insolvency, or Entity dissolution proceeding or otherwise by operation of law;
  - (v) transfer by will, declaration of or transfer in trust, or under the laws of intestate succession; or
  - (vi) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security or collateral, foreclosure on or attachment or seizure of the Campus, or your transfer, surrender, or loss of the Campus's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Campus's assets (not including this Agreement or the franchise rights) to a lender that finances your acquisition, development, and/or operation of the Campus without having to obtain our prior written approval as long as you give us 10 days' prior written notice. Notwithstanding

the above, you may not pledge, hypothecate, or grant a security interest in any property that bears or displays the Marks (unless the Marks are readily removable from the property) and must advise your proposed lenders of this restriction. This Agreement and the franchise rights granted to you by this Agreement may not be pledged as collateral or be the subject of a security interest, lien, levy, attachment, or execution by your creditors or any financial institution. Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code is limited as described in Section 9-408(d) of the Uniform Commercial Code.

## 16.3 Conditions for Approval of Transfer

If you and your owners are in full compliance with this Agreement, then, subject to this Section 16's other provisions:

- (a) We will approve the transfer of a non-controlling ownership interest in you if the proposed transferee and its owners are of good moral character, have no ownership interest in and do not perform services for (and have no affiliates with an ownership interest in or performing services for) a Competitive Business, otherwise meet our then-applicable standards for non-controlling owners of GoDog Campus franchisees, sign our then-current form of Guaranty and Assumption of Obligations and pay us a \$5,000 transfer fee. The term "controlling ownership interest" is defined in Section 21.13(e).
- (b) If the proposed transfer involves the franchise rights granted by this Agreement or a controlling ownership interest in you or in an Entity owning a controlling ownership interest in you, or is one of a series of transfers (regardless of the timeframe over which those transfers take place) in the aggregate transferring the franchise rights granted by this Agreement or a controlling ownership interest in you or in an Entity owning a controlling ownership interest in you, then we will not unreasonably withhold our approval of a proposed transfer meeting all of the following conditions (provided, however, there may be no transfer until after the Campus has opened for business):
  - (i) on both the date you send us the transfer request and the transfer's proposed effective date: (1) the transferee and its direct and indirect owners have the necessary business experience, aptitude, and financial resources to operate the Campus, (2) the transferee otherwise is qualified under our then-existing standards for the approval of new franchisees or of existing franchisees interested in acquiring additional franchises (including the transferee and its affiliates are in substantial operational compliance, at the time of the application, under all other franchise agreements for GoDog Campuses to which they then are parties with us), and (3) the transferee and its owners are not restricted by another agreement (whether or not with us) from purchasing the Campus or the ownership interest in you or the Entity that owns a controlling ownership interest in you;
  - (ii) on both the date you send us the transfer request and the transfer's proposed effective date, you have paid all required Royalties, Technology Fees, Brand Fund contributions, MSC Fees, and other amounts owed to us and our affiliates relating to this Agreement and the Campus, have submitted all required reports and statements, and are not in breach of any provision of this Agreement or another agreement with us or our affiliates relating to the Campus;

- (iii) on both the date you send us the transfer request and the transfer's proposed effective date, neither the transferee nor any of its direct or indirect owners or affiliates operates, has an ownership interest in, or performs services for a Competitive Business;
- (iv) before or after the transfer's proposed effective date (as we determine), the transferee's management personnel, if different from your management personnel, satisfactorily complete our then-current Initial Training;
- (v) the transferee has the right to occupy the Campus's site for the expected franchise term;
- (vi) before the transfer's proposed effective date, the transferee and each of its owners (if the transfer is of the franchise rights granted by this Agreement), or you and your owners (if the transfer is of a controlling ownership interest in you or in an Entity owning a controlling ownership interest in you), if we so require, sign our then-current form of franchise agreement and related documents (including a Guaranty and Assumption of Obligations), the provisions of which may differ materially from those in this Agreement, provided, however, that (i) the term of the new franchise agreement signed will equal the unexpired portion of this Agreement's Term, (ii) the Royalty, Technology Fee, and Brand Fund contribution levels in this Agreement will be substituted into the then-current form of franchise agreement that you sign for the balance of the initial franchise term (i.e., the unexpired portion of the Term), and (iii) the Area of Protection defined in this Agreement will be substituted into the then-current form of franchise agreement that you sign for the balance of the initial franchise term (i.e., the unexpired portion of the Term);
- (vii) before the transfer's proposed effective date, you or the transferee pays us a transfer fee of \$25,000;
- (viii) before the transfer's proposed effective date, the transferee agrees to repair and/or replace Operating Assets and upgrade the Campus in accordance with our then-current requirements and specifications for new GoDog Campuses within the timeframe we specify following the transfer's effective date;
- (ix) on the transfer's proposed effective date, you (and your transferring owners) sign a general release, in a form satisfactory to us, of all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors, and assigns;
- (x) we have determined that the purchase price, payment terms, and required financing will not adversely affect the transferee's operation of the Campus;
- (xi) if you or your owners finance any part of the purchase price, you and they agree before the transfer's proposed effective date that the transferee's obligations under promissory notes, agreements, or security interests reserved in the Operating Assets, the Campus, or ownership interests in you are subordinate to the transferee's (and its owners') obligation to pay Royalties, Technology Fees, Brand

Fund contributions, MSC Fees, and other amounts due to us and our affiliates and otherwise to comply with this Agreement;

- (xii) before the transfer's proposed effective date, you and your transferring owners (and members of their Immediate Families) agree, for 2 years beginning on the transfer's effective date, not to engage in any activity proscribed in Section 19.5 below; and
- (xiii) before the transfer's proposed effective date, you and your transferring owners agree not directly or indirectly at any time afterward or in any manner (except with other GoDog Campuses you or they own or operate) to: (i) identify yourself or themselves in any business as a current or former GoDog Campus or as one of our franchisees; (ii) use any Mark, any colorable imitation of a Mark, any trademark, service mark, or commercial symbol that is confusingly similar to any Mark, any copyrighted items, or other indicia of a GoDog Campus for any purpose; or (iii) use for any purpose any trade dress, trade name, trademark, service mark, or other commercial symbol suggesting or indicating a connection or association with us.
- (c) If the proposed transfer is to or among your owners, your or their Immediate Family members, or an Entity you control, then the transfer fee in subsection 16.3(b)(vii) will be \$12,500.
- (d) You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you. Therefore, our contact with potential transferees to protect our business interests will not constitute improper or unlawful conduct. You authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms, to communicate candidly and truthfully with the transferee regarding your operation of the Campus, and to withhold our consent, as long as our decision is not unreasonable, even if the conditions in subsection 16.3(b) above are satisfied. You waive any claim that our decision to withhold approval of a proposed transfer in order to protect our business interests—if that decision was reasonable despite satisfaction of the conditions in subsections 16.3(b) above—constitutes tortious interference with contractual or business relationships or otherwise violates any Law. We may review all information regarding the Campus you give the proposed transferee, correct any information we believe is inaccurate, and give the proposed transferee copies of any reports you have given us or we have made regarding the Campus.
- (e) Notwithstanding anything to the contrary in this Section 16, we need not consider a proposed transfer of a controlling or non-controlling ownership interest in you, or a proposed transfer of this Agreement, until you (or an owner) and the proposed transferee first send us a copy of the bona fide offer to purchase or otherwise acquire the particular interest from you (or the owner). For an offer to be considered "bona fide," we may require it to include a copy of all proposed agreements between you (or your owner) and the proposed transferee related to the sale, assignment or transfer.

## 16.4 <u>Transfer to a Wholly-Owned or Affiliated Entity</u>

Notwithstanding Section 16.3, if you are in full compliance with this Agreement, you may transfer this Agreement, together with the Operating Assets and all other assets associated with the Campus, to a newly formed Entity that will conduct no business other than the Campus and, if applicable, other GoDog Campuses and of which you or your then-existing owners own and control 100% of the equity and voting power of all issued and outstanding ownership interests, provided that all Campus assets are owned, and the Campus is operated, only by that single Entity. The Entity must expressly assume all of your obligations under this Agreement, but you will remain personally liable under this Agreement as if the transfer to the Entity did not occur. Transfers of ownership interests in that Entity are subject to the restrictions in Section 16.3.

### 16.5 **Death or Disability**

- (a) Transfer on Death or Disability. On the death or disability of one of your owners, that owner's executor, administrator, conservator, guardian, or other personal representative (the "**Representative**") must transfer the owner's ownership interest in you (or an owner) to a third party, which may include an Immediate Family member. That transfer (including transfer by bequest or inheritance) must occur, subject to our rights under this Section 16.5, within a reasonable time, not to exceed 6 months from the date of death or disability, and is subject to all conditions in this Section 16. A failure to transfer the interest within this time period is a breach of this Agreement.
- (b) Operation on Death or Disability. If, on the death or disability of any of your owners, the Campus's day-to-day operations are not being managed by a trained manager, then you or the Representative (as applicable) must within a reasonable time, not to exceed 30 days from the date of death or disability, hire a new manager to operate the Campus. The manager must at your expense satisfactorily complete the training we designate within the time period we specify. We have the right to assume the Campus's management, as described in Section 18.3, for the time we deem necessary if the Campus is not in our opinion being managed properly on the death or disability of one of your owners.

#### 16.6 Effect of Consent to Transfer

Our consent to any transfer is not a representation of the fairness of any contract terms between you (or your owner) and the transferee, a guarantee of the Campus's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance with this Agreement.

#### 16.7 Our Right of First Refusal

(a) If you, any of your owners, or the owner of a controlling ownership interest in an Entity with an ownership interest in you at any time determines to sell or transfer for money or other consideration (which can be independently valued in dollars) the franchise rights granted by this Agreement and the Campus (or all or substantially all of its Operating Assets), a controlling ownership interest in you, or a controlling ownership interest in an Entity with a controlling ownership interest in you (except to or among your current owners or in a transfer under Section 16.4, which are not subject to this Section 16.7), you agree to obtain from a responsible and fully-disclosed buyer, and send us, a true and complete copy of a bona fide, signed written offer (which, as

noted in Section 16.3 above, we may require to include a copy of all proposed agreements related to the sale or transfer). The offer must include details of the proposed sale or transfer's payment terms and the financing sources and terms of the proposed purchase price and provide for an earnest money deposit of at least 5% of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be a fixed-dollar amount, without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to the rights granted by this Agreement and the Campus (or all or substantially all of its Operating Assets), a controlling ownership interest in you, or a controlling ownership interest in an Entity with a controlling ownership interest in you. It may not relate to any other interests or assets. We may require you (or your owners) to send us copies of any materials or information you send to the proposed buyer or transferee regarding the possible transaction.

- We may, by written notice delivered to you within 30 days after we receive (b) both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms in the offer, provided that: (1) we may substitute cash for any form of consideration proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing of our purchase will not (unless we agree otherwise) be earlier than 60 days after we notify you of our election to purchase or, if later, the closing date proposed in the offer; (4) you and your owners must sign the general release described in Section 16.3(b)(ix); and (5) we must receive, and you and your owners agree to make (even if not included in the offer), all customary representations, warranties, and indemnities given by the seller of the assets of a business or of ownership interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any Law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Campus before the closing of our purchase. If the offer is to purchase all of your ownership interests, we may elect instead to purchase all of the Campus's assets (and not any of your ownership interests) on the condition that the amount we pay you for the assets equals the full value of the transaction as proposed in the offer (i.e., the value of all assets to be sold and of all liabilities to be assumed).
- (c) Once you or your owners submit the offer and related information to us triggering the start of the 30-day decision period referenced above, the offer is irrevocable for that 30-day period. This means we have the full 30 days to decide whether to exercise the right of first refusal and may choose to do so even if you or your owners change your, his, her, or its mind during that period and prefer after all not to sell the particular interest that is the subject of the offer. You and your owners may not withdraw or revoke the offer for any reason during the 30 days, and we may exercise the right to purchase the particular interest in accordance with this Section's terms.
- (d) If we exercise our right of first refusal and close the transaction, you and your transferring owners agree that, for 2 years beginning on the closing date, you and they (and members of your or their Immediate Families) will be bound by the non-competition covenants in Section 19.5.
- (e) If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we approve the transfer as provided in this Section 16. If you or your owners do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal,

or if there is a material change in the sale's terms (which you agree to tell us promptly), we will have an additional right of first refusal during the 30 days following either expiration of the 60 day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

(f) We have the unrestricted right to assign this right of first refusal to a third party (including an affiliate), which then will have the rights described in this Section 16.7. (All references in this Section 16.7 to "we" or "us" include our assignee if we have exercised our right to assign this right of first refusal to a third party.) We waive our right of first refusal for sales or transfers to Immediate Family members meeting the criteria in Section 16.3.

# 17. Expiration of Agreement

## 17.1 Offer of Successor Franchise Agreement.

When this Agreement expires (unless it is terminated sooner), you will have the right to acquire a successor franchise to continue operating the Campus as a GoDog Campus for 10 years under our then-current form of franchise agreement, but only if you:

- (a) have requested in writing and conducted with us a business review at least 6 months, but not more than 9 months, before the end of the Term and then have formally notified us of your desire to acquire a successor franchise no less than 3 months before the end of the Term;
- (b) have substantially complied with all of your obligations under this Agreement and all other agreements with us or our affiliates related to the Campus, including operated the Campus in substantial compliance with Brand Standards, during the Term, as noted in the business review we conduct;
- (c) continue complying substantially with all of your obligations under this Agreement and all other agreements with us or our affiliates related to the Campus between the time you formally notify us of your desire to acquire a successor franchise and the end of the Term; and
- (d) retain the right to occupy the Campus at its original site, have remodeled and upgraded the Campus, and otherwise have brought the Campus into full compliance with thenapplicable specifications and standards for new GoDog Campuses (regardless of cost) before this Agreement expires. We have no obligation to grant you a successor franchise if you wish to relocate the Campus or no longer have the right to occupy the Campus at its original site.

### 17.2 Requirements to Obtain a Successor Franchise Agreement.

To acquire a successor franchise, you and your owners must: (i) sign our then-current form of franchise agreement (and related documents), which may contain terms differing materially from those in this Agreement, including higher Royalties, Technology Fees, and Brand Fund contributions (provided that the Area of Protection will remain the same during the successor franchise), and will be modified to reflect that it is for a successor franchise; (ii) pay us a successor franchise fee of \$5,000; and (iii) sign a general release in the form we specify as to all claims against us, our affiliates, and our and their respective owners, officers, directors, employees, agents, representatives, successors, and assigns. If you fail to sign and return the documents referenced above, together with the successor

franchise fee, within 30 days after we deliver them to you, that will be deemed your irrevocable election not to acquire a successor franchise.

## 17.3 Failure to Notify.

If you fail to notify us by the deadline specified in Subsection 17.1(a) above of your desire to acquire a successor franchise, or if you (and your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise (at or after the business review) and on the date on which this Agreement expires, in substantial compliance with this Agreement and all other agreements with us or our affiliates related to the Campus, you agree that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its Term under Section 18. We may condition our grant of a successor franchise on your completing certain requirements on or before designated deadlines following the start of the successor franchise term.

#### 18. <u>Termination of Agreement</u>

#### 18.1 Termination by You

You may terminate this Agreement if we materially breach any of our obligations under this Agreement and fail to correct that breach within 30 days after you deliver written notice to us of the breach; provided, however, if we cannot reasonably correct the breach within those 30 days but give you, within the 30 days, evidence of our effort to correct the breach within a reasonable time period, then the cure period will run through the end of that reasonable time period. Your termination of this Agreement other than according to this Section 18.1 will be deemed a termination without cause and your breach of this Agreement.

#### 18.2 Termination by Us

We may, at our option, terminate this Agreement, effective immediately on delivery of written notice of termination to you, on the occurrence of any one of the following events:

- (a) you (or any of your direct or indirect owners) have made or make any material misrepresentation or omission in connection with your application for and acquisition of the franchise or your operation of the Campus, including, without limitation, by intentionally or through your gross negligence understating the Campus's Gross Revenue for any period;
- (b) you do not start pursuing diligently immediately following the Effective Date, and secure at least 30 days before the anticipated Lease-signing date, all financing required to construct, develop, and open the Campus;
- (c) you fail (1) to meet any development obligation identified in Section 4 on or before the required deadline (unless extended with our written approval), or (2) to open and begin operating the Campus in compliance with this Agreement, including all Brand Standards (including with a fully-trained staff), on or before the Opening Deadline (unless extended with our written approval);
- (d) you (1) abandon the Campus, meaning you have deserted, walked away from, or closed the Campus under circumstances leading us to conclude that you have no intent to return

to the Campus, regardless of how many days have passed since the apparent abandonment, or (2) fail actively and continuously to operate the Campus for at least 3 consecutive days (except where closure is due to fire, riot, flood, terrorist acts, or natural disaster and you notify us within 3 days after the particular occurrence to obtain our written approval to remain closed for an agreed-on amount of time as is necessary under the circumstances before we will require you to re-open);

- (e) you, any of your owners, or the owner of a controlling ownership interest in an Entity with an ownership interest in you makes a purported transfer in violation of Section 16;
- (f) you (or any of your direct or indirect owners) are convicted of a felony, a crime of moral turpitude or any other crime or offense that we believe is likely to have a material adverse effect on the System, the Proprietary Property, the goodwill associated with the Proprietary Property, or our interest in any of the Proprietary Property;
- (g) you (or any of your direct or indirect owners) engage in any dishonest, unethical, immoral, or similar conduct as a result of which your (or the owner's) association with the Campus (or the owner's association with you) could, in our reasonable opinion, have a material adverse effect on the goodwill associated with the Marks;
- (h) a lender forecloses on its lien on a substantial and material portion of the Campus's assets;
- (i) an entry of judgment against you involving aggregate liability of \$25,000 or more in excess of your insurance coverage, and the judgment remains unpaid for 10 days or more following its entry;
- (j) you (or any of your direct or indirect owners) misappropriate any Confidential Information or violate any provisions of Section 12, including, but not limited to, by holding interests in or performing services for a Competitive Business;
- (k) If a serious or imminent threat or danger to public health or safety results from the construction, maintenance or operation of the GoDog Campus and the threat or danger remains uncorrected for 5 days after your receipt of written notice from us or a governmental authority;
- (l) you violate any material Law relating to the Campus's development, operation, or marketing and do not (1) begin to correct the noncompliance or violation immediately after delivery of written notice (regardless of by whom sent to you) or (2) completely correct the noncompliance or violation within the time period prescribed by Law, unless, in the case of both (1) and (2), you are in good faith contesting your liability for the violation through appropriate proceedings or, in the case of (2) only, you provide reasonable evidence to us and the relevant authority of your continued efforts to correct the violation within a reasonable time period;
- (m) you fail to report the Campus's Gross Revenue or to pay us or any of our affiliates any amounts when due and do not correct the failure within 5 days after we send you a written notice;
- (n) you underreport the Campus's Gross Revenue by 2.0% or more on 3 separate occasions within any 24 consecutive-months or by 5.0% or more during any reporting period;

- (o) you fail to maintain the insurance this Agreement requires or to send us satisfactory evidence of this insurance within the required time, or significantly modify your insurance coverage without our written approval, and do not correct the failure within 5 days after we send you a written notice;
- (p) you fail to pay when due any federal or state income, service, sales, employment, or other taxes due on the Campus's operation, unless you are in good faith contesting your liability for the taxes through appropriate proceedings;
- (q) you (or any of your direct or indirect owners) (1) fail on 3 or more separate occasions within any 12 consecutive-month period to comply with this Agreement (including any Brand Standard), whether or not you correct the failures after our delivery of notice to you (which includes failures identified and reported to you during any inspection we conduct under Section 15.1), or (2) fail on 2 or more separate occasions within any 6 consecutive-month period to comply with the same obligation under this Agreement (including any Brand Standard), whether or not you correct the failures after our delivery of notice to you (which includes failures identified and reported to you during any inspection we conduct under Section 15.1);
- (r) you deny us the right to inspect the GoDog Campus or to audit the records of the GoDog Campus;
- (s) you fail to pay amounts you owe to our designated, approved, or recommended suppliers within 30 days following the due date (unless you are contesting the amount in good faith), or you default (and fail to cure within the allocated time) under any note, lease, or agreement we deem material relating to the Campus's operation or ownership, and do not correct the failure within 5 days after we send you a written notice;
- (t) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of your property; the Campus is attached, seized, or levied on, unless the attachment, seizure, or levy is vacated within 60 days; or any order appointing a receiver, trustee, or liquidator of you or the Campus is not vacated within 60 days following its entry;
- (u) your or any of your owners' assets, property, or interests are blocked under any Law relating to terrorist activities, or you or any of your owners otherwise violate any such Law;
- (v) you lose the right to occupy the Campus's premises due to your Lease default (even if you have not yet vacated the Campus's premises);
- (w) you lose the right to occupy the Campus's premises (but not due to your Lease default), or the Campus is damaged to such an extent that you cannot operate the Campus at its existing location over a 30 day period;
- (x) you cause or contribute to a Data Security Incident or fail to comply with any requirements to protect Consumer Data; or

(y) you fail to comply with any other obligation under this Agreement or any other agreement between us (or any of our affiliates) and you relating to the Campus, including, without limitation, any Brand Standard, and do not correct the failure to our satisfaction within 30 days after we send you a written notice.

## 18.3 Assumption of Campus's Management

- (i) If you abandon or fail actively to operate the Campus for any period, (ii) under the circumstances described in Sections 16.5 and 18.4, and (iii) after termination or expiration of this Agreement while we are deciding whether to exercise our right to purchase the Campus's Operating Assets under Section 19.6, we or our designee has the right (but not the obligation) to enter the site and assume the Campus's management for any time period we deem appropriate. Our manager will exercise control over the working conditions of the Campus's employees only to the extent this control is related to our legitimate interest in protecting, and is necessary at that time to protect, the quality of our services, products, or brand. If we assume the Campus's management, all revenue from the Campus's operation during our management period will (except as provided below) be kept in a separate account, and all Campus expenses will be charged to that account. In addition to all other fees and payments owed under this Agreement on account of the Campus's operation, we may charge you a reasonable management fee, not to exceed 10% of the Campus's Gross Revenue, plus any out-of-pocket expenses incurred in connection with the Campus's management, including salaries and travel expenses. We or our designee will have a duty to use only reasonable efforts and, if we or our designee is not grossly negligent and does not commit an act of willful misconduct, will not be liable to you or your owners for any debts, losses, lost or reduced profits, or obligations the Campus incurs, or to any of your creditors for any supplies, products, or other assets or services the Campus purchases, while we or our designee manages it. We may require you to sign our then-current form of management agreement, which will govern the terms of our management of the Campus.
- (b) If we or our designee assumes the Campus's management due to your abandonment or failure actively to operate the Campus, or after termination or expiration of this Agreement while we are deciding whether to exercise our right to purchase the Campus's Operating Assets under Section 19.6, we or our designee may retain all, and need not pay you or otherwise account to you for any, Gross Revenue generated while we or our designee manages the Campus.

### 18.4 Other Remedies On Default

- (a) On your failure to remedy any noncompliance with any provision of this Agreement or any Brand Standard, or another default specified in any written notice issued to you under Section 18.2, within the time period (if any) we specify in our notice, we have the right, until the failure has been corrected to our satisfaction, to take any one or more of the following actions:
  - (i) suspend your right to participate in one or more advertising, marketing, or promotional programs that we or the Brand Fund provides;
  - (ii) suspend or terminate your participation in any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise);

- (iii) refuse to provide any operational support this Agreement requires; and/or assume the Campus's management, as described in Section 18.3, for the time we deem necessary to correct the default, for all of which costs you must reimburse us (in addition to the amounts you must pay us under Section 18.3).
- (b) Exercising any of these rights will not constitute an actual or constructive termination of this Agreement or be our sole and exclusive remedy for your default. If we exercise any remedies in this Section rather than terminate this Agreement, we may at any time after the applicable cure period under the written notice has lapsed (if any) terminate this Agreement without giving you any additional corrective or cure period. During any suspension period, you must continue paying all fees and other amounts due under, and otherwise comply with, this Agreement and all related agreements. Our election to suspend your rights as provided above is not our waiver of any breach of this Agreement. If we rescind any suspension of your rights, you are not entitled to any compensation (including, without limitation, repayment, reimbursement, refunds, or offsets) for any fees, charges, expenses, or losses you might have incurred due to our exercise of any suspension right provided above.

### 19. Rights and Obligations on Termination or Expiration of This Agreement

### 19.1 Payment of Amounts Owed

You agree to pay us within 15 days after this Agreement expires or is terminated, or on any later date we determine the amounts due to us, the Royalties, Technology Fees, Brand Fund contributions, MSC Fees, late fees and interest, and other amounts owed to us (and our affiliates) that are then unpaid.

#### 19.2 <u>De-Identification</u>

- (a) On termination or expiration of this Agreement, you must de-identify the Campus in compliance with this Section and as we reasonably require. De-identification includes, but is not limited to, taking the following actions:
  - (i) beginning immediately on the effective date of termination or expiration, you and your owners may not directly or indirectly at any time afterward or in any manner (except in connection with other GoDog Campuses you or they own and operate): (1) identify yourself or themselves in any business as a current or former GoDog Campus or as one of our current or former franchisees; (2) use any Mark, any colorable imitation of a Mark, any trademark, service mark, or commercial symbol that is confusingly similar to any Mark, any copyrighted items, or other indicia of a GoDog Campus for any purpose; or (3) use for any purpose any trade dress, trade name, trademark, service mark, or other commercial symbol suggesting or indicating a connection or association with us.
  - (ii) immediately on the effective date of termination or expiration, you must take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;
  - (iii) if we do not exercise our option under Section 19.6 below, you must at your own cost, and without any payment from us for these items, destroy all signs,

Marketing Materials, forms, and other materials containing any Mark within 20 days after the De-identification Date (defined below). If you fail to do so voluntarily, we and our representatives may enter the Campus at our convenience and remove these items without liability to you, the landlord, or any other third party for trespass or any other claim. You must reimburse our costs of doing so. (Notwithstanding the above, you may after the De-identification Date sell these branded items to another GoDog Campus franchisee.);

- (iv) if we do not exercise the option under Section 19.6 below, you must at your own cost, and without any payment from us for these items, destroy all materials that are proprietary to the GoDog brand within 30 days after the Deidentification Date. If you fail to do so voluntarily when we require, we and our representatives may enter the Campus at our convenience and remove these items without liability to you, the landlord, or any other third party for trespass or any other claim. You must reimburse our costs of doing so. (Notwithstanding the above, you may after the De-identification Date sell these branded items to another GoDog Campus franchisee.);
- (v) if we do not exercise the option under Section 19.6 below, you must at your own expense within 20 days after the De-identification Date make the alterations we specify to distinguish the Campus clearly from its former appearance and from other GoDog Campuses to prevent public confusion. If you fail to do so voluntarily when we require, we and our representatives may enter the Campus at our convenience and take this action without liability to you, your landlord, or any other third party for trespass or any other claim. We need not compensate you or the landlord for any alterations. You must reimburse our costs of de-identifying the Campus;
- (vi) you must within 15 days after the De-identification Date notify the telephone company and all telephone directory publishers (both web-based and print) of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; authorize, and not interfere with, the transfer of those numbers and directory listings to us or at our direction; and/or instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and
- (vii) you must immediately cease using or operating any Digital Marketing and Social Media related to the Campus or the Marks, take all action required to disable Digital Marketing and Social Media accounts, and cancel all rights in and to any accounts for Digital Marketing and Social Media (unless we request you to assign them to us).
- (b) The "**De-identification Date**" means: (1) if we exercise the option under Section 19.6, the closing date of our (or our designee's) purchase of the Campus's assets; or (2) if we do not exercise the option under Section 19.6, the date on which that option expires or we notify you of our decision not to exercise, or to withdraw our previous exercise, of that option, whichever occurs first.

### 19.3 Confidential Information

On termination or expiration of this Agreement, you and your owners must immediately cease using any of our Confidential Information in any business or otherwise and return to us all copies of the Brand Standards Manual and any other confidential materials to which we gave you access. You may not sell, trade, or otherwise profit in any way from any Consumer Data or other Confidential Information at any time after expiration or termination of this Agreement.

#### **19.4** Notification to Customers

On termination or expiration of this Agreement, we have the right to contact (at our expense) previous, current, and prospective customers to inform them that a GoDog Campus no longer will operate at the Campus's location or, if we intend to exercise the option under Section 19.6, that the Campus will operate under new management. We also have the right to inform them of other nearby GoDog Campuses. Exercising these rights will not constitute interference with your contractual or business relationship with those customers.

#### 19.5 Covenant Not to Compete

- (a) On our termination of this Agreement in compliance with its terms, your termination of this Agreement without cause, or expiration of this Agreement (without the grant of a successor franchise), you and your owners agree that neither you, they, nor any member of your or their Immediate Families will:
  - (i) have any direct or indirect, controlling or non-controlling interest as an owner—whether of record, beneficial, or otherwise—in any Competitive Business located or operating:
    - (1) at the Campus's site; or
    - (2) within 10 miles of the Campus's site; or
    - (3) within 10 miles of the physical location of another GoDog Campus in operation or under construction on the later of the effective date of termination or expiration or the date on which the restricted person begins to comply with this Section 19.5,

provided that this restriction does not prohibit ownership of shares of a class of securities publicly-traded on a United States stock exchange and representing less than 3.0% of the number of shares of that class of securities issued and outstanding; or

- (ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business located or operating:
  - (1) at the Campus's site; or
  - (2) within 10 miles of the Campus's site; or

- (3) within 10 miles of the physical location of another GoDog Campus in operation or under construction on the later of the effective date of termination or expiration or the date on which the restricted person begins to comply with this Section 19.5.
- by these competitive restrictions for 2 years beginning on the effective date of this Agreement's termination or expiration. However, if a restricted person does not begin to comply with these competitive restrictions immediately, the 2-year restrictive period for that non-compliant person will not start to run until the date on which that person begins to comply with the competitive restrictions (whether or not due to the entry of a court order enforcing this provision). The running of the 2-year restrictive period for a restricted person will be suspended whenever that restricted person breaches this Section and will resume when that person resumes compliance. The restrictive period also will be tolled automatically during the pendency of a proceeding in which either party challenges or seeks to enforce these competitive restrictions. These restrictions also apply after a permitted transfer under Section 16 above. You (and your owners) agree that you (and they) possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, our enforcing the covenants in this Section 19.5 will not deprive you (and them) of personal goodwill or the ability to earn a living. The terms of Section 12 of this Agreement also apply to the competitive restrictions described in this Section 19.5.

### 19.6 Option to Purchase Operating Assets

## (a) Exercise of Option

(i) On our termination of this Agreement in compliance with its terms, your termination of this Agreement without cause, or expiration of this Agreement (without the grant of a successor franchise), we have the option, exercisable by giving you written notice before or within 30 days after the effective date of termination or expiration, to purchase the Operating Assets and other assets associated with the Campus's operation that we designate. We have the unrestricted right to assign this purchase option to a third party (including an affiliate), which then will have the rights and, if the purchase option is exercised, obligations described in this Section 19.6. (All references in this Section 19.6. to "we" or "us" include our assignee if we have exercised our right to assign this purchase option to a third party.) We are entitled to all customary representations, warranties, and indemnities in our asset purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Campus before the closing of our purchase. While we (or our assignee) are deciding whether to exercise the option to purchase, we (or our assignee) have the right to conduct any investigations to determine: (1) the ownership and condition of the Operating Assets; (2) liens and encumbrances on the Operating Assets; (3) environmental and hazardous substances at or on the Campus's site; and (4) the validity of contracts and liabilities inuring to us (or our assignee) or affecting the Assets. You must give us and our representatives access to the Campus at all reasonable times to conduct inspections of the Operating Assets.

(ii) If you or one or more of your owners, directly or through another entity, hold title to the underlying real estate on which the Campus's physical structure is located, we (or our assignee) may elect to lease that site from you or your owner (or the entity) for an initial 5 or 10 year term (at our option), with one renewal term of 5 or 10 years (again at our option), on commercially reasonable terms. If you lease the Campus's site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

#### (b) Purchase Price

- (i) If we elect to purchase all or substantially all of the Operating Assets and other assets associated with the Campus's operation, the purchase price for those assets will be their fair market value, although fair market value will not include any value for (1) the franchise or any rights granted by this Agreement, (2) goodwill attributable to our Marks, brand image, and other intellectual property, or (3) participation in the network of GoDog Campuses. In all cases, we may exclude from the assets purchased any Operating Assets or other items not reasonably necessary (in function or quality) to the Campus's operation or that we have not approved as meeting Brand Standards; the purchase price will reflect those exclusions. We and you must work together in good faith to agree on the assets' fair market value within 15 days after we deliver our notice exercising our right to purchase. If we and you cannot agree on fair market value within this 15-day period, fair market value will be determined by the following appraisal process.
- Fair market value will be determined by one independent accredited appraiser on whom we and you agree who, in conducting the appraisal, will be bound by the criteria specified above. We and you agree to select the appraiser within 15 days after we deliver our purchase notice (if we and you do not agree on fair market value before then). If we and you cannot agree on a mutually acceptable appraiser within the 15 days, we will send you a list of 3 independent appraisers, and you must within 7 days select one of them to be the designated appraiser to determine the purchase price. Otherwise, we have the right to select the appraiser. We and you will share equally the appraiser's fees and expenses. Within 30 days after delivery of notice invoking the appraisal mechanism, we and you each must send the appraiser our and your respective calculations of the purchase price, with such detail and supporting documents as the appraiser requests and according to the criteria specified above. Within 15 days after receiving both calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the assets' fair market value. The appraiser has no authority to compromise between the 2 proposed purchase prices; it is authorized only to choose one or the other. The appraiser's choice will be the purchase price and is final.

### (c) Closing

(i) We will pay the purchase price at the closing, which will take place not later than 30 days after the purchase price is determined. However, we may decide after the purchase price is determined not to complete the purchase and will have no liability to you for choosing not to do so. We may set off against the purchase price,

and reduce the purchase price by, all amounts you owe us (or our affiliates). At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; (b) all of the Campus's licenses and permits that may be assigned; and (c) possessory rights to the Campus's site.

- (ii) If you cannot deliver clear title to all purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your owners further agree to sign general releases, in a form satisfactory to us, of all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors, and assigns. If we exercise our rights under this Section 19.6, then for 2 years beginning on the closing date, you and your owners (and members of your and their Immediate Families) will be bound by the non-competition covenants in Section 19.6.
- (iii) You may not under any circumstances sell any of the Campus's assets until we have exercised or elected not to exercise our right to purchase those assets, as provided in this Section.

## 19.7 Liquidated Damages

- If we terminate this Agreement for cause under Section 18.2, or if you (a) terminate this Agreement without cause, before the Term's scheduled expiration date, you agree that we will suffer substantial damages as a result of the termination, including Brand Damages. "Brand Damages" means lost Royalties, lost Brand Fund Contributions, lost market penetration and goodwill, loss of GoDog Campus representation in the Campus's market area, customer confusion, lost opportunity costs, and expenses that we will incur in developing or finding another franchisee to develop another GoDog Campus in the Campus's market area. We and you agree that Brand Damages are difficult to estimate accurately, and proof of Brand Damages would be burdensome and costly, although these damages are real and meaningful to us. Therefore, on termination of this Agreement, as provided above, before the Term's scheduled expiration date, you agree to pay us in a lump sum, within the timeframe we specify, liquidated damages equal to the product of either 24 or the number of months that would have remained in the Term (as of the effective date of termination) had it not been terminated, whichever is shorter, multiplied by the average monthly Royalties and Brand Fund contributions that were due and payable to us during the 12 months before the month of termination (or for any lesser period that the Campus has been open, if less than 12 months).
- (b) You agree that the liquidated damages calculated under this Section represent the best estimate of our Brand Damages arising from any termination of this Agreement before the Term expires. Your payment of the liquidated damages to us will not be considered a penalty but, rather, a reasonable estimate of fair compensation to us for the Brand Damages we will incur because this Agreement did not continue for the Term's full length. You agree that your payment of liquidated damages is full compensation to us only for the Brand Damages resulting from the early termination of this Agreement and is in addition to, and not in lieu of, your obligations to pay other amounts due to us under this Agreement as of the effective date of termination and to comply strictly with the deidentification procedures of Section 19.2 and your other post-termination obligations. If any valid law or regulation governing this Agreement limits your obligation to pay, and/or our right to receive,

the liquidated damages for which you are obligated under this Section, then you will be liable to us for all Brand Damages we incur, now or in the future, as a result of your breach of this Agreement.

## 19.8 Continuing Obligations

All of our and your (and your owners') obligations expressly surviving expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination and until they are satisfied in full.

## 20. Relationship of the Parties: Indemnification

### **20.1** Independent Contractors

- (a) This Agreement does not create a fiduciary relationship between you and us (or any affiliate of ours). You have no authority, express or implied, to act as an agent for us or our affiliates for any purpose. You are, and will remain, an independent contractor responsible for all obligations and liabilities of, and for all losses or damages to, the Campus and its assets, including any personal property, equipment, fixtures, or real property, and for all claims or demands based on damage to or destruction of property or based on injury, illness, or death of any person or animal resulting directly or indirectly from the Campus's operation.
- (b) We and you are entering this Agreement with the intent and expectation that we and you are and will be independent contractors. Further, we and you are not and do not intend to be partners, joint venturers, associates, or employees of the other in any way, and we (and our affiliates) will not be construed to be jointly liable for any of your acts or omissions under any circumstances. We (and our affiliates) are not the employer or joint employer of the Campus's employees. Your Managing Owner, Operating Manager (if applicable), general managers, and assistant managers are solely responsible for managing and operating your Campus and supervising your Campus's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Campus personnel, and others as the Campus's owner, operator, and manager under a franchise we have granted and to place notices of independent ownership at the Campus and on the forms, business cards, stationery, advertising, e-mails, and other materials we require from time to time.
- (c) We (and our affiliates) will not exercise direct or indirect control over the working conditions of Campus personnel, except to the extent any indirect control is related to our legitimate interest in protecting the quality of our services, products, or brand. We (and our affiliates) do not share or codetermine the employment terms of the Campus's employees and do not affect matters relating to the employment relationship between you and your Campus's employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, you must notify Campus personnel that you are their employer and that we, as the franchisor of GoDog Campuses, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You also must obtain an acknowledgment (in the form we specify or approve) from all Campus employees that you (and not we or our affiliates) are their employer.

## 20.2 No Liability for Acts of Other Party

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship with you is other than franchisor and franchisee. We will not be obligated for any damages to any person, animal or property directly or indirectly arising from the Campus's operation or the business you conduct under this Agreement.

### **20.3** Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, employment, or other taxes, whether levied on you or the Campus, due to the business you conduct (except for our own income taxes). You must pay those taxes and reimburse us for any taxes we must pay to any taxing authority on account of either your Campus's operation or payments you make to us (except for our own income taxes).

#### 20.4 Insurance

During the Term, you must maintain in force at your sole expense insurance coverage for the Campus in the minimum amounts, and covering the minimum risks, we periodically specify in the Brand Standards Manual. We may require some or all of your insurance policies to provide for waiver of subrogation in favor of us and certain of our affiliates. Your insurance carriers must be licensed to do business in the state in which the Campus is located and be rated A-, VII or higher by A.M. Best and Company, Inc. (or any similar criteria we periodically specify). Insurance policies must be in effect before you begin constructing the Campus. We may periodically increase the amounts of coverage required under those insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in Law or standards of liability, higher damage awards, or relevant changes in circumstances. Insurance policies must name us and any affiliates we periodically designate as additional named insureds and provide for 30 days' prior written notice to us of any policy's material modification, cancellation, or non-renewal and notice to us of any non-payment. You must periodically, including before the Campus opens, send us a valid certificate of insurance or duplicate insurance policy evidencing the coverage specified above and the payment of premiums. We may require you to use our designated insurance broker to facilitate your compliance with these insurance requirements. We have the right to obtain insurance coverage for the Campus at your expense if you fail to do so, in which case you must promptly reimburse our costs. We also have the right to defend claims in our sole discretion.

## 20.5 Indemnification

- (a) To the fullest extent permitted by Law, you must indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and reimburse any one or more of the Indemnified Parties for, all Losses (defined below) incurred as a result of:
  - (i) a claim threatened or asserted;
  - (ii) an inquiry made formally or informally; or

- (iii) a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of:
  - (1) the Campus's construction, design, or operation;
  - (2) the business you conduct under this Agreement;
  - (3) your noncompliance or alleged noncompliance with any Law, including any allegation that we or another Indemnified Party is an employer or joint employer or otherwise responsible for your acts or omissions relating to the Campus's employees;
    - (4) a Data Security Incident; or
    - (5) your breach of this Agreement.
- (b) You also agree to defend the Indemnified Parties (unless an Indemnified Party chooses to defend at your expense as provided in the following paragraph) against all these claims, inquiries, actions, investigations, and proceedings, including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct, and willful wrongful omissions. However, you have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's negligence, willful misconduct, or willful wrongful omissions, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or our failure to compel you to comply with this Agreement.
- (c) For purposes of this indemnification and hold harmless obligation, "Losses" includes all obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution actually is filed. Each Indemnified Party, with its own counsel and at your expense, may defend and otherwise respond to and address any claim threatened or asserted or inquiry made, or action, investigation, or proceeding brought (instead of having you defend it with your counsel, as provided in the preceding paragraph), and, in cooperation with you, agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible (except as provided in the last sentence of the preceding paragraph).
- (d) Your obligations under this Section will continue in full force and effect after and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, to maintain and recover fully a claim against you under this Section. A failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section.

### 21. Enforcement

## 21.1 Severability

- (a) Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable. If, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future Law in a final, unappealable ruling issued by any court, arbitrator, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant restricting competitive activity is deemed unenforceable due to its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be reformed to the extent necessary to be enforceable, and then enforced to the fullest extent permissible, under the Laws and public policies applied in the jurisdiction whose Laws determine the covenant's validity.
- (b) If any applicable and binding Law requires more notice than this Agreement requires of the termination of this Agreement or of our refusal to grant a successor franchise, or if under any applicable and binding Law any provision of this Agreement or any Brand Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the Law will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or Brand Standard to the extent required to be valid and enforceable or delete the unlawful provision entirely. You agree to be bound by any promise or covenant imposing the maximum duty the Law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

# 21.2 Waiver of Obligations and Force Majeure

- (a) We and you may in writing unilaterally waive or reduce any contractual obligation or restriction on the other, effective on delivery of written notice to the other or another effective date stated in the waiver notice. However, no interpretation, change, termination, or waiver of any provision of this Agreement will bind us unless in writing, signed by one of our officers, and specifically identified as an amendment to this Agreement. No modification, waiver, termination, discharge, or cancellation of this Agreement affects the right of any party to this Agreement to enforce any claim or right under this Agreement, whether or not liquidated, that occurred before the date of the modification, waiver, termination, discharge, or cancellation. Any waiver granted is without prejudice to any other rights we or you have, is subject to continuing review, and may be revoked at any time and for any reason effective on delivery of 10 days' prior written notice.
- (b) We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand your strict compliance with every term or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of any custom or practice varying from this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist on the other's compliance with this Agreement, including your compliance with any Brand Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other GoDog Campuses; the existence of franchise agreements for other GoDog Campuses containing provisions differing from those in this Agreement; or our acceptance of any payments from you after any breach of this Agreement. No special or restrictive legend or endorsement on any payment or similar item given to

us will be a waiver, compromise, settlement, or accord and satisfaction. We may remove any legend or endorsement, and the removed legend or endorsement will have no effect.

(c) Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform obligations results from: (1) acts of God; (2) fires, strikes, embargoes, war, terrorist acts or similar events, or riot; (3) compliance with the orders, requests, or regulations of any federal, state, or municipal government; or (4) any other similar event or cause. Any delay resulting from these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable. However, these causes will not excuse payment of amounts owed at the time of the occurrence or payment of Royalties, Technology Fees, Brand Fund contributions, MSC Fees, and other amounts due during and afterward. Under no circumstances do any financing delays, difficulties, or shortages excuse your failure to perform or delay in performing your obligations under this Agreement.

### 21.3 Costs and Attorneys' Fees

If we incur costs and expenses (internal or external) to enforce our rights or your obligations under this Agreement because you have failed to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree to reimburse all costs and expenses we incur, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Your obligation to reimburse us arises whether or not we begin a formal legal proceeding against you to enforce this Agreement. If we do begin a formal legal proceeding against you, the reimbursement obligation applies to all costs and expenses we incur preparing for, filing, and prosecuting the legal proceeding and until the proceeding has completely ended (including appeals and settlements).

#### 21.4 You May not Withhold Payments

You may not withhold payment of any amounts owed to us or our affiliates due to our alleged nonperformance of our obligations under this Agreement or for any other reason. You specifically waive any right you have at Law or in equity to offset any monies you owe us or our affiliates or to fail or refuse to perform any of your obligations under this Agreement.

#### 21.5 Rights of Parties Are Cumulative

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy that we or you are entitled by Law to enforce.

### 21.6 Arbitration

- (a) All controversies, disputes, or claims between us (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) arising out of or related to:
  - (i) this Agreement or any other agreement between you (or your owner) and us (or our affiliate) relating to the Campus or any provision of these agreements;

- (ii) our relationship with you;
- (iii) the validity of this Agreement or any other agreement between you (or your owner) and us (or our affiliate) relating to the Campus, or any provision of these agreements, and the validity and scope of the arbitration obligation under this Section; or
  - (iv) any Brand Standard,

must be submitted for arbitration to the American Arbitration Association. Except as otherwise provided in this Agreement, all arbitration proceedings will be heard by one arbitrator in accordance with the then-existing Commercial Arbitration Rules of the American Arbitration Association. All proceedings, including the hearing, will be conducted at a suitable location that is within 10 miles of where we have our (or, in the case of a transfer by us, the then-current franchisor has its) principal business address when the arbitration demand is filed. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 <u>et seq.</u>) will be governed by it and not by any state arbitration law.

- (b) The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and reasonable attorneys' fees and costs (in accordance with 21.3 above), provided that: (i) the arbitrator has no authority to declare any Mark generic or otherwise invalid; and (ii) subject to the exceptions in Section 21.9, we and you waive to the fullest extent the Law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator's award and decision will be conclusive and bind all parties covered by this Section, and judgment on the award may be entered in a court specified or permitted in Section 21.8 below.
- (c) We and you will be bound by any limitation under this Agreement or applicable Law, whichever expires first, on the timeframe in which claims must be brought. We and you further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator may not consider any settlement discussions or offers either you or we made. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and by doing so do not waive or relinquish our right to seek recovery of those costs in accordance with Section 21.3 above.
- (d) We and you agree that arbitration will be conducted on an individual basis and not in a class, consolidated, or representative action, that only we (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no arbitration proceeding may be consolidated or joined with another arbitration proceeding involving us and/or any other person. Despite the foregoing or anything to the contrary in this Section or Section 21.1, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 21.6, then we and you

agree that this arbitration clause will not apply to that dispute, and that dispute will be resolved in a judicial proceeding in accordance with this Section 21 (excluding this Section 21.6).

- (e) This Section's provisions are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after and notwithstanding expiration or termination of this Agreement.
- (f) Despite your and our agreement to arbitrate, each has the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, provided, however, each must contemporaneously submit its dispute for arbitration on the merits as provided in this Section.

### 21.7 **Governing Law**

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or other federal Law, all controversies, disputes, or claims arising from or relating to:

- (a) this Agreement or any other agreement between you (or your owners) and us (or our affiliates) relating to the Campus;
  - (b) our relationship with you;
- (c) the validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliate) relating to the Campus; or
  - (d) any Brand Standard,

will be governed by the Laws of the State of Georgia, without regard to its conflict of Laws rules. However, the provisions of any Georgia legislation regulating the offer or sale of franchises, business opportunities, or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply to the matters in clauses (a) through (d) above under any circumstances unless their jurisdictional requirements and definitional elements are met independently, without reference to this Section, and no exemption to their application exists.

#### 21.8 Consent to Jurisdiction

Subject to the arbitration obligations in Section 21.6, you and your owners agree that all judicial actions brought by us against you or your owners, or by you or your owners against us, our affiliates, or our or their respective owners, officers, directors, agents, or employees, relating to this Agreement or the Campus must be brought exclusively in the state or federal court of general jurisdiction located closest to where we have our (or, in the case of a transfer by us, the then-current franchisor has its) principal business address when the action is filed. You and each of your owners irrevocably submit to the jurisdiction of these courts and waive any objection you or they might have to either jurisdiction or venue. Despite the foregoing, we may bring an action seeking a temporary restraining order or temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which you reside or the Campus is located.

# 21.9 Waiver of Punitive and Exemplary Damages

EXCEPT FOR YOUR INDEMNIFICATION OBLIGATIONS UNDER SECTION 20.5 AND CLAIMS BASED ON YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT THE LAW PERMITS ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IF THERE IS A DISPUTE BETWEEN US AND YOU (AND/OR YOUR OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES HE, SHE, OR IT SUSTAINS.

## 21.10 Waiver of Jury Trial

SUBJECT TO THE ARBITRATION OBLIGATIONS IN SECTION 21.6, WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS). WE AND YOU (AND YOUR OWNERS) AGREE THAT WE AND YOU (AND THEY) MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THIS WAIVER'S RAMIFICATIONS.

## **21.11 Binding Effect**

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors-in-interest. Subject to our right to modify the Brand Standards Manual and Brand Standards, this Agreement may not be modified except by a written agreement signed by both you and us that is specifically identified as an amendment to this Agreement.

## 21.12 Limitations of Claims

**EXCEPT FOR:** 

- (a) CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US FOR ROYALTY FEES, BRAND FUND CONTRIBUTIONS, TECHNOLOGY FEES, MSC FEES, AND ANY OTHER AMOUNTS THAT WOULD ACCRUE FOR AN OPERATING FACILITY UNDER THIS AGREEMENT; AND
- (b) OUR (AND CERTAIN OF OUR RELATED PARTIES') RIGHT TO SEEK INDEMNIFICATION FROM YOU FOR THIRD-PARTY CLAIMS AS PROVIDED IN THIS AGREEMENT;

ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN US AND YOU WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING, AS PERMITTED, IS FILED IN THE APPROPRIATE FORUM WITHIN 3 YEARS FROM THE DATE ON WHICH THE VIOLATION, ACT, OR CONDUCT GIVING RISE TO THE CLAIM OCCURS, REGARDLESS OF WHEN THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM. HOWEVER, IF THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS IS SHORTER THAN 3 YEARS, WE AND YOU AGREE THAT THE SHORTER STATUTE OF LIMITATIONS WILL APPLY.

#### 21.13 Construction

- (a) The preambles and exhibits are part of this Agreement, which, together with any riders or addenda signed at the same time as this Agreement and together with the Brand Standards Manual and Brand Standards, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to this Agreement's subject matter. There are no other oral or written representations, warranties, understandings, or agreements between us and you relating to this Agreement's subject matter. Notwithstanding the foregoing, nothing in this Agreement disclaims or requires you to waive reliance on any representation we made in the franchise disclosure document (including its exhibits and amendments) we delivered to you or your representative. Any policies we adopt and implement from time to time to guide our decision-making are subject to change, are not a part of this Agreement, and do not bind us. Except as provided in Sections 20.5 and 21.6, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.
- (b) We and you have negotiated this Agreement's terms and agree that neither may claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written term of this Agreement.
- (c) Headings of sections and paragraphs in this Agreement are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs.
- (d) References in this Agreement to "we," "us," and "our," with respect to all of our rights and all your obligations to us under this Agreement, include any of our affiliates with whom you deal. "Affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. "Control" means the power to direct or cause the direction of management and policies. If two or more persons are at any time the owners of the rights under this Agreement and/or the Campus, whether as partners or joint venturers, their representations, warranties, obligations, and liabilities to us will be joint and several. "Owner" means any person holding a direct or indirect ownership interest (whether of record, beneficial, or otherwise) or voting rights in you (or your owner or a transferee of this Agreement and the Campus or any interest in you), including any person who has a direct or indirect interest in you (or your owner or a transferee), this Agreement, or the Campus or any other direct or indirect legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.
- (e) References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of voting shares or other voting rights resulting from dividing 100% of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, whether a "controlling ownership interest" is involved must be determined both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).
- (f) "**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days mean calendar days and not

business days. The term "**Campus**" includes all assets of the GoDog Campus you operate under this Agreement, including its revenue and income. "**Include**," "**including**," and words of similar import will be interpreted to mean "including, but not limited to," and the terms following these words will be interpreted as examples, and not an exhaustive list, of the appropriate subject matter.

(g) This Agreement will become valid and enforceable only when fully signed by you and us, although we and you need not be signatories to the same original or electronically-transmitted counterpart of this Agreement. A scanned copy of an originally-signed signature page that is sent as a .pdf by email or a signature page bearing an electronically/digitally captured signature and transmitted electronically will be deemed an original.

## 21.14 The Exercise of Our Business Judgment

- (a) Because complete and detailed uniformity under many varying conditions might not be possible or practical, you agree that we specifically reserve the right and privilege, as we deem best according to our business judgment, to vary Brand Standards or other aspects of the Franchise System for any franchisee. You have no right to require us to grant you a similar variation or accommodation.
- (b) We have the right to develop, operate, and change the Franchise System in any manner this Agreement does not specifically prohibit. Whenever this Agreement reserves our right to take or withhold an action, or to grant or decline to grant you the right to take or omit an action, we may, except as this Agreement specifically provides, make our decision or exercise our rights based on information then available to us and our judgment of what is best for us, GoDog franchisees generally, or the Franchise System when we make our decision, whether or not we could have made other reasonable or even arguably preferable alternative decisions and whether or not our decision promotes our financial or other individual interest.

## 21.15 Covenant of Good Faith

If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties hereto agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law will imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties hereto that is inherent in this Agreement) grants us the judgment to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests; (ii) we will use our judgment in exercising the judgment based on our assessment of our own interests and balancing those interests against the interests of our franchise owners generally, and specifically without considering your individual interests or the individual interests of any other particular franchise owner; (iii) we will have no liability to you for the exercise of our judgment in this manner, so long as the judgment is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation will substitute its judgment for our judgment so exercised.

#### 21.16 Multiple Forms of Agreement

You acknowledge and agree that there may be more than one form of franchise agreement in effect between us and our various GoDog Campus franchise owners; those other agreements may contain provisions that may be materially different from the provisions contained in this

Agreement; and you are not entitled to rely on any provision of any other agreement with other GoDog Campus franchise owners whether to establish course of dealing, waiver, or estoppel, or for any other purpose.

#### 21.17 Limited Liability for Our Related Parties

You agree that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, owner, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours will have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement; (ii) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (iii) any claim against us based on any alleged unlawful act or omission of ours.

## 22. <u>Compliance with Anti-Terrorism Laws</u>

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any Anti-Terrorism Laws. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States and all other present and future Laws, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, constitutes good cause for immediate termination of this Agreement, as provided in Section 18 above.

#### 23. Notices and Payments

All acceptances, approvals, requests, notices, and reports required or permitted under this Agreement will not be effective unless in writing and delivered to the party entitled to receive them in accordance with this Section. All acceptances, approvals, requests, notices, and reports will be deemed delivered at the time delivered by hand; or one business day after deposit with a nationally-recognized commercial courier service for next business day delivery; or three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and/or, with respect to any approvals and notices we send you or your owners, at the Campus's address. Payments and certain information and reports you must send us under this Agreement will be deemed delivered on any of the applicable dates described above or, if earlier, when we actually receive them electronically (all payments, information, and reports must be received on or before their due dates in the form and manner specified in this Agreement). As of the Effective Date of this Agreement, notices should be addressed to the following addresses unless and until a different address has been designated by written notice to the other party:

To us:

GoDog Franchising, LLC 112 Krog Street NE, Unit D135 Atlanta, GA 30307 Attn: CEO

«Entity\_Name»
«Entity\_Address»

## 24. <u>Electronic Mail</u>

You agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may use e-mail for these communications. You authorize e-mail transmission to you during the Term by us and our employees, vendors, and affiliates ("Official Senders"). You further agree that: (1) Official Senders are authorized to send e-mails to your Managing Owner, Operating Manager (if applicable), and other supervisory employees whom you occasionally authorize to communicate with us; (2) you will cause your Managing Owner, Operating Manager (if applicable), officers, directors, and supervisory employees to consent to Official Senders' transmission of e-mails to them; (3) you will require these persons not to opt out of or otherwise ask to no longer receive e-mails from Official Senders while these persons work for or are associated with you; and (4) you will not opt out of or otherwise ask to no longer receive e-mails from Official Senders during the Term. The consent given in this Section will not apply to the provision of formal notices by either party under Section 23 of this Agreement using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have signed and delivered this Agreement, to be effective as of the date next to our signature below.

FRANCHISEE:	
«Entity Name»	
· <del>-</del>	
By:	
Name:	
Title:	
Date Signed:	
	«Entity_Name»  By: Name: Title:

# EXHIBIT A TO THE GODOG FRANCHISE AGREEMENT

#### **BASIC TERMS**

1. The exclusive Site Selection Area is reflected in the description and image on the below map. The Site Selection Area is simply the geographical area within which you and we will look for the Campus's site. It will not determine the size or description of the Area of Protection.

[Insert Site Selection Area Map] 2. The Campus's physical address is If you have not found and secured the Campus's site as of the Effective Date, we and you will identify the Campus's physical address in the blank above after you find and secure the site. The Campus's Area of Protection is reflected in the description and image on the below map. If you have not found and secured the Campus's site as of the Effective Date, we will define the Area of Protection after you find and secure the site. [Insert Area of Protection Map] GoDog Franchising, LLC «Entity\_Name» By: \_\_\_\_\_ Name: Name: Title: Title: Date Signed: Date Signed:

# EXHIBIT B TO THE GODOG FRANCHISE AGREEMENT

#### **GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY	AND ASSUMPTION	<b>OF OBLIGATIONS</b> is given or	n, b	у

In consideration of, and as an inducement to, the signing of that certain Franchise Agreement (the "Agreement") on this date by GoDog Franchising, LLC, a Delaware limited liability company ("Franchisor"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that "Entity\_Name" ("Franchisee") will punctually pay and perform every undertaking, agreement, and covenant stated in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 21, 22, and 23 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned on Franchisor's pursuit of any remedies against Franchisee or another person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence Franchisor may from time to time grant to Franchisee or to another person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any release of other guarantors), none of which will in any way modify or amend this Guaranty, which will continue and be irrevocable during the term of the Agreement (including, without limitation, any extensions of its term) and afterward for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners and for so long as Franchisor has any cause of action against Franchisee or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of all renewals, extensions, modifications, amendments, or transfers; and (6) any Franchisee indebtedness to the undersigned, for whatever reason, whether currently existing or later arising, will at all times be inferior and subordinate to any indebtedness owed by Franchisee to Franchisor or its affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned will be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations guaranteed by this Guaranty, protest and notice

of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by this Guaranty, and any other notices and legal or equitable defenses to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations or other limitations period as to or relating to this Guaranty. The undersigned agrees that the obligations under this Guaranty survive expiration or termination of the Agreement.

If Franchisor seeks to enforce this Guaranty in an arbitration, judicial, or other proceeding and prevails in that proceeding, Franchisor is entitled to recover its reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with the proceeding. If Franchisor must engage legal counsel in connection with the undersigned's failure to comply with this Guaranty, the undersigned must reimburse Franchisor for any of the above-listed expenses Franchisor incurs, even if Franchisor does not begin a judicial or arbitration proceeding.

Subject to the arbitration obligations stated in the Agreement and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor has its principal business address when the action is begun, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. FRANCHISOR AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM. EACH ACKNOWLEDGES THAT THEY MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERATION OF THIS WAIVER'S RAMIFICATIONS.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was signed.

GUARANTOR(S)	PERCENTAGE FRANCHISEE	OF	OWNERSHIP	IN
	% %			
	% %			

# EXHIBIT C TO THE GODOG FRANCHISE AGREEMENT

## FRANCHISEE AND ITS OWNERS

Effective Date: This Exhibit C is current	t and complete as of
«State_of_FormationResidency». Franc Franchisee's corporate, limited liab	ned on «Date_of_Formation» under the laws of the State of hisee has not conducted business under any name other than ility company, or partnership name and (if applicable) list of Franchisee's directors or managers (if applicable) and above:
Name	Position(s) Held
indirect owners and fully describes the	e full name of each person who is one of Franchisee's direct or nature of each owner's interest. If one or more of Franchisee's h entity as well as the direct and indirect owners of each entity Description of Interest
<u>Managing Owner</u> . Franchisee's Ma information for notice is	naging Owner is His or her contact
	nchisee's Operating Manager is His or her
GoDog Franchising, LLC	«Entity_Name»
By:Name:	Name:
Title: Date Signed:	Title: Date Signed:
Date Signed.	

# EXHIBIT D TO THE GODOG FRANCHISE AGREEMENT

#### **LEASE RIDER**

## LEASE PROVISIONS FOR GODOG CAMPUS FRANCHISES

The following provisions must be inserted into the lease for the Campus you will operate under the "GODOG®" brand (the "**Lease**"). You may add this language via a rider or addendum to your Lease as long as the rider or addendum is signed by both the tenant and the landlord. You must have approval from GoDog before signing any Lease or Lease Addendum. Once approved and signed you must provide us a copy of the signed Lease and any riders or addenda.

## ADDENDUM TO FRANCHISEE'S LEASE AGREEMENT

THIS LEASE ADDENDUM (the "Add	dendum") is n	nade and ent	ered into this	day of	
20, by and between a	, a	hereinafter	neremanter re referred to as	rerrea to as Land "Tenant" and mo	noru, Adifies
and supersedes any conflicting ter herewith.	rms contained	in that certa	ain lease (the	"Lease") of ever	1 date
	WITNE	SSETH:			
WHEREAS, Landlord and Tenant ar commonly described asLease (the "Premises").	e parties to a	Lease dated <sub>-</sub>	, as more	concerning real fully described	estate in the
NOW, THEREFORE, in consideration which is hereby acknowledged, the			ereinafter con	tained, the suffici	ent of
A. During the Term of to Tenant and <b>GoDog Franch</b> premises only to operate a Co	nising, LLC ("	<b>'GODOG</b> " or			
B. Landlord agrees the selected by GODOG, shall hat termination or expiration of such transfer, termination promptly execute an acknown	ve the right to f the Franchis or expiration	receive an as se Agreement n of said Fr	signment of the between GOD anchise Agree	nis Lease upon tra 100G and Tenant. ement, Landlord	nsfer, Upon shall
C. Landlord will send to Lease, simultaneously with a GODOG in writing by overnicourier. Landlord and Tena is under no obligation, to curso, within (i) fifteen (15) day or (ii) thirty (30) days after Such copies must be sent to	sending such r ight delivery b nt hereby ack re any Tenant rs after Franch	notices to Ten by FedEx or o nowledge and default under isor's receipt	nant. Such noti ther nationally dagree that GO r the Lease, if To of such notice	ce shall be delive y-recognized ove DDOG has the rigl Fenant should fai as to monetary de	red to rnight ht, but l to do efaults
	c/o Level 5	nchising, LLO Capital Partn t. NE, Suite D1 30307	iers		

With a concurrent e-mail notice to: **legal@godoghq.com** 

Consent to Collatoral Assignment to Franchisor, Disclaimer Land

D. <u>Consent to Collateral Assignment to Franchisor; Disclaimer</u>. Landlord acknowledges that Tenant intends to operate a GoDog retail location in the Premises, and that Tenant's

rights to operate a GoDog retail location and to use the trade and service marks are solely pursuant to a franchise agreement (the "Franchise Agreement") between Tenant and GODOG. Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of this Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, and/or (ii) Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor) succeeding to Tenant's interest in the Lease by mutual agreement of Franchisor and Tenant, or as a result of Franchisor's exercise of rights or remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor unless otherwise agreed by Landlord or provided for elsewhere in the Lease. Landlord further agrees that all unexercised renewal or extension rights and other rights stated to be personal to Tenant shall not be terminated in the event of any assignment referenced herein, but shall inure to the benefit of the applicable assignee.

- E. GODOG or its affiliates may enter the premises to make any modifications or alterations necessary to protect the Franchise System and the Marks or to cure any default under the Franchise Agreement or Lease at any time and without prior notice to Landlord, but in conformity with the Alteration covenants of the Lease.
- F. GODOG shall have the right, but not the obligation, to enter the Premises to take any action necessary, without damage to the Premises, to protect the GODOG brand and its trademarks within thirty (45) days after GODOG receives a notice of termination or expiration of the Lease from Landlord, including, but not limited to, the right to remove, alter or repaint any signage or proprietary items identifying GODOG.
- I. GODOG is an intended third-party beneficiary under the provisions set forth above with independent rights to enforce them, and neither Landlord nor Tenant may alter or limit any of those provisions without GODOG's prior written approval.

LANDLORD:	TENANT:
By:	Ву:
Name:	Name:

provided herein, all other terms of said Lease shall remain unchanged.

This Addendum amends the Lease between the parties described hereinabove; and except as

# EXHIBIT E TO THE GODOG FRANCHISE AGREEMENT

#### SAMPLE FORM OF CONFIDENTIALITY AGREEMENT

In consideration of my employment or contract with and/or interest in **«Entity\_Name»** (the "**Franchisee**") and the salary, honorariums, wages, and/or fees paid to me, I acknowledge that **GoDog Franchising, LLC**, a Delaware limited liability company having its principal place of business at 112 Krog Street, NE, Unit D135, Atlanta, Georgia 30307 ("**GDF**"), has imposed the following conditions on Franchisee, any owner of Franchisee, and Franchisee's officers, directors, and senior personnel. As a condition of performing services for or having an interest in Franchisee, I agree to accept the following conditions without limitation:

- 1. Without obtaining GDF's prior written consent (which consent GDF may withhold in its sole discretion), I will (i) not disclose, publish, or divulge to any other person, firm, or corporation, through any means, any of GDF's Confidential Information either during or after my employment by or association with Franchisee, (ii) not use the Confidential Information for any purposes other than as related to my employment or association with Franchisee, and (iii) not make copies or translations of any documents, data, or compilations containing any or all of the Confidential Information, commingle any portion of the documents, data, or compilations, or otherwise use the documents, data, or compilations containing Confidential Information for my own purpose or benefit. I also agree to surrender any material containing any of GDF's Confidential Information on request or on termination of my employment or association with Franchisee. I understand that the Operations Manual is provided by GDF to Franchisee for a limited purpose, remains GDF's property, and may not be reproduced, in whole or in part, without GDF's prior written consent.
- 2. For purposes of this Agreement, "Confidential Information" means certain information, processes, methods, techniques, procedures, and knowledge, including know-how (which includes information that is secret and substantial), manuals, and trade secrets (whether or not judicially recognized as a trade secret), developed or to be developed by GDF relating directly or indirectly to the development or operation of a GoDog Campus. With respect to the definition of know-how, "secret" means that the know-how as a body or in its precise configuration is not generally known or easily accessible, and "substantial" means information that is important and useful to Franchisee in developing and operating Franchisee's Campus. Without limiting the foregoing, Confidential Information includes, but is not limited to:
  - a) information in the Operations Manual and Brand Standards;
  - b) layouts, designs, and other plans and specifications for GoDog Campuses;
  - methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating GoDog Campuses;
  - d) marketing research and promotional, marketing, and advertising programs for GoDog Campuses;

- e) the standards, processes, information, and technologies involved in creating, developing, operating, maintaining, and enhancing digital and other sales platforms;
- f) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, services, products, materials, and supplies that GoDog Campuses use and sell;
- g) knowledge of the operating results and financial performance of GoDog Campuses other than Franchisee's Campus;
- h) customer solicitation, communication, and retention programs, along with Data used or generated in connection with those programs;
- i) all Data and all other information generated by, or used or developed in, the Campus's operation, including Consumer Data, and any other information contained from time to time in the Computer System or that visitors (including you) provide to the System Website; and
- j) any other information GDF reasonably designates as confidential or proprietary.
- 3. If there is a dispute or question arising out of the interpretation of this Agreement or any of its terms, the laws of the State of «State» will govern.
- 4. I acknowledge receipt of a copy of this Agreement and that I have read and understand this Agreement. This Agreement may not be modified except in writing with the prior approval of an officer of Franchisee.

By:		
Name:		
Title:		
Date:		
Phone:		
Email:		
Check the following	that apply:	
Owner	Senior Personnel	
Officer	Other (please specify)	
Director	12 1 27	

## **EXHIBIT C**

## **OPERATIONS MANUAL TABLE OF CONTENTS**

#### **SECTION 01: INTRODUCTION**

Mission Statement

**Brand Purpose** 

**Values** 

Welcome Letter from the Leadership Team

History of GoDog

Services Provided to Franchisees

Advertising Materials and Sales Aids

**Advisory Councils** 

**Approved Vendors** 

**Conventions and Annual Meetings** 

**Corporate Website** 

**Initial Training** 

**Ongoing Training** 

**Opening Assistance** 

**Operating Assistance** 

Responsibilities of Franchisees and Staff

Responsibilities to Pets

Responsibilities to Customers

Responsibilities to Employees

Responsibilities to Fellow Franchisees

Responsibilities to the Franchisor

Visits from the Support Center

**Paying Other Fees** 

Technology Fee

Computer Software and Technology, Support, and Upgrades Fee

Additional Training Fee

Attorney's Fees

Audit

**Inspection Fee** 

Management Fee

**Income and Sales Tax** 

**Insurance Fees** 

De-Identification Fee

**Training Cancellation Fee** 

Indemnification

Interest

Administrative Fee

Non-Compliance Fee

**Campus Management Services** 

Modifications

Relocation Fee

Successor Fee

Supplier Evaluation Fee

Transfer Fee

**Liquidated Damages** 

#### **SECTION 02: PRE-OPENING PROCEDURES**

Pre-opening Timeline and Checklist

**Establishment of Business Form** 

**Competitive Analysis** 

**Identifying Your Local Competition** 

**Research Your Competition** 

Review the Results

Site Selection Criteria

Site Selection Criteria

Market Analysis

**Gaining Site Selection Acceptance** 

**Lease Considerations** 

**Building Out the Campus** 

Working with an Architect

**Design Specifications** 

Final Details Completed

**Final Inspection** 

Required Equipment and Supplies

Contracting with Required Utilities and Services

**Obtaining Required Licenses and Permits** 

**Setting Up Bank Accounts** 

**Procuring Required Insurance Policies** 

**Paying Taxes** 

**Employer Identification Number** 

Federal Taxes

**State Taxes** 

Pre-Opening Marketing and Registration

Registration

Planning

## **SECTION 03: PEOPLE DEVELOPMENT**

**EEOC Guidelines** 

**Employers Covered by EEOC-Enforced Laws** 

**How Employees are Counted** 

**Record-Keeping Requirements** 

**Reporting Requirements** 

**Charge Processing Procedures** 

Mediation

Remedies

Regulatory Enforcement Fairness Act

**Technical Assistance** 

Informal Guidance

**Publications** 

Laws Regarding Harassment

Sexual Harassment

Racial and Ethnic Harassment

**Pregnancy Discrimination** 

**Religious Accommodation** 

Immigration Reform/Control Act

Completing Form I-9

The Homeland Security Act

Wage and Labor Laws

Fair Labor Standards Act

What the FLSA Requires

What the FLSA Does Not Require

FLSA Minimum Wage Poster

Other Mandatory Labor Law Posters

Americans with Disabilities Act (ADA)

Who Is Protected?

What Is Covered?

**Ensuring Compliance** 

ADA Survey and Enhancements

**ADA Resources** 

Profile of an Ideal GoDog Employee

**Job Descriptions** 

**Recruiting Employees** 

**Generating Applicants** 

**Screening Applicants** 

The Interview Process

Reference Check and Background Check

Making the Job Offer

Orientation

Forms

Policies and Benefits Overview of Campus

**Training** 

**Initial Training of New Employees** 

**Ongoing Training** 

**Introductory Period** 

Personnel Policies

**Time-Tracking Procedures** 

Uniform/Dress Code

**Performance Evaluations** 

**Progressive Discipline** 

Termination/Separation

Termination

Resignation

#### **SECTION 04: DAILY OPERATING PROCEDURES**

**Suggested Hours of Operations** 

**Daily Procedures** 

GoDog: Play Procedures GoDog: Stay Procedures

GoDog: Bathe Procedures

GoDog: Behave Training Program

GoDog: Behave Procedures

**GoDog: Social Procedures** 

#### **Customer Service**

**Customer Service Philosophy** 

**Building Loyalty** 

**Customer and Pet Interaction** 

Maintaining a Positive Environment

Answering the Phone

**Educating Customers** 

**Policies Waiver** 

**Handling Complaints** 

**Handling Refund Requests** 

Withdrawal and Cancellation

**Obtaining Feedback** 

Front Desk Software

Managing the GoDog: Social Food and Beverage Offerings and Regulations

**Managing Inventory** 

**Billing and Transaction Procedures** 

Service and Social Payments

**Payment Processing** 

**Accepting Payment** 

Transaction and Reconciliation Procedures

Gift Cards

**Collections Procedures** 

Required Cleaning and Maintenance

**Equipment Maintenance** 

Managing the GoDog: Stay Kennel

Managing the GoDog: Play Yards and Pool

Managing the GoDog: Bathe Sanitizing System

Safety and Security

Accident/Incident Reports

**Emergency Situations** 

#### **SECTION 05: PRODUCT AND SERVICE OFFERINGS**

GoDog: Play

**Product Offerings** 

Off-leash Yards

Playground

Pool

**Temperament Test** 

Service and Safety Standards

GoDog: Stay

**Product Offerings** 

**Room Size Options** 

Service and Safety Standards

GoDog: Bathe

**Grooming Service Offerings** 

**Products** 

Service and Safety Standards

GoDog: Behave

Training Philosophy

Offerings and Obedience Product Types

Service and Safety Standards

**Obedience Trainer Prerequisites** 

**Equipment Used** 

**Trainer Conduct** 

GoDog: Social

**Product Offerings** 

Service and Safety Standards

Food and Beverage Regulations

## **SECTION 06: MANAGING GODOG**

Managing the Client Experience

**Managing Team Members** 

**Scheduling Team Members** 

Communicating with Team Members

**Motivating Team Members** 

**Determining Pricing Structure** 

GoDog Tour (Sales Presentation)

Five Parts of a Sale

Conducting the Tour

**Handling Objections** 

Follow-Up

Signing Up New Clients

**Billing Procedures** 

**Cancellation Policy** 

**Inventory Management** 

**Ordering Procedures** 

**Receiving Procedures** 

**Key Management Reports** 

Reports

**Financial Statements** 

Franchise Reporting Requirements

**Royalty Payment** 

**Brand Fund Contributions** 

#### **SECTION 07: MARKETING AND PROMOTION**

Developing a Marketing Plan

**Required Advertising Expenditures** 

**Brand Fund Contributions** 

Local Advertising Requirement

**New Store Opening Campaign** 

Promoting GoDog in Your Area

Traditional Media

Direct Mail

**Print Advertising** 

**Email/Text Campaigns** 

Digital Media

Social Media

GoDog Website

**Online Resources** 

Radio and Television

**Community Events** 

**Brochures and Flyers** 

**Discount Offers** 

Using Referrals and Testimonials to Build Business

Public Relations and Community Involvement

Use of Photos and Videos

Using the GoDog Marks

# Logo and Signage Specifications

Signage Requirements

## Obtaining Advertising Approval

## **APPENDICES**

- A: Equipment and Inventory
- B: Financial Statement
- C: Forms
- D: Hazard Communication Program
- E: Job Descriptions
- F: Training

**Total pages in manual = 126** 

## EXHIBIT D

## **LIST OF STATE ADMINISTRATORS**

#### **STATE AGENCIES**

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

#### CALIFORNIA

Commissioner of Department of Financial Protection & Innovation Department of Financial Protection & Innovation Toll Free: 1 (866) 275-2677

1011110011 (000) 270 207

## Los Angeles

Suite 750 320 West 4<sup>th</sup> Street Los Angeles, California 90013-2344 (213) 576-7500

#### Sacramento

2101 Arena Boulevard Sacramento, California 95834 (866) 275-2677

#### San Diego

1455 Frazee Road, Suite 315 San Diego, California 92108 (619) 525-4233

#### San Francisco

One Sansome Street, Suite 600 San Francisco, California 94104-4428 (415) 972-8559

#### **HAWAII**

Hawaii Securities Commissioner
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

#### ILLINOIS

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

#### **INDIANA**

Indiana Securities Division 302 West Washington Street Room E-111 Indianapolis, Indiana 46204 (317) 232-6681

#### **MARYLAND**

Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360

#### **MICHIGAN**

Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, Michigan 48909 (517) 373-7117

#### **MINNESOTA**

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

#### NORTH DAKOTA

North Dakota Securities Department 600 East Boulevard Avenue State Capitol - 5<sup>th</sup> Floor Bismarck, North Dakota 58505-0510 (701) 328-4712

#### RHODE ISLAND

Director of Business Regulations State of Rhode Island John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02910 (401) 462-9500

## **VIRGINIA**

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

#### **NEW YORK**

NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222

#### **OREGON**

Department of Consumer and Business Services Division of Financial Regulation 350 Winter Street NE, Suite 410 Salem, Oregon 97301 (503) 378-4140

#### SOUTH DAKOTA

Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563

## WASHINGTON

Securities Division
Department of Financial Institutions
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

#### **WISCONSIN**

Wisconsin Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-9555

## **EXHIBIT E**

## LIST OF STATE AGENTS FOR SERVICE OF PROCESS

#### **AGENTS FOR SERVICE OF PROCESS**

#### **CALIFORNIA**

Commissioner of Department of Financial Protection & Innovation Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750 320 West 4th Street Los Angeles, California 90013-2344 (213) 576-7500

#### Sacramento

2101 Arena Boulevard Sacramento, California 95834 (866) 275-2677

#### San Diego

1455 Frazee Road, Suite 315 San Diego, California 92108 (619) 525-4233

#### San Francisco

One Sansome Street, Suite 600 San Francisco, California 94104-4428 (415) 972-8559

#### HAWAII

Hawaii Securities Commissioner Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722

#### **ILLINOIS**

Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

#### **INDIANA**

Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531

#### **MARYLAND**

Maryland Securities Commissioner at the Office of Attorney General-Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360

#### **MICHIGAN**

Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, Michigan 48909 (517) 373-7117

#### **MINNESOTA**

Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600

#### **NEW YORK**

Attention: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492

#### NORTH DAKOTA

Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue, Suite 414 Bismarck, North Dakota 58505 (701) 328-4712

#### RHODE ISLAND

Director of Business Regulations State of Rhode Island John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02910 (401) 462-9500

#### **VIRGINIA**

Clerk, State Corporation Commission 1300 East Main Street First Floor Richmond, Virginia 23219 (804) 371-9733

## WISCONSIN

Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

#### **OREGON**

Department of Consumer and Business Services Division of Financial Regulation 350 Winter Street NE, Suite 410 Salem, Oregon 97301 (503) 378-4140

#### **SOUTH DAKOTA**

Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563

#### WASHINGTON

Director Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760

## **EXHIBIT F**

## FRANCHISEE REPRESENTATIONS DOCUMENT

# GODOG FRANCHISING, LLC FRANCHISEE REPRESENTATIONS

Important Instructions: GoDog Franchising, LLC ("we," "us," or "our") and you are preparing to enter into a Franchise Agreement for the development and operation of a GoDog Campus® (the "Campus"). This document's purpose is to determine whether any statements or promises were made to you that we have not authorized, that do not appear in or are inconsistent with our franchise documents, and/or that may be untrue, inaccurate, or misleading. We also want to be sure that you understand certain terms of the agreements you will sign and their ramifications. Please review each of the following statements carefully and do not sign this document if it contains anything you think might be untrue. If you sign this document, you are confirming the truth of what it says. In addition, if you sign it, we will take actions in reliance on the truth of what it says.

Name of Prospective Franchisee:	_
(the "Franchisee")	
Each of the undersigned represents that all of the following statements are true:	

1. Each of the undersigned has conducted its, his, or her own independent investigation of us, our affiliates, the Franchise System (as that term is used in our Franchise Agreement), the risks, burdens, and nature of the business that Franchisee will conduct under the Franchise Agreement, the Campus, the shopping center or other location for the Campus (if already selected), and the Campus's market area.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

2. Each of the undersigned understands that the business Franchisee will conduct under the Franchise Agreement involves risk, and any success or failure will be substantially influenced by Franchisee's ability and efforts, the viability of the Campus's location, competition from other GoDog Campuses and swimming pool areas, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

3. Each of the undersigned understands that we previously might have entered, and in the future we may enter, into franchise agreements with provisions different from the provisions of the Franchise Agreement for the Campus.

#### \*Insert initials into the following blank to confirm this statement: \_\_\_

4. If we unilaterally made material changes in Franchisee's final, ready-to-be signed copies of the Franchise Agreement and related documents (other than as a result of our negotiations with Franchisee), Franchisee has had possession of those documents for at least seven (7) calendar days before executing them and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning those documents.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

5. Franchisee has received a franchise disclosure document ("FDD") as required by law at least 14 calendar days before signing the Franchise Agreement, or paying any consideration to us or our affiliate in connection with this franchise, and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning the FDD.

\*Insert initials into the following blank to confirm this statement: \_\_\_

[If the Franchisee is based or will operate in Michigan, the Franchisee also has received the FDD at least ten (10) business days before both signing the Franchise Agreement and paying any consideration to us or an affiliate in connection with this franchise.

\*Insert initials into the following blank to confirm this statement: \_\_]

[If the Franchisee is based or will operate in New York, the Franchisee also has received the FDD at the earlier of our first personal meeting with the Franchisee to discuss the franchise opportunity but at least ten (10) business days before both signing the Franchise Agreement and paying any consideration to us or an affiliate in connection with this franchise.

\*Insert initials into the following blank to confirm this statement: \_\_]

6. Except as provided in Item 19 of our FDD, we and our affiliates and agents have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Campus or any other business, except: (None, unless something is filled in here or provided on additional sheets)

\*Insert initials into the following blank to confirm this statement: \_\_\_\_

- 7. Each of the undersigned understands that:
- 7.1 Except as provided in Item 19 of our FDD, we do not authorize our affiliates, or our or their respective officers, directors, employees, or agents, to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any GoDog Campus.

\*Insert initials into the following blank to confirm this statement: \_\_\_

7.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular GoDog Campus.

\*Insert initials into the following blank to confirm this statement: \_\_\_

7.3 We have specifically instructed our affiliates, and our and their respective officers, directors, employees, and agents, that except as provided in Item 19 of our FDD, they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales volume, or profitability, either generally or with respect to any particular GoDog Campus.

\*Insert initials into the following blank to confirm this statement: \_\_\_\_

7.4 If any unauthorized representation, warranty, promise, guaranty, prediction, projection, or other statement or information is made or given, the undersigned should not (and will not) rely on it.

\*Insert initials into the following blank to confirm this statement: \_\_\_

8. Before signing the Franchise Agreement and any related documents, the undersigned Franchisee has had ample opportunity: (a) to discuss the Franchise Agreement, any related document, and the business Franchisee will conduct with its, his, or her own attorneys, accountants,

and real estate and other advisors; (b) to contact our existing franchisees; and (c) to investigate all statements and information made or given by us or our affiliates, or our or their respective officers, directors, employees, and agents, relating to the Franchise System, the Campus, and any other subject.

### \*Insert initials into the following blank to confirm this statement: \_\_\_

- 9. Each of the undersigned understands that the Franchise Agreement licenses certain rights for one, and only one, GoDog Campus, located only at the location now specified (or to be specified) in the Franchise Agreement, and that, except as may be provided in the Franchise Agreement with us, no "exclusive," "expansion," "protected," "non-encroachable," or other territorial rights, rights of first refusal, or rights of any other kind are granted or have been promised concerning the shopping center or other structure in which the Campus is located, the contiguous or any other market area of the Campus, or any other existing or potential GoDog Campus or geographic territory. \*Insert initials into the following blank to confirm this statement: \_\_\_
- 10. Each of the undersigned understands that the Franchise Agreement (including any riders and exhibits) constitutes the entire agreement between the parties and supersedes all prior and contemporaneous oral or written agreements, statements, representations (except for those in the FDD), or understandings of us, the undersigned, and Franchisee.

\*Insert initials into the following blank to confirm this statement: \_\_\_

11. Each of the undersigned understands that nothing stated or promised that is not specifically set forth in the Franchise Agreement or FDD can be relied upon by the undersigned or Franchisee.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

12. Each of the undersigned has confirmed that no employee or agent of ours or our affiliates, or other person speaking on our behalf, has made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance we will furnish to Franchisee that is contrary to, or different from, the information contained in the FDD and the Franchise Agreement.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

13. Each of the undersigned understands that we and our affiliates may sell or transfer our assets, our trademarks, and/or the GoDog Campus Franchise System outright to a third party; may go public; may engage in a private placement of some or all of our and our affiliates' securities; may merge, acquire other companies, or be acquired by another company; and/or may undertake a refinancing, a recapitalization, a leveraged buy-out, or other economic or financial restructuring.

14. The only state(s) in which each of the undersigned is a resident is (are): \_\_\_\_\_.

*Incort initials into	ha fall	annin a blank ta aan Guus thia			
	,		O	,	

## \*Insert initials into the following blank to confirm this statement: \_\_\_

\*Insert initials into the following blank to confirm this statement: \_\_\_

15. Each of the undersigned understands the importance of the Campus's location. The undersigned and Franchisee have had, or will have, ample opportunity and the means to investigate, review, and analyze independently the Campus's location, the shopping center or other building in which it is contained, the market area and all other facts relevant to the selection of a site for a GoDog Campus, and the lease documents for such location.

\*Insert initials into the following blank to confirm this statement: \_\_\_

16. Each of the undersigned understands that neither our acceptance or selection of any location nor our negotiation or acceptance of any lease implies or constitutes any warranty, representation, guarantee, prediction, or projection that the location will be profitable or successful or that the lease is on favorable terms. It often is the case that leases are available only on very tough terms.

### \*Insert initials into the following blank to confirm this statement: \_\_\_

17. Each of the undersigned understands that site selection is a difficult and risky proposition. We and our affiliates have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied upon by the undersigned or Franchisee regarding a location's prospects for success, nearby tenants or other attributes, or the form or contents of any lease. Franchisee will have any lease reviewed by its, his, or her own attorney and other advisors.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

18. The covenants and restrictions concerning competition contained in the Franchise Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature enabling each of them to derive income that is satisfactory to them from other endeavors.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

19. There is no fiduciary or confidential relationship between us and the undersigned or between us and Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with it, him, or her at arm's length and in our own best interests.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

20. We have advised the undersigned and Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Franchise Agreement, this document, the Campus, any lease or sublease for the premises, and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

#### \*Insert initials into the following blank to confirm this statement: \_\_\_

21. Neither we or our affiliates, nor any of our or our affiliates' employees or agents, have provided the undersigned or Franchisee with services or advice that is legal, accounting, or other professional services or advice.

## \*Insert initials into the following blank to confirm this statement: \_\_\_

22. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Franchise Agreement. The statements made in this document or the Franchise Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

#### \*Insert initials into the following blank to confirm this statement: \_\_\_

23. Each of the undersigned understands that, in the franchise relationship, we and Franchisee will be independent contractors. Nothing is intended to make either Franchisee or us (or any affiliate of ours) a general or special agent, joint venturer, partner, or employee of the other for any purpose. We (and our affiliates) will not exercise direct or indirect control over the Campus's

personnel except to the extent any indirect control is related to our legitimate interest in protecting the quality of products, service, or the GoDog Campus brand. We (and our affiliates) will not share or codetermine the terms and conditions of employment of the Campus's employees or affect matters relating to the employment relationship between Franchisee and the Campus's employees, such as employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. We (and our affiliates) will not be the employer or joint employer of the Campus's employees.

\*Insert initials into the following blank to confirm this statement: \_\_\_

24. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and Franchisee hereby certify that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure. \*Insert initials into the following blank to confirm this statement:

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law:

Do not sign this Representations Document if you are a resident of Maryland or the franchise is to be operated in Maryland.

<u>The following language applies only to transactions governed by the Washington Franchise</u> Investment Protection Act:

This Representations Document does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IWMCIMOLL	•
[	]
Ву:	
	Signature
Print Name: _	
Title:	
Date:	

FRANCHISEF.

Owners/executives of the Franchisee legal entity must sign below individually			
(Signature   Date)	(Signature   Date)		
(Name Printed)	(Name Printed)		

#### **EXHIBIT F**

#### FORM OF GENERAL RELEASE

#### **GODOG FRANCHISING, LLC**

#### **GRANT OF FRANCHISOR CONSENT AND RELEASE BY FRANCHISEE**

GoDog	Franchising, I	LLC ("we," "	ʻus," or	"our")	and the	undersigned	franchisee,
	[insert name	of franchisee	entity]	("you" or	"your"),	currently are	parties to a
Franchise Agre	ement dated	(the "	'Franchis	e Agreem	ent") for	the operation	ı of a GoDog
Campus at		You have	asked us	to		[ins	ert relevant
detail]. We cu	irrently have n	no obligation	under y	our Fran	chise Ag	reement or o	otherwise to
	[repeat relev	v <b>ant detail]</b> , o	r we have	e the righ	t under th	ne Franchise <i>A</i>	Agreement to
condition our a	approval on you	ur and your o	wners si	gning a r	elease of	claims. We a	re willing to
	[repeat relevan	<b>it detail]</b> if you	and you	r owners	give us th	e release and	covenant not
to sue provided	l below in this d	ocument. You	and your	owners a	are willing	g to give us the	e release and
covenant not to	sue provided l	below in consi	ideration	for our v	villingnes	s to	[repeat
relevant detail	<b>]</b> .						

Consistent with the previous introduction, you, on behalf of yourself and your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our parent and other affiliated entities, and our and their respective current and former officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "GoDog Parties") from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, and expenses of any nature and kind, whether presently known or unknown, vested or contingent, suspected or unsuspected (all such matters, collectively, "Claims"), that you and any other Releasing Party now have, ever had, or, but for this Consent, hereafter would or could have against any GoDog Party (1) arising out of or related in any way to the GoDog Parties' performance of or failure to perform their obligations under the Franchise Agreement before the date of your signature below, (2) arising out of or related in any way to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the GoDog Parties.

The released Claims include, but are not limited to, any Claim alleging violation of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules, or regulations. You and the other Releasing Parties acknowledge that you and they may after the date of the signatures below discover facts different from, or in addition to, those facts currently known to you and them, or which you and they now believe to be true, with respect to the Claims released by this document. You and the other Releasing Parties nevertheless agree that the release set forth in this document has been negotiated and agreed on despite such acknowledgement and despite any federal or state statute or common law principle which may provide that a general release does not extend to claims which are not known to exist at the time of execution.

You, on behalf of yourself and the other Releasing Parties, further covenant not to sue any GoDog Party on any Claim released by this paragraph and represent that you have not assigned any Claim released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

[NOTE: The following language in brackets and bold type applies only when the franchisee operates in California or California law is deemed to apply. Remove the language in all other circumstances.]

[Each of the parties granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

Each of the parties granting a release recognizes that he, she, or it may have some claim, demand, or cause of action against the other parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Release. Each of the parties granting a release hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.]

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

<u>GODOG</u> FRANCHISING, LLC	[Name of Franchisee]	
	[Nume of Trunemsee]	
By:	By:	
Title:		
Date:	Date:	
	· · · · · · · · · · · · · · · · · · ·	
	[Name of Owner]	
	[Signature and Date]	

### EXHIBIT H STATE-SPECIFIC ADDITIONAL DISCLOSURES AND AGREEMENT RIDERS

#### CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT <a href="https://www.dfpi.ca.gov">www.dfpi.ca.gov</a>.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

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

Neither the franchisor nor any person or franchise broker disclosed 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.

- 2. 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.
- 3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

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

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

California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

- 4. The Franchise Agreement requires venue to be limited to Atlanta (Fulton County), Georgia. This provision may not be enforceable under California law.
- 5. The Franchise Agreement contains a provision requiring application of the laws of Georgia. This provision may not be enforceable under California law.
- 6. 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.
- 7. The franchise agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual

damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

- 8. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 9. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.
- 10. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

#### ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Notice Required By Law

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

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

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.

- 3. 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.
- 4. 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 any 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 DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### ITEM 5 INITIAL FEES

1. Item 5 is amended by adding the following language:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, the franchisor has posted a surety bond in the amount of \$170,000. A copy of the surety bond is on file with the Maryland Securities Division.

#### ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

- 1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- 2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.
- 3. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
- 4. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

#### MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### ITEM 13 TRADEMARKS

1. Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

#### ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

- 1. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
- 2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
- 3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.
- 4. Under the terms of the Franchise Agreement as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

#### NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. The following information is added to the State Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following paragraphs are added at the beginning of Item 3 of the Disclosure Document:

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

- (a) No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- (b) No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- (c) No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- (d) No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective

injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

- 4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.
- 5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by article 33 of the General Business law of the state of New York.

- 6. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in and the franchise will be operated in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.
- 7. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

# ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT ADDITIONAL INFORMATION REQUIRED BY THE STATE OF NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

- 1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Georgia law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Georgia law, as stated in Item 17 (w) of the Franchise Disclosure Document and Section 21.7 of the Franchise Agreement.
- 2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota.
- 3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
- 4. Item 17(i) of the Franchise Disclosure Document and Section 19.7 of the Franchise Agreement ("Rights and Obligations on Termination or Expiration of This Agreement: Liquidated Damages") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from the Franchise Disclosure Document and Franchise Agreement and any other agreements used in the State of North Dakota.
- 5. Section 21.10 of the Franchise Agreement ("Waiver of Jury Trial") requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
- 6. Section 21.9 of the Franchise Agreement ("Waiver of Punitive and Exemplary Damages") requires the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
- 7. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
- 8. Section 21.8 of the Franchise Agreement ("Consent to Jurisdiction") is deleted from all Franchise Agreements used in the State of North Dakota.
- 9. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT ADDITIONAL INFORMATION REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the "Act"), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by GoDog Franchising, LLC for use in the State of Rhode Island is amended as follows:

- 1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act Private civil actions and be amended to read:
  - (a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.
  - (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.
- 2. Item 17 v. Choice of forum and Item 17 w. Choice of law shall comply with  $\S$  19-28.1-14 of the Act Jurisdiction and venue and be amended to read:

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.

3. 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 any 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 THE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17. h

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

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 any 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 THE DISCLOSURE DOCUMENT

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

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us 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 us 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 our 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 an area representative, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Carefully evaluate any information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The row entitled "Liquidated Damages" in Item 6 of the Disclosure Document is deleted for Washington franchisees.

Notwithstanding anything to the contrary in Item 11 of the Disclosure Document, you will not be required to waive liability for use of any required or recommended proprietary software we license to

you.

We have obtained a surety bond in the amount of \$100,000. The Washington Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

Notwithstanding anything to the contrary in Items 17(c) and Item 17(m) of the Disclosure Document, any release you are required to sign as a condition of renewal or transfer will not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or any rule or order adopted thereunder, in accordance with RCW 19.100.220(2).

Notwithstanding anything to the contrary in Items 17(o) of the Disclosure Document, we will comply with RCW 19.100.180, including that the franchisor is required to purchase certain assets at fair market value (including goodwill in certain instances), at the time of expiration or termination of the franchise, offset by any amounts owed by the franchisee to the franchisor.

Notwithstanding anything to the contrary in Exhibit F, any agreement, condition, stipulation or provision purporting to bind any person to waive compliance with RCW 19.100 or any rule or order thereunder is void and does not apply to Washington franchisees.

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

### THE FOLLOWING PAGES ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

	DDOG FRANCHISING, LLC, a Delaware limited liability
	12 Krog Street NE, Unit D135, Atlanta, GA 30307 ("we,"
" <b>us</b> ," or " <b>our</b> "), and, a(n)	(" <b>you</b> " or " <b>your</b> ").
	re parties to that certain Franchise Agreement dated nent"). This Rider is annexed to and forms part of the
	d because (a) any of the franchise offer or sales activity
	te will be located, in California, or (b) you are a resident
of, and will operate your GoDog Campus in, Calif	fornia.
franchise relationship shall have the effect of (i) law, including fraud in the inducement, or (ii)	nchisee in connection with the commencement of the waiving any claims under any applicable state franchise disclaiming reliance on any statement made by any on acting on behalf of the franchisor. This provision ecuted in connection with the franchise.
<b>IN WITNESS WHEREOF</b> , the parties have of the date set forth next to our signature below	ve executed and delivered this Rider, to be effective as
GODOG FRANCHISING, LLC, a Delaware	FRANCHISEE
limited liability company	
Ву:	
Name:	[Name]
Title:	
Date:**	By:
	Name
**Effective Date	Title:
	Date:

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT FOR USE IN ILLINOIS

company whose prin	ncipal business address is 112 Krog	RANCHISING, LLC, a Delaware limited liability Street NE, Unit D135, Atlanta, GA 30307 ("we,"
" <b>us</b> ," or " <b>our</b> "), and _	, a(n)	(" <b>you</b> " or " <b>your</b> ").
		es to that certain Franchise Agreement dated Γhis Rider is annexed to and forms part of the
occurred in Illinois a	5 5	se (a) any of the franchise offer or sales activity perate under the Franchise Agreement will be is.

2. **WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES AND JURY TRIAL**. The following language is added to the end of Sections 21.9 and 21.10 of the Franchise Agreement:

HOWEVER, THIS WAIVER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY SECTION 705/41 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 OR ILLINOIS REGULATIONS AT SECTION 260.609.

- 3. **NO WAIVER OF DISCLAIMER OF RELIANCE.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 4. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added as a new Section 25 of the Franchise Agreement:

#### 25. ILLINOIS FRANCHISE DISCLOSURE ACT

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

[Signatures on following page]

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE		
By:			
Name:	[Name]		
Title:			
Date:**	By:		
	Name:		
**Effective Date	Title:		
	Date:		

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT FOR USE IN MARYLAND

		i FRANCHISING, LLC, a Delaware limited liability og Street NE, Unit D135, Atlanta, GA 30307 (" <b>we</b> ,"
	•	(" <b>you</b> " or " <b>your</b> ").
1. <u>BACK</u> 0		ties to that certain Franchise Agreement dated
	`	). This Rider is annexed to and forms part of the
_	5 5	use (a) you are a resident of Maryland, or (b) the
GoDog Campus you w	ill operate under the Franchise A	Agreement will be located in Maryland.

#### 2. **ACKNOWLEDGMENTS**.

a. The following language is added to the end of Section 2 of the Franchise Agreement:

All representations requiring you 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.

- b. Sections 2.1(b), (c), (d), (h), (k) and (n) are deleted from the Franchise Agreement.
- 3. **RELEASES**. The following language is added at the end of Sections 4.2, 16.3(b)(ix), 16.7, 17.2, and 19.6(c) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, such a general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. **GOVERNING LAW**. The following language is added to the end of Section 21.7 of the Franchise Agreement:

However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **CONSENT TO JURISDICTION**. The following language is added at the end of Section 21.8 of the Franchise Agreement:

Notwithstanding the foregoing, and subject to your arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 21.12 of the Franchise Agreement:

, except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

7. **NO WAIVER OF DISCLAIMER OF RELIANCE.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE		
By:			
Name:	[Name]		
Date:**	By: Name:		
**Effective Date	Title:		

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT FOR USE IN MINNESOTA

2. **RELEASES**. The following language is added at the end of Sections 4.2, 16.3(b)(ix), 16.7, 17.2, and 19.6(c) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law with respect to claims arising under Minn. Rule 2860.4400D.

3. **TERMINATION**. The following language is added to the end of Section 18.2 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **GOVERNING LAW**. The following language is added to the end of Section 21.G of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

5. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 21.8 of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. If and then only to the extent required by the Minnesota Franchises Law, Sections 21.9 and 21.10 of the Franchise Agreement are deleted in their entirety.

7. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 21.12 of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

8. **NO WAIVER OF DISCLAIMER OF RELIANCE.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE		
Ву:			
Name:	[Name]		
Title:	-		
Date:**	By:		
	Name:		
**Effective Date	Title:		
	Date:		

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT STATE OF NEW YORK

THIS RIDER is made by and between GODOG FRANCHISING, LLC, a Delaware limited liability company whose principal business address is 112 Krog Street NE, Unit D135, Atlanta, GA 30307 ("we," "us," or "our"), and \_\_\_\_\_\_\_\_, a(n) \_\_\_\_\_\_\_\_ ("you" or "your").

1. BACKGROUND. We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_\_\_ (the "Franchise Agreement"). This Rider is being signed because (a) you are a resident of New York and the GoDog Campus you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the franchise offer or sales activity occurred in New York.

2. **RELEASES**. The following language is added at the end of Sections 4.2, 16.3(b)(ix), 16.7, 17.2, and 19.6(c) of the Franchise Agreement:

Notwithstanding the foregoing, 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 the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. **TRANSFER BY US**. The following language is added to the end of Section 16.1 of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 18.1 of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Sections 21.7 and 21.8 of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 21.12 of the Franchise Agreement:

To the extent required by Article 33 of the General Business Law of the State of New York, all rights 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 provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

7. **NO WAIVER OF DISCLAIMER OF RELIANCE.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE		
By:			
Name:	[Name]		
Title:			
Date:**	By:		
	Name:		
**Effective Date	Title:		
	Date:		

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT STATE OF NORTH DAKOTA

THIS RIDER is made	e by and between GODOG FRAN	CHISING, LLC, a Delaware limited
liability company whose principal	business address is 112 Krog S	treet NE, Unit D135, Atlanta, GA
30307 (" <b>we</b> ," " <b>us</b> ," or " <b>our</b> "), and	, a(n)	(" <b>you</b> " or " <b>your</b> ").

- 1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Georgia law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Georgia law, as stated in Section 21.7 of the Franchise Agreement.
- 2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
- 3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
- 4. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
- 5. Section 19.7 of the Franchise Agreement ("Rights and Obligations on Termination or Expiration of This Agreement: Liquidated Damages") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from the Franchise Disclosure Document and Franchise Agreement and any other agreements used in the State of North Dakota.
- 6. Section 21.8 of the Franchise Agreement ("Consent to Jurisdiction") is deleted from all Franchise Agreements used in the State of North Dakota.
- 7. Section 21.10 of the Franchise Agreement ("Waiver of Jury") requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
- 8. Section 21.9 of the Franchise Agreement ("Waiver of Punitive and Exemplary Damages") requires the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
- 9. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signatures on following page]

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE	
By:		
Name:	[Name]	
Title:		
Date:**	By:	
	Name:	
**Effective Date	Title:	
	Date:	

#### RIDER TO THE GODOG FRANCHISING, LLC FRANCHISE AGREEMENT FOR USE IN RHODE ISLAND

company wh	ose principal l	ousiness address is 11	DDOG FRANCHISING, LLC, a Delaware l 2 Krog Street NE, Unit D135, Atlanta, G. ("you" or "your")	A 30307 (" <b>we</b> ,"
1.			e parties to that certain Franchise Agnent"). This Rider is annexed to and for	
GoDog Camp	reement. This us you will op	Rider is being signed erate under the Franc	because (a) you are a resident of Rhode hise Agreement will be located in Rhode urred in Rhode Island.	Island <u>and</u> the
2. the end of Se		<b>G LAW/CONSENT T</b> (d 21.8 of the Franchis	<b>O JURISDICTION</b> . The following langua e Agreement:	ge is added at
provi this s a clai Rhod	ision in a franc tate or requiri m otherwise e	chise agreement restr ng the application of t nforceable under this	d Franchise Investment Act provides ricting jurisdiction or venue to a forum the laws of another state is void with rest Act." To the extent required by applical arising under the Rhode Island Franchise arising under the Rhode Island Franchise Investment Act provides Island Franchise Island Fra	outside spect to ole law,
franchise rela law, includin franchisor, fi	nent signed o ationship shall ng fraud in the ranchise selle	r agreed to by a fran have the effect of (i) ve inducement, or (ii) c, or any other perso	OF RELIANCE. No statement, quechisee in connection with the commer vaiving any claims under any applicable disclaiming reliance on any statement acting on behalf of the franchisor.	ncement of the state franchise t made by any
		<b>REOF</b> , the parties have ar signature below.	e executed and delivered this Rider, to be	e effective as of
	ANCHISING, Lility company	<b>LC</b> , a Delaware	FRANCHISEE	
Name:_			[Name]	
Date:	*	*	By:	

Title:\_\_\_\_\_\_

\*\*Effective Date

#### WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, FRANCHISE REPRESENTATIONS, AND RELATED AGREEMENTS

<b>THIS RIDER</b> is ma	ide by and between <b>GODOG F</b>	<b>RANCHISING, LLC</b> , a Delaware limited liability
company whose principal	business address is 112 Krog	Street NE, Unit D135, Atlanta, GA 30307 ("we,"
" <b>us</b> ," or " <b>our</b> "), and	, a(n)	(" <b>you</b> " or " <b>your</b> ").

- 1. <u>BACKGROUND</u>. We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_\_ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Washington, and/or (b) the GoDog Campus you will operate under the Franchise Agreement will be located or operated in Washington, and/or (c) any of the franchise offer or sales activity occurred in Washington.
- 2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

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

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us, 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 us, 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, you 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 our 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.

The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

#### 3. **WASHINGTON LAW**. The following amendments are made to the Franchise Agreement:

Notwithstanding anything to the contrary in Sections 2.1(c), (h), and (i) and 21.17 of the Franchise Agreement, any agreement, condition, stipulation or provision purporting to bind any person to waive compliance with RCW 19.100 or any rule or order thereunder is void and does not apply to Washington franchisees.

Notwithstanding anything to the contrary in Section 7.5(b) of the Franchise Agreement, you will not be required to waive liability for use of any required or recommended proprietary software we license to you.

Notwithstanding anything to the contrary in Sections 16.3(b)(ix), 16.7(b), 17.2, and 19.6(c)(ii) of the Franchise Agreement, any release you are required to sign as a condition of renewal or transfer will not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or any rule or order adopted thereunder, in accordance with RCW 19.100.220(2).

Notwithstanding anything to the contrary in Section 19.5 of the Franchise Agreement, we will not enforce the covenant not to compete against Immediate Family.

Notwithstanding anything to the contrary in Section 19.6 of the Franchise Agreement, we will comply with RCW 19.100.180, including that the franchisor is required to purchase certain assets at fair market value (including goodwill in certain instances), at the time of expiration or termination of the franchise, offset by any amounts owed by the franchisee to the franchisor.

Section 19.7 of the Franchise Agreement is hereby deleted.

Notwithstanding anything to the contrary in Section 20.2 of the Franchise Agreement, we will remain liable for any liability that is due to the franchisor's gross negligence or willful misconduct and for any liability that arises under the Franchise Investment Protection Act of Washington.

Sections 21.14 and 21.15 of the Franchise Agreement do not apply to Washington franchisees.

4. **NO WAIVER OF DISCLAIMER OF RELIANCE.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE
By:	
Name:	[Name]
Title:	
Date:**	By:
	Name:
**Effective Date	Title:
	Date:

#### ADDENDUM TO FRANCHISE AGREEMENT FOR **USE IN INDIANA, MICHIGAN, VIRGINIA AND WISCONSIN**

GoDog Franc	Franchising, LLC Franchise Agreement between ("Franchisee" or "you"] chising, LLC ("Franchisor" or "us"); dated, 20 ("Agreement") shall be amended ion of the following language, which shall be considered an integral part of the Agreement 1"):
	<b>Background.</b> Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Amendment (the "Franchise Agreement"). This Addendum is part of the Franchise Agreement.
	<b>No Waiver of Disclaimer of Reliance in Certain States</b> . The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in Indiana, Michigan, Virginia, or Wisconsin:
	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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
	VITNESS WHEREOF, the parties have executed and delivered this Addendum, to be effective e set forth next to our signature below.

<b>GODOG FRANCHISING, LLC</b> , a Delaware limited liability company	FRANCHISEE	
By:		
Name:	[Name]	
Title:	-	
Date:**	By:	
	Name	
**Effective Date	Title:	
	Date	

#### **EXHIBIT I**

#### LIST OF CURRENT AND FORMER FRANCHISEES

#### Franchisees as of the Prior Fiscal Year End:

[NONE]

#### Former Franchisees that Departed the Franchise Network during the Prior Fiscal Year:

The name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of each franchisee who had an outlet terminated, canceled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is listed below. The states listed below in which these former franchisees may be contacted are not necessarily the same states in which the former franchisees' franchised businesses were located. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

[NONE]

#### 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
Hawaii	Not Effective
Illinois	June 13, 2023, as amended October 19, 2023
Indiana	May 25, 2023, as amended August 31, 2023
Maryland	Pending
Michigan	May 30, 2023, as amended August 31, 2023
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	May 30, 2023, as amended, 2023
South Dakota	Not Effective
Virginia	Pending
Washington	Pending
Wisconsin	May 25, 2023, as amended October 19, 2023

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

#### **RECEIPT**

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

If GoDog Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan law requires that GoDog Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If GoDog Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

The franchisor is GoDog Franchising, LLC, located at 112 Krog Street NE, Unit D135, Atlanta, GA 30307, (404) 635-6637.

Issuance date: May 19, 2023, as amended August 31, 2023

**Financial Statements** 

Exhibit A

The franchise sellers for this offering are Erin Snyder, at GoDog Franchising, LLC, c/o 112 Krog Street NE, Unit D135, Atlanta, Georgia 30307, (404) 635-6637 and Amy Nichols and Ben Eberdt at GoDog Franchising, LLC, 112 Krog Street NE, Unit D135, Atlanta, GA 30307, (404) 635-6637.

We authorize the respective state agents identified on Exhibit D to receive service of process for us in the particular states. I received a disclosure document from GoDog Franchising, LLC issued as of May 19, 2023, as amended August 31, 2023 that included the following Exhibits:

(Date, sign, and return to us at our address above or by email to <a href="mailto:franchise@godoghq.com">franchise@godoghq.com</a> .)		Signature of Prospective Franchisee		
Date		Prospective Franchisee [Print Name]		
Exhibit J	State Effective Dates and Receipts			
Exhibit I	List of Franchisees / Departed Franchisees			
Exhibit H	State-Specific Additional Disclosures and Agreement Riders			
Exhibit G	Form of General Release			
Exhibit F	Franchisee Representations	Document		
Exhibit E	List of Agents for Service of	Process		
Exhibit D	List of State Administrators			
Exhibit C	Operations Manual Table of	Contents		
Exhibit B	Franchise Agreement			

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