FRANCHISE DISCLOSURE DOCUMENT



Camp Bow Wow Franchising, Inc.

a Delaware corporation 7577 West 103rd Avenue, Unit 209 Westminster, Colorado 80021 877-700-BARK www.campbowwow.com franchisesales@cbwcorp.com

Camp Bow Wow Franchising, Inc. franchises the right to operate "CAMP BOW WOW®" businesses offering specialized pet care services through fixed store locations and mobile units, the retail sale of pet food and merchandise, and related services and products.

The total investment necessary to begin operation of a Camp Bow Wow franchised business ranges from \$928,000 to \$1,658,000. This total investment includes \$30,000 - \$50,000 that must be paid to us or our Affiliates.

In certain circumstances, we offer to those who qualify the opportunity to acquire the right to develop and operate at least three Camp Bow Wow franchised businesses in a designated development area. In addition to the total investment necessary to begin operation of the first Camp Bow Wow franchised business, as described above, you must pay us a development fee for each subsequent Camp Bow Wow franchised business that you agree to open in the designated development area. The current development fee is \$50,000 (the initial franchise fee for your first franchised business) plus \$37,500 for each additional franchised business to be opened in the development area.

This Disclosure Document summarizes certain provisions of the Camp Bow Wow® Franchise Agreement, Multi-Unit Development 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 us, or an Affiliate, in connection with the proposed franchise sale. Note, however, that no government agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales Department, at Camp Bow Wow Franchising, Inc., 7577 West 103rd Avenue, Unit 209, Westminster, Colorado 80021, telephone (877) 700-BARK, or www.campbowwow.com.

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 contracts carefully. Show your contracts and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, like "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document is available through the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or

by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information on franchising. 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. You may ask your state agencies about them.

Issuance Date: March 22, 2022

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 E. | | |
| How much will I need to invest? | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use. | | |
| Does the franchisor have the financial ability to provide support to my business? | Item 21 or Exhibit C includes financial statements. Review these statements carefully. | | |
| Is the franchise system stable, growing, or shrinking? | Item 20 summarizes the recent history of the number of company-owned and franchised outlets. | | |
| Will my business be the only Camp Bow Wow® business in my area? | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. | | |
| Does the franchisor have a troubled legal history? | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. | | |
| What's it like to be a Camp Bow Wow® franchisee? | Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences. | | |
| What else should I know? | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See 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.

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

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

<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 Exhibit A.

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

Special Risks to Consider About This Franchise

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

1. <u>Out-of-State Dispute Resolution</u>. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.

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

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.

STATE OF MICHIGAN

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

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

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

(b) A requirement that a franchise easent to a release, assignment, novation, waiver, or estoppel which deprives a franchise 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 before the expiration of its term except for good cause. Good cause shall include the failure of the franchise 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 franchise 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 is 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 such provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48909, telephone (517) 373-7117.

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

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EXHIBITS:

| Exhibit A: | List of State Agencies and Agents for Service of Process |
|-------------------|--|
| Exhibit B: | Franchise Agreement (with Attachments) |
| <u>Exhibit C:</u> | Financial Statements |
| Exhibit D: | Operations Manual Table of Contents |
| <u>Exhibit E:</u> | List of Franchisees and Former Franchisees |
| Exhibit F: | State-Specific Addenda to the Disclosure Document |
| Exhibit G: | Release of Claims and Indemnification Agreement |
| Exhibit H: | Multi-Unit Development Agreement |
| <u>Exhibit I:</u> | Lease Addendum |
| <u>Exhibit J:</u> | Right of First Refusal and Option Agreement |
| Exhibit K: | Leaseback Agreement |
| Exhibit L: | ACH Form |
| Exhibit M: | State Effective Dates Page |
| Exhibit N: | Receipts |

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

To simplify the language in this Franchise Disclosure Document ("Disclosure Document"), "Camp Bow Wow Franchising, Inc.," "CBW," "us" or "we" means Camp Bow Wow Franchising, Inc., the Franchisor. "You" means the person who buys a Camp Bow Wow® franchised business and includes your owners if you are a business entity.

The Franchisor

Camp Bow Wow Franchising, Inc. is a Delaware corporation formed on July 24, 2014. Our principal place of business is 7577 West 103rd Avenue, Westminster, Unit 209, Colorado 80021, telephone is (877) 700-2275 and email address is franchisesales@cbwcorp.com. We began offering and selling franchises in August 2014.

Franchisor's Business Experience and Predecessors

We acquired one hundred percent of the equity interests of our predecessor D.O.G. Development LLC ("D.O.G. Development") on August 16, 2014. On August 16, 2014, D.O.G. Development was merged with and into Camp Bow Wow Franchising, Inc. D.O.G. Development's principal place of business was 8820 W. 116th Circle, Unit D, Broomfield, Colorado 80021.

In 2003, our predecessor began operating as Camp Bow Wow Branding, LLC; in September 2004, our predecessor changed its name to D.O.G. Development.

In addition to offering CBW Franchises, our predecessor previously offered separate Home Buddies Franchises from 2008 through 2012. Home Buddies Franchises provide In-Home Services. Home Buddies Franchises cannot provide Camp Services and, except for those grandfathered in prior to the date of this Disclosure Document, cannot provide dog training services.

All new CBW Franchises are provided the opportunity to offer all CBW Services, as defined below, for their franchise. Unless otherwise agreed in writing, you will be required to provide all CBW Services.

Except as stated above, we do not engage in any other business activities, and have not offered franchises in any other line of business. Our agents for service of process are disclosed in <u>Exhibit A</u> to this Disclosure Document.

Parents and Affiliates

Our direct corporate parents are Vicar Operating, Inc. and VCA Inc. ("VCA"). The principal place of business for both of our corporate parents is 12401 West Olympic Boulevard, Los Angeles, California 90064.

VCA was purchased by Mars, Incorporated ("Mars") on September 11, 2017. Mars' principal place of business is 6885 Elm Street, McLean, Virginia 22101. VCA is a wholly owned subsidiary of Mars. None of these corporate parents offer franchises in any line of business. Our affiliates (or their predecessors) have operated businesses that provide Camp Services since December 2000. The current affiliate, CBW Operating, Inc. operates the corporate locations referenced in Item 20. It is a Delaware corporation formed on August 16, 2014, with its principal place of business is 7577 West 103rd Avenue, Unit 209, Westminster,

Colorado 80021. Also, our affiliates (or their predecessors) have operated Home Buddies Franchises at various times since December 2008.

We have two affiliates that must be disclosed in this Disclosure Document because they may provide products or services to our franchisees: VCA Animal Hospitals, Inc. ("VCA Hospitals"), and Antech Diagnostics, Inc. (collectively, the "Affiliates"). The principal place of business of these entities is 12401 West Olympic Boulevard, Los Angeles, California 90064. None of our Affiliates have offered franchises in any line of business.

The Camp Franchise

We offer the right to operate CBW Franchises which must offer the following services: dog boarding, dog day care, enrichment, and certain dog grooming services at a specially designed pet care facility (collectively, "Camp Services" or "CBW Services").

| "Camp Services" or "CBW Services" | Providing dog boarding, dog day care, enrichment, and certain dog grooming services (full-service dog grooming and certain pre- approved dog training services are optional) at a pet care facility |
|--------------------------------------|---|
| We market Camp | meeting our design and appearance requirements and at a location that |
| Services as "Camp Bow | we approve of in advance, which we refer to in this Disclosure |
| Wow [®] " | Document as the "Camp Site." |

We regard full-service dog grooming and certain pre-approved dog training services as optional Camp Services. In our experience, we and our franchisees that have chosen to offer full-service dog grooming services do so through independent contractors who own their own grooming equipment and already possess requisite insurance, licenses and bonds. You are solely responsible for making classification decisions and determining that your groomer may be properly classified as an independent contractor and has the appropriate experience, licenses, insurance and equipment to perform grooming services consistent with our standards in the Operations Manuals. You may choose to perform dog training services through employees or independent contractors whom you hire or retain who meet certain minimum experience and training requirements that we identify in the Operations Manuals. If you choose to retain independent contractors based on your level of control and other legal tests under applicable law.

Some camps also provide optional Bark 'n Ride® shuttle services. To offer optional Bark 'N Ride® shuttle services, you must have a vehicle meeting our then-current safety and branding specifications. At this time, we are not aware of any special licenses that your personnel will need to provide Bark 'n Ride® shuttle services other than a valid driver's license.

Other than materials regarding brand standards that we provide to dog trainers, we do not offer special training instruction or materials in the services that we identify as optional. However, before you may offer optional services, you must be in compliance with your obligations under the Franchise Agreement and you must obtain approval from us, in writing. You must also follow the Operations Manuals with regard to the optional services.

Your CBW Franchise must provide all CBW Services unless we and you have agreed in writing that you are not required to do so.

You will provide the Camp Services from a fixed store location ("Camp Site") within the Authorized Territory (defined below in Item 12). Except as otherwise noted in this Disclosure Document or the Franchise Agreement, you must provide the CBW Services upon the earlier of (i) your receipt of a certificate from us notifying you to begin providing the CBW Services, or (ii) within 18 months of the Effective Date of your Franchise Agreement (the "Operations Deadline").

Each CBW Franchise operates according to our proprietary business system, the characteristics of which include: (a) requirements, standards and specifications for providing Camp Services, and other goods and services authorized for sale by us; (b) standards and specifications for equipment, furniture, fixtures, interior and exterior design, decor and color schemes, and the general layout of a Camp Site; (c) sales techniques; (d) branding standards and requirements, (e) promotion, marketing and advertising methodologies, and (f) other general operating procedures (collectively, the "System"). We may modify the System at any time.

The System is identified by and includes certain trade names, service marks, trademarks, logos, emblems, trade dress, and indicia of origin, including the CAMP BOW WOW® mark and any other trademarks we may now or in the future designate in writing for use with the System (collectively, the "Marks").

You must operate your CBW Franchise according to our System and sign our standard Camp Bow Wow® franchise agreement ("Franchise Agreement"). The Franchise Agreement provides you with the right and obligation to operate a CBW Franchise and provide the CBW Services from within a single Authorized Territory.

Multi-Unit Developers

In certain circumstances, we may offer you the right to operate more than one CBW Franchise in a designated development area pursuant to our Multi-Unit Development Agreement, attached to this Disclosure Document as <u>Exhibit I</u> (the "Multi-Unit Development Agreement"). Under the Multi-Unit Development Agreement, you agree to open three or more CBW Franchises within a particular territory according to a development schedule. The development schedule is determined at the time you sign the Multi-Unit Development Agreement and will depend in part upon the number of CBW Franchises you agree to open. For each CBW Franchise under the Multi-Unit Development Agreement, you will be required to sign the then-current Franchise Agreement.

Market and Competition

The market for pet care in general is growing. However, market growth is affected by general economic conditions, tight credit markets, restrictive business lending conditions, unemployment levels which may affect the extent of discretionary spending by consumers, and the presence of competition. As a result of the current economic climate, there may be additional unforeseen changes in the economy or our industry that may impact your business.

The pet care industry is continually changing and evolving. You will compete directly with other local franchises and businesses that sell and offer pet care services from retail locations or mobile units, such as dog day care, overnight boarding and mobile pet care, in-home pet care providers, groomers,

trainers, walkers, and retail businesses that sell pet food and merchandise. You will also face normal business risks that could have an adverse effect on your CBW Franchise. The success of your business will be dependent on your entrepreneurial abilities and focus on customer service. CBW Franchises operate year-round but may experience seasonal fluctuations in customer demand.

Industry-Specific Regulations

CBW Franchises are subject to various federal, state and local laws and regulations applicable to providing Camp Services, dog training services and other authorized products and services, including but not limited to: data privacy laws, zoning and construction laws, public accommodations laws, kennel and pet sitting licensing laws, grooming laws, noise ordinances, bonding requirements, health and safety laws, hazardous waste and environmental laws, fire codes, smoking rules, employment and workers' compensation laws, federal, state and local tax laws, the Occupational Safety and Health Act, the Americans with Disabilities Act, and related laws and regulations. You may need to obtain a zoning variance or similar entitlement when you obtain a Camp Site. You may also need to obtain a license or permit to provide Dog Training Services, grooming services, or dog training services.

You must investigate all applicable federal, state, and local laws and regulations, and your cost to comply with these laws and regulations, with an attorney, financial advisor or both before purchasing a CBW Franchise from us. Applicable laws and regulations are subject to change.

ITEM 2. BUSINESS EXPERIENCE

Chairman of the Board and Chief Executive Officer: Doug Drew

Mr. Drew has served as Chairman of the Board and Chief Executive Officer since August 2019. He has served as a member of our Board of Directors since September 2018. Mr. Drew has served as President of Mars Veterinary Health North America since August 2019. Prior to that he served as President of VCA Animal Hospitals and Petcare Services from April 2018 to August 2019, and he was President of VCA U.S. Animal Hospitals from 2009 through April 2018. All positions in which Mr. Drew has worked for us or our parent company have been in Los Angeles, California.

President: Julie Turner

Ms. Turner has served as our President since August 2019. She previously served as our Vice President of Marketing from September 2014 to August 2019 in our Broomfield, Colorado office.

Vice President of Finance: Laura Clyncke

Ms. Clyncke has served as our Vice President of Finance since December 2016 at our Broomfield, Colorado location.

General Counsel and Assistant Secretary: Kimberly Morris

Ms. Morris has served as our General Counsel since November 2013 in our Broomfield, Colorado office.

Vice President of Analytics, Research and Development: Damien D'Emic

Mr. D'Emic has served as our Vice President of Analytics, Research and Development since March 2012 in our Broomfield, Colorado office.

Vice President of Marketing: Christy Barnes

Ms. Barnes has served as our Vice President of Marketing since January 2021. Previously, she was our Director of Marketing from August 2019 to December 2020; Senior Marketing Manager from September 2018 to August 2019; and Marketing Manager from March 2015 to September 2018. All positions were in our Broomfield, Colorado office.

Vice President of Operations: Todd Houghton

Mr. Houghton has served as our Vice President of Operations since January 2020, in our Broomfield, Colorado office. From October 2017 to January 2020, Mr. Houghton was the Assistant Vice President of Operations at Brightstar Group Holdings in Gurnee, Illinois. From July 2014 to October 2017, he was the Director of the Franchise Network in the South and Southeast Regions, based out of their Dayton, Ohio office.

Vice President of Franchise Development: Todd Haavind

Mr. Haavind has served as our Vice President of Franchise Development since September 2019 in our Broomfield, Colorado office. He was the Vice President of Sales from March 2019 to September 2019 in our Broomfield, Colorado office. From February 2018 through March 2019, he was the Director of Franchise Development at Title Boxing Club, which is based in Overland Park, Kansas. From August 2017 through December 2017 he was the Vice President of Sales at Dickey's Barbecue Pit based in Dallas, Texas, and from February 2015 through April 2017 he was the Vice President of Franchise Development at Beeline Bikes, Inc. in San Carlos, California.

Human Resources Partner: David Barella

Mr. Barella has served as our HR Business Partner since August 2021 in our Broomfield, Colorado office. From January 2018 to August 2021, Mr. Barella was the Head of Human Resources at Tax Guard, LLC in Westminster, Colorado. From October August 2014 to October 2017, Mr. Barella was the Senior Operations Manager at Sage Restaurant Group in Denver, Colorado.

ITEM 3. LITIGATION

Litigation filed by Franchisor during last fiscal year against a former franchisee to enforce posttermination obligations:

<u>Camp Bow Wow Franchising, Inc. v. Gone to the Dogs LLC and George Agamemnon</u>, American Arbitration Association Case No. 01-21-0017-8143, filed December 10, 2021.

Prior Actions:

D.O.G. Development, LLCv. See More Paws, Inc. and Diane LaFemina (American Arbitration Association, Case No. 77-20-1400-0050 filed January 24, 2014).

We filed this case against a former franchisee and its guarantor to enforce the Franchise Agreement's posttermination obligations and restrictions, and to seek redress for breach of those obligations and restrictions. The former franchisee and guarantor filed a counterclaim against us alleging, among other things, that we made material misrepresentations during franchise sales process about the amount of money they could expect to make from a Camp Bow Wow® franchise. On June 30,2014, the day prior to a scheduled hearing, we received notice that the Guarantor filed a Chapter 7 bankruptcy action, thereby staying the arbitration case. The stay was lifted by court order in September 2017, and we settled the case on March 22, 2018 with the former franchisee and guarantor paying us \$12,000 and agreeing to not interfere with our intellectual property rights or trade dress, and the parties agreeing to mutual releases and termination of the Franchise Agreement.

<u>Camp Bow Wow Franchising, Inc. v. Bogey's Playful Pals, Inc. and Paul and Gina Stroh (American</u> Arbitration Association, Case No. 01-15-0005-7930 filed November 25, 2015).

We filed this case against a former franchisee and its guarantors to enforce the Franchise Agreement's posttermination obligations and restrictions, and to seek redress for breach of those obligations and restrictions. The franchisee and its guarantors filed a counterclaim alleging fraudulent misrepresentations and a breach of the implied duty of good faith and fair dealing under the Franchise Agreement. In May 2016, the arbitrator ruled there was no merit to their counterclaims, ordered them to divest themselves of any interest they had in the competing business, and enjoined them from having any direct or indirect interest in a competing business within 100 miles of the Camp Site and twenty-five miles of any then-existing Camp Bow Wow® location, for a period of 2 years. We also won breach of contract damages, attorney fees, and costs in the total amount of \$129,093.80.

Other than the three actions disclosed above, no further litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

The Camp Franchise

You must pay us a lump sum of \$50,000 for your first Authorized Territory upon signing the Franchise Agreement (the "Initial Franchise Fee").

If you choose to purchase additional franchise territories, we offer a 25% discount off of our thencurrent Initial Franchise Fee (the "Discounted Future Franchise Fee"). The Discounted Future Franchise Fee as of the date of this Disclosure Document is \$37,500. We may offer an additional 10-20% off of the Discounted Future Franchise Fee, resulting in Discounted Future Franchise Fees ranging from \$30,000 -\$33,750, when offering a time-based discount, or as part of an offer to franchisees purchasing multiple territories at once or to franchisees purchasing non-traditional locations or in other similar circumstances. We offer a 10% discount off the Initial Franchise Fee for your first Authorized Territory if you qualify for the VetFran program administered by the International Franchise Association and have been honorably discharged from the armed forces. The VetFran discount cannot be combined with any other discount, and cannot be applied to the purchase of additional Authorized Territories or the Discounted Future Franchise Fee.

We offer a 10% discount off the Initial Franchise Fee for your first Authorized Territory if you have worked for at least two consecutive years as a firefighter, law enforcement officer, or paramedic and you are either currently in good standing or you were in good standing at the time you left that position (the "Public Protector Discount"). The Public Protector Discount cannot be combined with any other discount, and cannot be applied to the purchase of additional Authorized Territories or the Discounted Future Franchise Fee.

We may also offer an additional 10% off of the Initial Franchise Fee for your first Authorized Territory if you meet a time-based discount, such as signing the franchise agreement prior to the end of the year, within a certain number of days from Join the Pack Days, or prior to the new Disclosure Document becoming available. This time-based discount cannot be combined with any other discount, and cannot be applied to the purchase of additional Authorized Territories or the Discounted Future Franchise Fee.

You may choose to access our proprietary Software (defined below) before you begin operations, free of charge. Beginning the month you begin operations, you will pay us or our designated vendor the then-current monthly Technology Fee. Your license to the Software is included in the Technology Fee. As of the issuance date of this Disclosure Document, the monthly Technology Fee is \$250, but that is subject to change at Franchisor's discretion.

The Initial Franchise Fee and Discounted Future Franchise Fee are each non-refundable upon payment to us. During the fiscal year ending December 31, 2021, we collected Initial Franchise Fees ranging from \$30,000 to \$50,000.

Multi-Unit Development Rights

We may offer those who qualify the opportunity to acquire the right to develop and operate multiple CBW Franchises in a designated "Development Area." The Development Area will be established based on the consumer demographics of the Development Area, geographical area, city, county or other boundaries. If you are purchasing a Development Area, you must execute our then-current Multi-Unit Development Agreement and pay us the full amount of the then-current Initial Franchise Fee for the first CBW Franchise and a "Development Franchise Fee" for each subsequent CBW Franchise you agree to open under the Multi-Unit Development Agreement. The Development Franchise Fee is calculated by discounting the Initial Franchise Fee by 25%. For example, if you are going to develop five CBW Franchises, you will pay us \$200,000 (\$50,000 for the first CBW Franchise plus \$37,500 for each of the additional four CBW Franchises) pursuant to the terms of the Multi-Unit Development Agreement. The Development Agreement Agreement. The Development Agreement Agreement. The Development Agreement Agreement. The Development Agreement Agreement. The Development Franchise plus \$37,500 for each of the additional four CBW Franchises) pursuant to the terms of the Multi-Unit Development Agreement. The Development Franchise Fee is nonrefundable once paid. The same person or entity that signs the Multi-Unit Development Agreement must also sign each Franchise Agreement. We did not collect any Development Franchise Fees in 2021.

ITEM 6. OTHER FEES

| Type of Fee ¹ | Amount | Due Date | Remarks |
|---|---|--|--|
| Royalty Fee | The greater of 7% of Net Revenue or the Minimum Monthly Royalty. | Twice monthly on the 10th and 25th day of the month, via ACH | See Notes 2 and 3 |
| Advertising Fund Fee | 1% of Net Revenue up to a maximum of 3% of Net Revenue. | Twice monthly on the 10th and 25th day of the month, via ACH | See Note 4 |
| Local Advertising Expense | \$2,500 per month | If we choose to collect the Local Advertising Expense, it will be due twice monthly on the 10th and 25th day of the month via ACH. | See Note 5 |
| Camp Re- Launch Advertising | \$8,000 - \$10,000 | Payable during the period after the transferee signs the Franchise Agreement through its grand re- opening event, or, if applicable to a relocation, payable prior to and through the grand re-opening event. | See Note 6 |
| Regional Advertising Co-operative | The lesser of 3% of Net Revenue or the \$2,500 Local Advertising Expense | Twice monthly on the 10th and 25th day of the month, via ACH | As of the date of this Disclosure Document we have not established a Regional Advertising Co-op, but may do so in the future. |
| Late Fees and Interest | \$100 plus 18% interest, not to exceed the maximum rate of interest allowable by law | As incurred | Begins to accrue the day after payment was due |
| Renewal Fee | \$10,000 | Upon signing the renewal franchise agreement | |
| Audit Fee | Cost of audit, which may range from \$500 - \$5,000 | As incurred | Payable only if the audit reveals that you have |

| Type of Fee ¹ | Amount | Due Date | Remarks |
|--|--|---|--|
| | | | understated your Net Revenue by 1% or more |
| Indemnification | Amount of claim or judgment plus reasonable attorney fees | As incurred | You must reimburse us for and defend us against claims brought against us, and for taxes imposed on us, due to your operations. |
| Transfer Fee | \$20,000 | 10 days before transfer | See Note 7 |
| Cost of Enforcement or Defense | Actual costs | Upon settlement or conclusion of claim or action | You must reimburse us if we incur any expenses in enforcing our rights against you under any agreement |
| Additional or Repeat Initial Camp Services Training | \$100 per person per day if you choose to have additional people attend Initial Camp Services Training, plus \$1,000 - \$7,500 per person for travel expenses. | As you hire new managers or we require you or your personnel to attend or repeat Camp Services Training | See Note 8 |
| Other Additional Training | Varies based on needs. Estimated to be \$100 - \$2,000, plus \$50 - \$2,000 of travel expenses. | As incurred | See Note 9 |
| Dog Trainer Certificate Program | Currently, there is no charge for this program, but we reserve the right to start charging for | Not applicable | |

| Type of Fee ¹ | Amount | Due Date | Remarks |
|---|--|-------------------------------------|--|
| | this training at any time. | | |
| Relocation Fee | \$10,000 | Upon approval of relocation request | See Note 10 |
| Pre-Re-Sale On-Site Evaluation | \$2,500 | As incurred | At our option, we may require you to pay for one of our personnel to conduct an on-site evaluation prior to a Transfer in order to determine whether any items within the Camp need to be updated or replaced to meet current standards. |
| Product or Supplier Review Fee | \$500 plus actual costs of tests | At time of request | Payable only if you request that we review a new supplier or product for use or sale in your CBW Franchise. |
| Mandatory Seminars, Conventions, or Programs | Registration fees plus travel expenses, estimated to be \$500-\$2,500 per person, per meeting. If you do not attend a mandatory meeting, you must pay us the registration fee plus a penalty of up to \$3,000, regardless of the cause for non- attendance. | As incurred | We may conduct periodic meetings that you must attend. System- wide franchisee meetings are typically held every 12-24 months. |
| Third Party Software License Fees | Varies based on software package. The estimated fees for required software | As incurred. | See Note 11 |

| Type of Fee ¹ | Amount | Due Date | Remarks |
|---|--|--|---|
| | are up to \$1,000 per month. | | |
| Post- Termination and Post- Expiration Expenses | Costs and expenses associated with ceasing operations and de-identifying the Camp Site and yourself with the CBW Franchise and System. | Upon termination or expiration | See Note 12 |
| Maximum Modernization Amount | Up to \$100,000 during the initial term of the Franchise Agreement. | As required by us | See Note 13 |
| Management Fee | The then-current fee we publish in the Operations Manual, which currently is \$500 per day plus reimbursement for reasonable and actual overhead expenses. | Payable with the Royalty Fee | Payable only if we elect to manage the CBW Franchise after a death or incapacity that results in a Change of Control, or during a cure period after a default of the Franchise Agreement. |
| Design Fee | The first design and up to 3 adjustments to that the first design is free, and each subsequent design is \$750 | As incurred | Applies to each site, including new Camps, remodels, relocations, and expansion designs. |
| Marketing Platform Fee | \$300 per month, per location | Payable on the 10th of the month via ACH, beginning the month after your Real Estate Documents (defined below) are executed | We reserve the right to increase these payments as necessary upon notice to you. These payments count toward your monthly Local Advertising |

| Type of Fee ¹ | Amount | Due Date | Remarks |
|--------------------------|---|---|---|
| | | | Expense once you open your Camp. |
| Technology Fee | \$250 per month, per location | Payable monthly via ACH | See Note 14 |
| Default Fee | Currently \$250 for your first default, and \$500 per additional default within 12 months, but we reserve the right to change these amounts at any time. | Upon demand, via ACH. | See Note 15 |
| Daily Fee | Currently \$100 per day that you are out of compliance, but we reserve the right to change this amount at any time. | Upon demand, via ACH. | See Note 16 |
| Insurance cost | Reimbursement of the full cost of the purchased insurance plus a 18% service charge | Upon demand; within 5 days of receipt of an invoice for the same | If you fail to obtain or maintain the required insurance, we may, but are not required to, purchase insurance on your behalf, and you must then pay us these amounts. |

Notes:

1. All amounts are stated in U.S. Dollars ("USD"). You pay all fees to us, or our Affiliates, unless otherwise noted. We also collect fees for some third-party service and product providers. Fees paid to us, our Affiliates, or third parties are nonrefundable under any circumstances once paid. Unless otherwise noted, all fees are uniformly applied. We may change the manner and timing for paying the Royalty Fee and other fees due to us.

2. <u>Net Revenue; Royalty Fee</u>. Royalty Fees are calculated as a percentage of Net Revenue for the respective billing cycle. "Net Revenue" means the total of all receipts derived from all sales of Products or Services at or through the Camp or through Franchisee or its Personnel; insurance claims for lost profits to the extent a claim is paid by the insurer; and all other products and services sold or provided by or through Franchisee, the Camp, or within the Authorized Territory, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, payment coupons, traded services, property or other means of

exchange. Net Revenue does not include the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority, or tips. Barter and exchange transactions are strictly prohibited. Net Revenue will be deemed received by Franchisee at the earlier of the time the relevant sale takes place or the time the Services are rendered or Products are delivered, regardless of whether Franchisee has actually received or retained final payment (e.g., collection on a customer's bad personal check). You are not entitled to a refund on any Royalty Fees paid for Net Revenue that is eventually escheated to the State.

The amount of Royalty Fees invoiced is based on Net Revenue reported through our required point-ofsale system. Royalty Fees for the 1st through the 15th of each month are payable on the 25th, and Royalty Fees for the 16th through the end of the month are payable on the 10th of the following month. We may periodically compare, or "true up," the aggregate percentage Royalty Fees that you pay bi-monthly against the Minimum Monthly Royalty fee due for the month. If the aggregate percentage Royalty Fees paid is less than the Minimum Monthly Royalty due for that month, we may debit your account for the difference via ACH. We may true up the Royalty Fees as often as we deem appropriate, and we may not true up all franchisees at the same time or with equal frequency.

3. <u>Minimum Monthly Royalty</u>. The Minimum Monthly Royalty only applies if 7% of your monthly Net Revenue does not exceed the amount listed in the chart below.

| Months of Operations | Minimum Monthly Royalty |
|----------------------|-------------------------|
| 0-6 | \$0 |
| 7-12 | \$1,500 |
| 13 - 18 | \$1,750 |
| 19-24 | \$2,000 |
| 25+ | \$2,500 |

If you have not opened by the Operations Deadline, and CBW elects to extend the Operations Deadline in its sole discretion (which will not waive its right to terminate the Franchise Agreement), the Minimum Monthly Royalty is \$1,500 per month during the extension period. CBW has the sole authority, in its discretion, to waive the Minimum Monthly Royalty during any extension period, and has no obligation to impose this uniformly. The Minimum Monthly Royalty may be charged in addition to any Default Fee or Daily Fee that CBW assesses.

4. <u>Advertising Fund Fee</u>. We have established an Advertising Fund for the common benefit of System franchisees. Currently, we require you to participate in and contribute 1% of your Net Revenue to the Advertising Fund, payable in the same manner as Royalty Fee payments are made (the "Advertising Fund Fee"). We reserve the right to increase this fee to an amount not to exceed 3% of Net Revenue at any time, upon notice to you. These funds are used in part to generate general brand advertising and promotion for the overall Camp Bow Wow® franchise system, website development and maintenance, and administrative costs associated with our marketing efforts.

5. <u>Local Advertising Expense</u>. This is an ongoing expense starting after your grand opening event, or, if you do not hold a grand opening event, the month you begin operations. You must spend the amounts we require on advertising within your Authorized Territory and subject to our requirements and specifications (the "Local Advertising Expense"). We may require you to pay all or a portion of the Local

Advertising Expense directly to us, our designated advertising agency, or third-party media outlet. We may also require you to contribute all or a portion of the Local Advertising Expense to a local or Regional Advertising Co-op we may designate within your Authorized Territory. We reserve the right to request, and upon any such request you must provide, proof of payment of the Local Advertising Expense to us within 10 days after the end of each month. As of the date of this disclosure document, we require your Local Advertising Expense to be allocated as follows: In addition to the Marketing Platform Fee, which will count toward the Local Advertising Expense once you open your Camp, we collect \$15 per location per month via ACH beginning the month you begin operations for customer engagement software. Our approved pay per click ("PPC") advertising vendors collect a management fee of approximately 20% of the PPC budget per location per month, which is paid directly to the vendor. We also require you to spend a minimum of \$600 per location per month on pay per click advertising. The remainder of your Local Advertising Expense can be spent on advertising within your Authorized Territory at your discretion, however, we reserve the right to increase our required allocations or to allocate additional portions of your Local Advertising Expense upon notice to you.

6. <u>Camp Re-Launch Advertising</u>. If you Transfer or relocate your Camp pursuant to your Franchise Agreement, as defined therein, we may, in our sole discretion, require the Transferee (or you, in the event of a relocation) to spend this amount through our designated public relations and advertising agencies to conduct a re-grand-opening event and/or to advertise, market and promote the new ownership or new location, as applicable, even if the Camp remains in full operation pending the Transfer. Generally, these payments will be made to third parties, including our designated advertising agencies. However, we may collect the fee and spend it on your or the Transferee's behalf, as applicable, in the Authorized Territory, to promote the re-opening.

7. <u>Transfer Fee</u>. You must pay a transfer fee of \$20,000 for each Authorized Territory you Transfer pursuant to our standards, specifications and approval. No transfer fee is required if you transfer your CBW Franchise to a business entity in which you own an interest of at least 70%, or if you transfer your CBW Franchise to your child, parent, sibling or spouse and that person otherwise qualifies for a CBW franchise. You may only Transfer subject to the satisfaction of certain conditions and with our prior written consent.

8. <u>Additional or Repeat Initial Camp Services Training</u>. Initial Camp Services Training for your Majority Owner (as defined in the Franchise Agreement) and up to one (1) additional person is included in the Initial Franchise Fee. You are required to repeat Initial Camp Services Training at least every 5 years. You must pay our then-current initial training fee if you wish to have additional persons attend Initial Camp Services Training at any time during the term of the Franchise Agreement. We may also require you, your Manager or Personnel to retake training or receive additional Initial Camp Services Training, if (i) you are not meeting our System compliance or sales requirements, or (ii) your full-time Manager's employment ends, at your expense. As of the date of this Disclosure Document, the fee payable to us for training additional Personnel is \$100 per day. You will be responsible for all travel expenses for all attendees participating in the Initial Camp Services Training programs including airfare, lodging, meals, ground transportation, and personal expenses.

9. <u>Other Additional Training</u>. We will provide you with continuing consultation and advice as we deem necessary regarding the management and operation of your CBW Franchise. We will provide ongoing assistance, in our discretion, by telephone, facsimile, email or intranet communication at no additional cost. You must pay our then-current fee if you request or we require that you or your Personnel have additional

on-site training, which will be provided subject to the availability of our employees. The fees for this additional training will depend on your needs, and the amount of training you desire or we require and will be at your expense as described above.

10. <u>Relocation Fee</u>. Payable only if we approve your request to relocate your Camp Site. As a condition of relocation, we may require you to pay Royalty Fees, Advertising Fund Fees, and the Local Advertising Expenses based on an average of the prior 12 months of Net Revenue or the Minimum Monthly Royalty, whichever is greater, during any period in which you are unable to operate the CBW Franchise. Additionally, we may require you to spend the then-current Camp Re-Launch Advertising to publicize the new Camp Site.

11. <u>Software License Fee</u>. You may be required to pay software license fees to third parties for use of their software in Camp. Depending on your software needs, we estimate that this could cost up to \$1,000 per month. Costs will vary based on use. We may also collect fees for required third-party software for dispersal to the respective vendors at any time.

12. <u>Post-Termination and Post-Expiration Expenses</u>. Upon termination, expiration, non-renewal, or transfer of the Franchise Agreement for any reason, you must pay for all costs and expenses associated with ceasing operations and de-identifying the Camp Site and yourself with the CBW Franchise and System and refund in full all outstanding customer packages. You must pay back both account credits and all outstanding balances.

13. <u>Maximum Modernization Amount</u>. During the initial term of the Franchise Agreement, we may require you to spend up to \$100,000 to update or upgrade your Camp Site and any vehicles used to provide or promote approved Services (the "Maximum Modernization Amount"). The Maximum Modernization Amount does not include (i) upgrades to any computer system, (ii) the cost to maintain vehicles or Camp Site and to keep in good condition and repair, equipment, leasehold improvements and furnishings, (iii) costs associated with new equipment required to offer new or modified products or services, (iv) changes you choose or are required by any third party to make, or (v) upgrades we require you to make to the CBW Franchise or Camp Site upon the renewal of the Franchise Agreement or transfer of the CBW Franchise to an unrelated third party.

14. <u>Technology Fee</u>. We are the service provider for certain software that you must use to furnish Camp Services. To offset our costs in providing this software and in adding, updating, or upgrading technology tools and systems required to stay competitive, you are required to pay us \$250 per month beginning the month you begin operations. We will ACH this fee once per month, and we reserve the right to increase this fee upon notice to you.

15. <u>Default Fee</u>. The Default Fee is currently \$250 for your first Default (as that term is defined in the Franchise Agreement) and \$500 for any subsequent Default within 12 months, whether or not such Default(s) arise from or relate to the same occurrence or Section of the Franchise Agreement. The Default Fee is payable via ACH immediately upon demand, if you violate any provision of the Franchise Agreement or fail to comply with a mandatory standard or procedure. The Default Fee is in addition to, and not in lieu of, any rights we have under the Franchise Agreement (including termination for Defaults as set forth in the Franchise Agreement) and is subject to change at any time. For the avoidance of doubt, we reserve the right to charge you a Default Fee and a Daily Fee for any Default.

16. <u>Daily Fee</u>. The Daily Fee is currently \$100 per day that you remain out of compliance with the Franchise Agreement or any mandatory standard or procedure. The Daily Fee is payable via ACH immediately upon 24 hours' notice, and we reserve the right to continue charging it until you cure any applicable default. The Daily Fee is in addition to, and not in lieu of, any rights we have under the Franchise Agreement (including termination for Defaults as set forth in the Franchise Agreement) and is subject to change at any time.

| Type of Expenditure ¹ | Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|-----------------------------|------------------------------|---|--|
| Initial Franchise Fee | \$30,000 - \$50,000 | Lump Sum | Upon signing the Franchise Agreement | CBW |
| Travel Costs for All Initial Training ³ | \$0 - \$8,000 per person | As incurred | Prior to and during training | Airlines, Hotels, Restaurants, and other Third Parties |
| Real Estate Improvements ⁴ | \$573,000- \$969,000 | As incurred | Before opening | Contractors and other Third Parties |
| Equipment, Supplies, and Opening Inventory ⁵ | \$50,000 - \$75,000 | As incurred | Before opening | Suppliers |
| Dog Cabins and Interior Fencing ⁶ | \$40,000 - \$150,000 | As incurred | Before opening | Suppliers |
| Signage ⁷ | \$5,000 - \$10,000 | As incurred | Before opening | Suppliers |
| Webcam System ⁸ | \$8,000 - \$20,000 | As incurred | Before opening | Suppliers |
| Camp Payroll ⁹ | \$8,000 - \$24,000 | As incurred | Before opening | Your employees and independent contractors |
| Rent and Utilities ¹⁰ | \$5,000 - \$50,000 | As agreed with your Landlord | Before opening | Third Parties and Suppliers |
| Plans and Permits ¹¹ | \$19,000 - \$52,000 | As incurred | As incurred | Third Parties |
| Professional Services | \$13,000 - \$50,000 | As incurred | As incurred | Third Parties |
| Camp Launch Advertising ¹³ | \$25,000 | As agreed | As incurred from the effective date of the Franchise Agreement through your grand opening event or, if you do not hold a grand | Third Parties, or us if we require |

ITEM 7. YOUR ESTIMATED INITIAL INVESTMENT

| | | | opening event, the month you begin operations | |
|--|----------------------------|-------------|---|---|
| Financing Fees ¹⁴ | \$2,000 - \$25,000 | As agreed | Before opening | Third Parties |
| Additional Funds for First 12 Months of Operations ¹⁵ | \$150,000 | As incurred | As incurred | Personnel, Suppliers, and Third Parties |
| TOTAL ^{16, 17} : | \$928,000 - \$1,658,000 | | | |

Notes:

1. <u>Expenditures</u>. The amounts provided in this Item 7 include estimated costs you will incur prior to opening or as otherwise specified. All amounts are stated in USD. These estimates are based on figures reported to us by the Camps that opened in 2021 and our knowledge and experience opening camps. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. Real estate related estimates assume that you will rent the Camp Site from a third-party landlord or purchase an existing building, and are build-to-suit numbers, as some franchisees arrange for the landlord to assume some of the build-out cost. The costs for rent, fixtures and improvements will vary and may be significantly higher than projected in this table, based on the square footage, location, economic climate, market conditions, prevailing interest rates and other financing costs, the conditions of the property and other physical characteristics of your Camp Site. In our experience, construction costs have risen significantly since the onset of COVID-19, and those increases could significantly impact your initial investment. You should investigate all of these costs in the area where you wish to establish your CBW Franchise. This Item 7 also assumes that you do not need to acquire or lease a vehicle for business purposes.

2. <u>Initial Franchise Fee</u>. The Initial Franchise Fee for your first Authorized Territory is \$50,000. The Initial Franchise Fee is due when you sign the Franchise Agreement and is nonrefundable once paid. If you purchase additional territories or qualify for a discount on your Initial Franchise Fee, we will discount your initial or future franchise fees (as applicable) as provided in Item 5.

3. <u>Travel Costs for All Initial Training</u>. These are estimated costs for travel and room and board for the Initial Camp Services Training and Scout Training. Portions of each training program may be provided remotely, such as via webinar, however you must also pay all travel and living expenses, such as airfare, lodging, ground transportation, salaries and benefits, and any other personal expenses attendees might incur while attending each training program. Costs will vary depending on style of travel.

4. <u>Improvements for Pre-Existing Buildings (Leased & Purchased)</u>. Improvements include the estimated cost of construction modifications based on the costs incurred by CBW franchisees opening new leased locations and those who purchased real estate and then renovated the building in 2021. Camp locations that opened in 2021 in this category ranged in size between 5,000 and 8,300 square feet. These estimates do not include costs of the Camps where the franchisee built their own building. The cost range listed indicates estimates based on the net amount paid for leasehold improvements after landlord contributions or allowances are subtracted. The estimates do not include the building to the building for those Camps who purchased real estate. The following table highlights the estimated cost of improvements per square foot based on the 2021 data available to us, after landlord contributions are subtracted:

| | Low | High | Average |
|-------------------------------------|------|-------|---------|
| Cost of Improvements Per Sq. Ft. | \$81 | \$109 | \$101 |

The construction modifications commonly encountered include: demolition, concrete repair, insulation, roof repair, doors and hardware, partition walls, acoustical ceilings, flooring, painting, installation of fixtures, cabinets, plumbing, HVAC, electrical, fire alarm, security system, exterior fencing, and turf. Note that we may require you to use our designated or approved contractors or suppliers for some or all such items, and we may designate new or different mandatory contractors or suppliers for any build out service or product at any time.

Ground-up builds are only for existing Franchisees in good-standing who have operated a Camp for at least one (1) year.

5. Equipment, Supplies and Opening Inventory. This estimate includes the cost to purchase the equipment and supplies necessary to begin operating a CBW Franchise that meets our prototype size of 5,000 – 8,000 square feet, including computer hardware and software, furniture, fixtures, limited retail inventory to resell to clients, storage containers, poop scoopers, cleaning supplies, treats, collars, leashes, dog food, uniforms, dog cots, play yard equipment, video display technology, wall art, boarding supplies (beds, bowls and leashes), magnets for vehicles used to provide approved Services, first aid kits for pets and humans, direct stop sprays, office supplies, automatic floor scrubber, grooming tubs, window treatments, sound baffles, promotional items, forms, and other supplies we determine are necessary or important. Note that we require you to use our designated suppliers for many of these items. You must subscribe to and use the software program(s) we designate, for the computer management operations of your CBW Franchise. You will either pay us directly or pay our designated vendors the monthly fee for the software program(s). Your initial inventory of retail products will vary depending on the anticipated sales volume as well as current market prices and the time of year that you open your CBW Franchise. We may change the selection of equipment, supplies and retail inventory you must provide at any time.

6. <u>Dog Cabins and Interior Fencing</u>. This estimate includes the cost to purchase dog cabins and interior fencing for Camp Sites ranging between 5,000 and 8,300 square feet. The number of boarding units installed at Camps that opened in 2021 ranged between 50 and 94. The cost of dog cabins and fencing will vary depending upon the size of your Camp Site and the number of cabins ordered.

7. Signage. This estimate includes the cost of indoor and outdoor illuminated signage for a Camp Site.

8. <u>Webcam System</u>. The estimate includes costs to purchase web cameras and secure a license for the software, which also includes technical support. You must purchase the web camera hardware, software, and routers from our approved suppliers. The monthly fee for the web camera system ranges from \$139 to \$179 per month depending on the number of cameras you order, and this is paid directly to the web camera service provider. Your costs may vary depending on the size of your camp and the number of cameras and monitors you order.

9. <u>Payroll</u>. This estimate includes the cost of employee payroll (but not a draw or salary for you), from time of lease execution and zoning approval to opening.

10. <u>Rent and Utilities</u>. This estimate includes the cost of your security deposit, utility deposit, preopening utilities, and the first 3 months' rent payments. It is extremely difficult to estimate Lease (defined below) rates or acquisition costs because of the wide variations that depend upon the square footage, location, economic climate, prevailing interest rates and other financing costs, the conditions of the property and other physical characteristics of your Camp Site. You should investigate all of these costs in the area where you wish to establish your Camp Site. The terms and conditions of all agreements for the purchase, lease and alteration of the property will be negotiated solely by you; however, we require you to incorporate certain provisions into your Lease by executing an addendum to your lease with your landlord. If you purchase and/or build your Camp Site, this estimate includes the cost of any security deposit, utility deposit, pre-opening utilities, and the first 3 months' rent under a lease agreement you may enter between your entities or via leaseback agreement, as applicable.

11. <u>Plans and Permits.</u> This estimates your expenses to draw plans (construction documents) for your leasehold improvements or improvements, as applicable, and obtain permits, zoning, and a kennel license for the Camp Site. The costs for legal counsel or design professionals to assist with obtaining a special or conditional use permit are not included in this estimate.

12. <u>Professional Service Expenses</u>. This estimate includes legal and accounting expenses for negotiating your Franchise Agreement, organizing and establishing your business entity, paying any applicable insurance deposits, and negotiating Real Estate Documents or other legal contracts during the period prior to opening.

13. <u>Camp Launch Advertising</u>. You must use our designated public relations and advertising agencies to promote and market your Camp to consumers in your Authorized Territory before your grand opening event, or, if you do not hold a grand opening event, through the month you begin operations, according to our instructions and timeline. Generally, you will make these payments to third parties, including our designated advertising agencies. However, if we feel that your efforts are insufficient, we may collect the fee and spend it on your behalf in your Authorized Territory to promote the opening of your Camp Site.

14. <u>Financing Fees</u>. These fees include amounts that may be payable for items like closing costs and SBA loans, financial broker fees and contingency accounts, and interim interest. The figures provided are just an estimate and the actual fees will vary depending on your creditworthiness and the financial markets generally.

15. Additional Funds for First 12 Months of Operations. We require you to have a minimum of \$150,000 in working capital for your first year of operations, exclusive of pre-opening marketing costs and construction. We have used our and our Affiliates' 20+ years of experience in the business to compile these estimates. This figure is based on estimates of required expenses which are not otherwise reflected in this Item 7 that you will likely incur before beginning operations and through the first 12 months of operations. You may incur additional expenses, and your actual costs during this period and afterwards will depend on many different variables, including how well you follow our methods and procedures; your management skills, experience and business acumen; local economic conditions; the local market for the products and services you will provide through your CBW Franchise; the prevailing wage rate; competition and the sales level reached during the initial periods of providing the various services and products through your CBW Franchise. You may need more than the additional funds that we estimate and should have additional funds available to you to address contingencies during the initial period and beyond. We reserve the right to verify your working capital meets our minimum requirement prior to approving your opening. If your working capital prior to opening is insufficient, we may require you to obtain additional funding to meet the minimum threshold prior to approving your opening.

16. Total Estimated Initial Investment. The above chart does not include any sales, use, or similar taxes that may be assessed on purchases and leases by state or local authorities. You should check with your local and state governmental agencies for any taxes that may be assessed. Also excluded are ongoing fees payable to us, which we cannot estimate since they will be based on your revenue results, and any interest payable to lenders on loans that you may obtain in connection with the franchise. All figures in Item 7 are estimates only. You may have additional expenses, or other categories of expenses, to start the CBW Franchise. You should not plan to draw income from CBW Franchise operations during the initial period. You should have additional funds available in reserve, either in cash or through a bank line of credit, or have other assets that you may liquidate or against which you may borrow, to cover other expenses, losses or unanticipated events during the start-up and development stage or beyond. Neither we nor our Affiliates offer financing for any part of your initial investment, as described in Item 10. In estimating what your initial investment expenses will be, you should allow for inflation, discretionary expenditures, fluctuating interest rates and other financing costs, the unpredictability of rising costs, and local market conditions, all of which are highly variable factors that can result in sudden and unexpected increases in costs. You must bear all cost escalations and budget for these contingencies.

17. <u>Multi-Unit Development Opportunity</u>. If you enter into a Multi-Unit Development Agreement with us, you must pay the full amount of the then-current Initial Franchise Fee for the first CBW Franchise and the Development Franchise Fee for each subsequent CBW Franchise you agree to open under your Multi-Unit Development Agreement, which is calculated by discounting the Initial Franchise Fee by 25%. For example, if you are going to develop a total of five CBW Franchises, you will pay a total of \$200,000 (\$50,000 for the first CBW Franchise plus \$37,500 for each of the four additional CBW Franchises). The Initial Franchise Fee and all Development Franchise Fees are payable upon the signing of the Multi-Unit Development Agreement. You also will incur the estimated initial investment set forth in this Item 7 for the first CBW Franchise and Camp Site that you develop under the Multi-Unit Development Agreement.

ITEM8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your CBW Franchise in compliance with your Franchise Agreement and the standards and specifications contained in our Operations Manuals. We may change any standard or specification upon 30 days' prior written notice to you.

You may only offer services and products that are pre-approved by us through your CBW Franchise ("Approved Products" and "Approved Services" or collectively "Approved Products and Services"). We will provide you with a list of Approved Products and Services upon request. All Approved Products and Services must meet our standards and specifications, which we will provide directly to you or to our designated or approved vendors.

We have developed standards and specifications for, among other things, your equipment, signage, uniforms, kennels, fencing, supplies, forms, products, services, advertising materials, digital marketing, and most other Approved Products and Services used in, sold or provided through your CBW Franchise. In addition, we also have standards and specifications for the design and construction of your Camp Site, including but not limited to furniture and fixtures.

We and our Affiliates may become an approved supplier or the exclusive supplier of any category of Approved Products or Services, effective upon written notice to you. For any Approved Products or Services that we or our Affiliates sell, you must pay the then-current price in effect. We may negotiate other

purchase arrangements with suppliers and distributors of approved products, and we may receive rebates or payments on your purchases of those items from approved suppliers. We also may derive revenue from your purchases of items from us, or our Affiliates. There are no restrictions on our use of payments received from approved or designated suppliers derived from their transactions with you or on payments that we, or our Affiliates, receive from these transactions.

At this time, no officers have an ownership interest in Camp Bow Wow Franchising, Inc., which is currently the only approved supplier for the point-of-sale software program. Our officers may own a non-controlling interest in the stock of designated or recommended suppliers whose shares are publicly traded.

Required Purchases and Approved Suppliers

You must purchase or lease all of your equipment, signage, uniforms, kennels, fencing, supplies, forms, products, services, digital marketing, fixtures, inventory, computer software, merchandise and marketing materials (collectively "Equipment and Supplies") from us or our approved suppliers, in accordance with our specifications and standards. In certain instances, we have designated a single source for Equipment and Supplies that you must use. You must also participate in any mandatory promotional or incentive program we require, including gift card and loyalty programs, unless doing so would cause you to violate any local, state or federal law. We may designate new mandatory suppliers at any time and require that all future purchases of Equipment and Supplies be made from these designated suppliers, which may be us, or our Affiliates.

1. <u>Computer Hardware and Software</u>. You must purchase or use a computer and router(s) that can run our required software, with Broadband, DSL, or Air Card access to the Internet. Our current approved computer hardware and software suppliers are: Peanut Butter and Jelly TV, LLC ("PB&J") for webcam hardware and software; Scorpion Design, LLC ("Scorpion") for website and content management; Emma, Inc. ("Emma") for marketing automation software; and us, for point-of-sale software ("Data Dawg"), and client access applications. All software licenses include technical support, and our approved suppliers may require that you sign service-level agreements with them. You must also use our designated suppliers for payment processing equipment and merchant services for processing all forms of payment.

2. <u>Advertising</u>. You must use our designated public relations and advertising agencies for your Camp Launch Advertising, which shall be subject to our requirements and specifications. You must also use our designated suppliers for print and marketing collateral, apparel, pay per click and social media advertising, promotional items, your website, search engine optimization, event equipment, digital newsletters, and customer engagement software. All self-generated advertising materials must be approved by us in writing before publication or use.

3. <u>Insurance</u>. You must purchase insurance in the amounts provided in the Operations Manuals from an insurance company that is acceptable to us. Your insurance policy must name us, and our Affiliates, agents, members, officers, directors, shareholders, and all other parties as additional insureds and contain waivers of subrogation so that we are the first payee of any claim.

Currently, your insurance coverage must include, at a minimum, comprehensive general liability, including public liability insurance for claims for personal injury or death and property damage (with limits of no less than \$1 million combined single limit, plus umbrella coverage of no less than \$2 million); fire and extended coverage insurance on all the tenant's personal property of at least 90% of insurable value; business interruption insurance; automobile insurance (if a vehicle will be used for business purposes);

unemployment and workers compensation insurance; bodily injury; all-risk property damage insurance; cybersecurity insurance; coverage against any other claims of any person, employee, independent contractor, customer, agent, and any additional coverage required by Franchisee's landlord or mortgage company, as applicable, and by state and federal law. We also recommend that you carry, and all independent contractors providing Services should carry, professional liability insurance. We may change the insurance requirements at any time, and you must comply with the changes within 30 days. You are solely responsible for staying abreast of state and federal law requirements.

4. <u>Vehicles</u>. If you are offering pet transportation via a Bark 'n Ride® shuttle, you must purchase a vehicle that meets our requirements from our approved supplier(s).

5. <u>Build Out</u>. We also require you to use our designated suppliers for, among other things, architectural space planning, flooring, fencing, kennels, wall art, grooming tubs, lobby furniture, dog cots, outdoor turf, play yard equipment, video display technology, and other build-out requirements.

6. <u>Cleaning Supplies</u>. You are required to use our approved supplier for cleaning supplies, and to use the cleaning supplies specified by us in the Operations Manual (and only the approved cleaning supplies).

7. <u>Miscellaneous</u>. We reserve the right to designate an approved or required supplier for any product or service at any time, and upon notice to you, to require you to start using the approved or required supplier.

As of the date of this Disclosure Document, except for the point-of-sale software program, neither we nor our affiliates are the sole supplier of any products/services to franchisees, but we or our affiliate may become one for additional products/services in the future.

Approval of Alternative Suppliers

Except for items where we have designated a single source of supply or authorized supplier, if you want to use an alternative supplier for any required purchases, you must provide us (i) the name, address and telephone number of the proposed supplier, (ii) a description of the item you wish to purchase, (iii) purchase price of the item, if known, (iv) the then-current product or supplier review fee, which is currently \$500 for each new product or supplier, (v) a complete vendor approval form which can be furnished to you upon request, and (vi) a sample of the product for testing purposes. If we incur any costs for testing a particular product or service or evaluating an alternative supplier at your request, you must reimburse our reasonable inspection and testing costs, regardless of whether we later approve the item or supplier. We will use our reasonable best efforts to approve, deny, or initiate further testing within 60 days of receiving all requested information. If we do not respond within 60 days of our receipt of all required information, the supplier is deemed disapproved. We are not required to approve or test any particular supplier, product, or service. We may base our decision on considerations relating not only directly to the item or supplier, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable in our System as a whole.

We may revoke our approval of previously Approved Products or Services or suppliers when we determine, in our sole discretion, that those products, services, or suppliers no longer meet our standards, as updated from time to time. Upon receipt of written notice of revocation, you must immediately stop purchasing products or services from the specified suppliers.

Revenue from Franchisee Purchases

We and our Affiliates may earn revenue as a result of your purchase of Equipment and Supplies. For Equipment and Supplies that you purchase or license from third parties, we may receive payments from suppliers on account of your transactions with them, and we may use all amounts we receive without restriction (unless instructed otherwise by the supplier) for any purposes we deem appropriate.

In the year ending December 31, 2021, we received \$351,953.23 in revenue from the sale of Data Dawg software to franchisees, which was 3.10% of our total revenue of \$11,354,140.56, as noted in our audited financial statements included in this Disclosure Document as <u>Exhibit C</u>. We received no revenue from the direct sale of retail products to franchisees. We received \$18,314.57 in rebates from Clayton Kendall, Inc., \$9,421.30 in rebates from Spartan Chemical Company, and \$6,955.90 in rebates from Perfect Turf LLC. We reserve the right to sell products and services to franchisees and to collect additional vendor and supplier rebates in the future.

The cost of Equipment and Supplies purchased in accordance with our specifications will represent approximately 17-22% of your total cost to establish a CBW Franchise and approximately 20% of your total cost of operating a CBW Franchise (not including amortization, depreciation, or replacement of wom or obsolete improvements, equipment or fixtures).

Cooperatives, Negotiated Prices, and Material Benefits. We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. Although we do not presently do so, we may negotiate purchasing arrangements with suppliers in the future. We do not provide material benefits, like renewing or granting additional franchises to franchisees based on their use of designated or approved suppliers or their purchase of particular products or services.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement, Multi-Unit Development Agreement and other agreements. It will help you find more detailed information about your obligations in the Franchise Agreement, Multi-Unit Development Agreement and in other items of this Disclosure Document. The Franchise Agreement is abbreviated in this table as "FA" and the Multi-Unit Development Agreement is abbreviated as "MDA."

| Obligations | Section In Agreement | Item In Disclosure Document |
|--|--------------------------------|-----------------------------------|
| a. Site Selection and acquisition/lease | FA: §§ 6.1, 7 MDA: §V | 11 |
| b. Pre-opening purchases/leases | FA: § 6.1 MDA: None | 5, 6, 7, 8, 11 |
| c. Site development and other pre- opening requirements | FA: § 6.1 MDA: §§ II, IV, V | 6, 7, 11 |

| Obligations | Section In Agreement | Item In Disclosure Document |
|--|--|-----------------------------------|
| d. Initial and ongoing training | FA: §§ 6.1, 6.9 MDA: § III | 11 |
| e. Opening | FA: § 6.1 MDA: §§ III, IV | 11 |
| f. Fees | FA: §§ 3, 6.1(e), 6.10 MDA: § III | 5, 6, 7, 11 |
| g. Compliance with standards and policies/Operating Manual | FA: §§ 1.5, 6.1-4, 6.6, 6.7, 8.2, 8.4 MDA: None | 6, 8, 11 |
| h. Trademarks and proprietary information | FA: § 8 MDA: § X | 13,14 |
| i. Restrictions on products/services offered | FA: §§ 1.4, 3.2(e), 6.2, 6.3, 6.4, 7, 8, 9, 10 MDA: None | 8, 13, 14, 16 |
| j. Warranty and customer service requirements | FA: § 6.3(a), 6.4 MDA: None | None |
| k. Territorial development and sales quotas | FA: §§ 1.3, 3.2, 6.1 MDA: §§ I, IV | 12 |
| l. Ongoing product/service purchases | FA: §§ 1.4, 6.2, 6.3, 6.4, 6.6, 6.7, 6.9, 6.10, 7.2, 7.3(c), 7.11, 7.13, 8, 10.10 MDA: None | 6, 8, 11 |
| m.Maintenance, appearance and remodeling requirements | FA: §§ 6.1, 6.3, 6.6, 6.7 MDA: None | 6,11 |
| n. Insurance | FA: § 9 MDA: None | 6, 7, 8 |
| o. Advertising | FA: § 6.10 | 6,11 |

| Obligations | Section In Agreement | Item In Disclosure Document |
|---|--|-----------------------------------|
| | MDA: None | |
| p. Indemnification | FA: § 9 MDA: § XIV | 6 |
| q. Owner's participation/management/staffing | FA: §§ 6.5, 6.8, 6.11, 7.8, 7.9, 7.13 MDA: § I.D | 11, 15 |
| r. Records/Reports | FA: §§ 4, 6.6 MDA: § XIII | 6,11 |
| s. Inspections/audits | FA: § 4 MDA: None. | 6,11 |
| t. Transfer | FA: §§ 1.2, 12, 13 MDA: § VIII | 17 |
| u. Renewal | FA: § 2 MDA: None | 17 |
| v. Post-termination obligations | FA: §§ 2, 4, 8, 9, 11, 12, 13, 16, 18, 19, 20 MDA: §§ VII, X, XI | 17 |
| w.Non-competition covenants | FA: § 11 MDA: § XI | 17 |
| x. Dispute resolution | FA: § 19 MDA: § XXI | 17 |
| y. Other - Dog Trainer Certificate training | FA: §§ 6.1, 6.9 MDA: None | 5,11 |

ITEM 10. FINANCING

Neither we, nor any agent or Affiliate of ours, offer direct or indirect financing. We do not guarantee your note, leases or other obligations.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

Except as listed below, Camp Bow Wow Franchising, Inc. is not required to provide you with any assistance.

Pre-opening Assistance. Franchisees typically open their Camps around 18 months after the effective date of the Franchise Agreement. Some factors that may affect this timing are your ability to locate a Camp Site, the time to acquire the Camp Site through Lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning, other state and local requirements and any necessary licenses or permits, the timing of the delivery and installation of equipment, supplies and leasehold improvements, your compliance with our pre-opening marketing requirements, including generating the required number of leads through approved measures, as described below, the time to convert, renovate or build out the Camp Site with possible construction delays, as well as your availability to attend the Initial Camp Services Training. We or our representatives will provide you with the following pre-opening assistance:

1. Make a representative reasonably available to you via telephone or via e-mail during normal business hours (Section 5.1(a) of the Franchise Agreement);

2. Designate the Authorized Territory in which you must locate a proposed Camp Site. You must acquire the Camp Site through a lease or purchase within 365 days after the effective date of the Franchise Agreement (Section 5.1(b) of the Franchise Agreement);

3. Provide general advice regarding the selection of a Camp Site and CBW's general prototype design and construction specifications (Section 5.1(c) of the Franchise Agreement). Typical Camp Sites are based on a prototype of 5,000 - 8,000 square feet and are usually located in a light industrial or commercial area. While it is your sole responsibility to obtain a mutually acceptable Camp Site, we may provide assistance in finding a Camp Site, as we deem reasonable and appropriate. We must review and approve the Camp Site. We consider factors like area demographics, population, market conditions, zoning requirements, access and exits to and from the proposed Camp Site, competitor activity and proximity, financial viability of the proposed Real Estate Documents, construction terms, traffic patterns of the area as well as size, parking and other physical characteristics of the Camp Site. We will either approve or deny the site within 30 days of receipt of all relevant information. If we do not respond within 30 days, the site is denied. Our approval of the Camp Site is not a promise or guarantee that your CBW Franchise will be successful or that the actual costs of the Camp Site build-out will not exceed your budget. You must obtain all permits, licenses and entitlements necessary to begin construction and provide Camp Services from your Camp Site. You must also comply with all local ordinances and building codes in the build out of your Camp Site. We will provide you with design and decor specifications that we require in order to adapt your Camp Site to our standards. You must work with one of our approved architects. We will provide you with one proposed drawing free of charge, for new Camp construction, remodels, relocating an existing Camp, and for any expansion options that you would like to consider. If you require more than one design (which includes up to 3 adjustments to that design), you will be required to pay us \$750.00 for each additional design. Once the architectural and working drawings have been developed and approved by us and, if applicable, the landlord, you must purchase contracting services for the construction of the Camp Site. We require that you have your construction management supplier approved by our team before you can begin construction. The costs for fixtures and improvements will vary based on the square footage, location and other physical characteristics of your Camp Site. You are solely responsible for ensuring that the build-out of your Camp

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Site complies with applicable entitlements, ordinances, building codes, permit requirements, and the Americans with Disabilities Act. Ground-up builds are only for existing Franchisees in good-standing who have operated a Camp for at least one (1) year;

4. Review your Real Estate Documents for approval (Note: CBW's review is limited to ensuring there are no terms that would prevent you from performing your obligations under the Franchise Agreement. We advise and encourage you to have your own counsel review and negotiate the terms of your Real Estate Documents) (Section 5.1(d) of the Franchise Agreement). If you or your affiliate will own the property on which your Camp Site will be located, you must sign a Right of First Refusal and Option Agreement and a Leaseback Agreement. If you are leasing the Camp Site, you and your Landlord must sign the Lease Addendum (collectively, the "Real Estate Documents"). We have 30 days from receipt of the Real Estate Documents to either approve or deny them. If you do not receive a response within 30 days, the Real Estate Documents and, consequently, the Camp Site, is denied. Our acceptance of any Real Estate Document is not a promise or guarantee that your CBW Franchise will be successful or that the actual costs of the Camp Site build-out will not exceed your budget.

5. Provide you with a list of required and approved suppliers and approved equipment, fixtures, furnishings, signs, products, materials, and supplies necessary to build out the Camp Site and begin operations (Section 5.1(e) of the Franchise Agreement);

6. Conduct the Initial Camp Services Training program for Franchisee (or its Majority Owner, if Franchisee is an entity) and its Manager at a location (or locations) designated by CBW (Section 5.1(f) of the Franchise Agreement). Unless CBW agrees otherwise in writing, you and your Manager must complete the Initial Camp Services Training Program to CBW's satisfaction, in its sole discretion, prior to beginning operations. You are responsible for the cost of all travel, lodging, wages, meals and expenses your or your personnel incur in attending the Initial Camp Services Training Program.

7. Conduct an on-site training program for you at the Camp Site immediately prior to the commencement of operations (Section 5.1(g) of the Franchise Agreement);

8. Grant you access to the Operations Manual (Section 5.1(h) of the Franchise Agreement). The table of contents for the Operations Manuals is attached to this Disclosure Document as Exhibit D. You may provide the Operations Manual, or portions thereof, to your employees who need access to perform their jobs, but only to the extent they need it, and only if they sign a non-disclosure agreement. You are responsible for your Personnel's use of the Operations Manual and for compliance with CBW's expected level of confidentiality for the same. We may amend the Operations Manuals periodically in our discretion, and you must comply with any changes. It is your responsibility to know of and keep your staff informed of all such changes. We provide the Operations Manuals and all changes and updates electronically through email notification, our intranet system, "CampConnect," or our learning management system (collectively, "Intranet Systems");

9. Provide you with access to CBW's Intranet Systems (Section 5.1(i) of the Franchise Agreement). You are responsible for all activity on your account and must promptly notify CBW if any access information is lost or stolen, or if any Personnel who has been granted access to the Intranet Systems leaves

your employ for any reason. Nothing in this section guarantees that CBW will maintain an intranet or learning management system;

10. Provide you with a website on CBW's domain (Section 5.1(j) of the Franchise Agreement). You are solely responsible for maintenance and updates to such website and will maintain and update the same in accordance with CBW's policies, specifications and standards and applicable laws. Your website may only be accessed through CBW's domain, and you must agree not to link to, create a splash page for, or otherwise refer to the website without prior written approval from CBW.

11. The week that you begin operations, we provide you with the Opening Week Support detailed in the Training section, below.

Post-Opening Assistance. After opening, we or our representatives will provide you with the following post-opening assistance:

1. Make a representative reasonably available to Franchisee via telephone or via e-mail during normal business hours (Section 5.2(a) of the Franchise Agreement);

2. Furnish general guidance through printed, filmed, or streamed material; via web, video, or telephone conference; via live meeting; through refresher training programs; or in any other manner deemed appropriate by CBW on (i) methods, specifications, standards, and operating procedures used in Camp; (ii) new developments and techniques in advertising, management, and operations; and, (iii) developing and implementing local advertising and promotional programs (Section 5.2(b) of the Franchise Agreement);

3. Test, Develop, and Design new Products, Services, operational methods, programs, or other items for use in the System, in CBW's sole discretion. Franchisee will pay any fees associated with training for new Products, Services, operational methods, programs, or other items, and must offer or sell the same per CBW's requirements, as updated from time to time (Section 5.2(c) of the Franchise Agreement);

4. Maintain the Advertising Fund, as set forth below (Section 5.2(d) of the Franchise Agreement); and,

5. Conduct evaluations of Franchisee's Camp Site and provide feedback and guidance on operational standards and practices (Section 5.2(e) of the Franchise Agreement). Franchisee may reasonably request additional assistance at any time, and CBW will make reasonable efforts to provide such additional assistance, subject to the availability of its personnel. If CBW provides additional assistance, CBW may charge Franchisee a fee.

Advertising.

1. CBW's Advertising.

a. <u>Generally</u>. We have the right, but are not required, to market anywhere within or outside your Authorized Territory or on the Internet in any way we deem appropriate, including use of all websites, domain names, URLs, social media sites, directory addresses, metatags, linking, advertising and cobranding and other arrangements. You may not independently market on the Internet or buy or use any domain name, address, locator, link, metatag or search technique with words or symbols similar or identical to the Marks ("similar" words for purposes of this sentence include but are not limited to "CBW" and "Bow Wow") or otherwise establish a presence on the Internet without our prior written approval.

b. <u>The Advertising Fund</u> (Section 6.10(g) of the Franchise Agreement). We have established an Advertising Fund for the common benefit of the System ("Advertising Fund"). Currently you must pay us an "Advertising Fund Fee" of 1% of your Net Revenue in the same manner and on the same frequency as Royalty Fees are paid. We reserve the right to increase this fee to an amount not to exceed 3% of Net Revenue at any time, upon notice to you. Your contribution to the Advertising Fund will be in addition to all other advertising fees or expenses set out in this Item 11. All franchisees are currently required to contribute to the Advertising Fund on the same basis, and stores owned by us or our Affiliates contribute on the same basis as franchisees.

The Advertising Fund will be administered by us, and we may use a professional advertising agency or media buyer to assist us. The Advertising Fund is not audited separately from the overall company audit. We will consult with our Camp Bow Wow® Franchise Council on certain Advertising Fund related matters, although their input is advisory in nature.

The Advertising Fund is intended to maximize general brand recognition, and CBW has the right in determining how to spend the money in the Advertising Fund. CBW may use the Advertising Fund to develop, prepare, and place advertising in any medium for use by franchisees generally, on behalf of the entire System, or on behalf of a particular region which may or may not include Franchisee or Franchisee's Authorized Territory. CBW is not required to spend the Advertising Fund or the Advertising Fund Fees paid by Franchisee on Franchisee's behalf or for its benefit. The Advertising Fund will cover, among other things, advertising, public relations, website development and maintenance, market research, promotion, marketing incentive programs being offered by CBW to franchisees from time to time, customer loyalty programs, including but not limited to incentives for franchisees to participate in loyalty programs, marketing products and services provided by CBW, outside vendors, marketing agencies, and administration costs of the Advertising Fund, including but not limited to salaries, overhead, and administrative, accounting, auditing, collection and legal costs and expenses. Upon written request, Franchisee may review an unaudited annual financial statement of the Advertising Fund, which will be available annually no later than 120 days after the end of CBW's fiscal year. If any portion of the Advertising Fund is not used by the end of any given fiscal year, the unused portion will carry over into the Advertising Fund for the following fiscal year. We may modify or terminate the Advertising Fund at any time. If we terminate it, any remaining balance in the fund will be spent as provided for above or returned to you on a pro-rata basis, in CBW's discretion.

In our fiscal year ending December 31, 2021, Advertising Fund contributions were spent as follows: 5% on customer retention; 32% on marketing staff and administration; 39% on public relations and advertising; and 24% on production. The Advertising Fund will not be used principally for the solicitation of franchisees, but CBW may use it for public relations, general recognition of the brand, creation and maintenance of a website (a portion of which will be intended to solicit potential franchisees), and to include mention of the franchise opportunity in any advertisement placed or materials created with the Advertising Fund. Neither we nor our Affiliates receive payments for providing goods or services to the Advertising Fund, except for reimbursement of expenses as described above.

2. <u>Your Advertising</u>. You are only allowed to advertise in your Authorized Territory, unless otherwise stated in the Franchise Agreement (Section 6.10(d)). You are also only permitted to use CBW-approved advertising materials and placements. If we do not provide certain types of print or other advertising materials, you may develop such materials for your own use, at your own cost, but must first submit

prototypes, examples, proofs or other such samples of these materials to CBW for approval before use. We will use reasonable best efforts to approve or disapprove your self-generated advertising materials in writing within 14 days after we receive your request and materials for review. If we do not respond within 14 days, the materials are denied.

a. <u>Camp Launch Advertising</u>. From the effective date of the Franchise Agreement through the grand opening event, or, if you do not hold a grand opening event, through the month you begin operations, we require that you spend \$25,000 on the advertising and marketing of your CBW Franchise. We currently require you to pay portions of the Camp Launch Advertising to third-party vendors and portions to us.

b. Local Advertising.

i. *Prior to Opening*. Beginning the month the Real Estate Documents are signed, you will be required to pay us \$300 per month for access to certain marketing platforms, which includes hosting and management of a website and access to marketing and promotional materials ("Marketing Platform Fee"). The Marketing Platform Fee may be increased upon notice to you. You will also be required to hire a Camp Scout pursuant to the Operations Manual. You must have the required amount of marketing leads based off your projected opening date, as set forth in the marketing section of the Operations Manual, in order to attend the Initial Camp Services Training Program. We will require you to have at least 1,000 qualified leads before we approve your opening. Your qualified leads must be obtained through marketing and community outreach efforts and may not be purchased or acquired from third parties. We reserve the right to postpone your opening if we suspect or discover that you purchased your leads. We may also require you to participate in pre-opening promotions and host a grand opening event on a date we approve, and in the manner we require in the Operations Manual. You must agree to provide receipts and proof of the required expenditures upon request.

ii. *After Opening.* Each month after your grand opening event, or, if you do not hold a grand opening event, the month you begin operations, you must spend at least \$2,500 on advertising Camp Services in the Authorized Territory (the "Local Advertising Expense"). You must agree to provide receipts and proof of the required expenditures upon request. We may elect to collect the Local Advertising Expense at any time, in the same manner and on the same frequency that we collect Royalty Fees, for dispersal to local advertising or media placements. The Marketing Platform Fee is included in the Local Advertising Expense. Also included in the Local Advertising Expense is the required pay-per-click expense, which is currently \$600 per month (not including vendor management fees), the required social media advertising expense, which is currently \$250 per month, and the customer engagement software, which is currently \$15 per month. We reserve the right to increase these payments as necessary upon notice to you. The Local Advertising Expense cannot be combined with the Camp Launch Advertising expense. You must spend the amounts explained above on the Local Advertising Expense regardless of the amounts that other franchisees may spend.

b. <u>Regional Cooperatives</u>. We may establish a regional advertising co-operative ("Regional Advertising Co-op") in an advertising market once we believe there are enough CBW Franchises operating in the market to provide a critical mass for joint advertising and promotion. If established, you must direct your Local Advertising Expense to your Regional Advertising Co-op. If we or one of our Affiliates owns a Camp Bow Wow® location in a Regional Advertising Co-op's market, we or our Affiliate will contribute to the Regional Advertising Co-op at the same rate that the franchisees in the Regional Advertising Co-op contribute. CBW will provide standard governing rules that the members of the Regional Co-Op may

modify (in part), with prior approval from CBW. Members of the Regional Co-Op will elect their own leadership and each Regional Co-Op shall manage its own expenses. The Regional Co-Op must prepare and submit monthly and annual financial statements in a form and manner specified by CBW. All materials used or created by the Regional Co-Op are subject to the same restrictions and guidelines as any other advertisement, including the requirement for pre-approval, and the Regional Co-Op shall assign any rights in the materials it creates to CBW, without compensation, so CBW and other franchisees may use them. No Regional Advertising Co-ops exist at this time.

Computer Systems. You will have to periodically maintain, update, upgrade or purchase support for the computer systems. There are no contractual limitations on your obligations to upgrade your computer systems and pay for those upgrades or changes.

1. <u>Web Page</u>. We may establish and maintain a website that provides information about the System and the Approved Products and Services offered by franchisees and we will have sole discretion and control over it. We also have the sole right to create interior pages on our website(s) that contain information about your CBW Franchise and other franchised and company owned locations. You will have the ability to propose changes to your web page, but we will be the web master, either directly or through a third party, and have sole discretion and control over all web pages. We will review and publish, subject to our approval, changes you request to the webpage. You will have certain fields that you are able to update on your webpage, but you must use our templates to do so. Excluding labor, the expenses you incur for managing your webpage/microsite may be applied toward your Local Advertising Expense (Section 5.1(k) of the Franchise Agreement).

You are not permitted to maintain an individual website or domain related to your CBW Franchise, including social media or networking pages or sites, without our prior written approval. We must also preapprove your use of linking and framing between your web page and all other websites. You are not permitted to use any Mark (or any derivative thereof, including but not limited to "CBW" or "Bow Wow") in any web page, website, or domain name that is not provided or pre-approved by us (Section 1.6(c) of the Franchise Agreement). We will use reasonable best efforts to review your request and respond in writing within 14 days from the date we receive all information requested by us. Our failure to notify you in the specified time frame will be deemed a disapproval of your request.

2. <u>Computer Hardware Requirements</u>. You must purchase or use a computer and router(s) that can run our required software, with Broadband, DSL, or Air Card access to the Internet to our satisfaction. You must also use our required merchant services provider, payment processor, and must purchase an approved payment terminal that is compatible with our required equipment and providers. You are solely responsible for protecting your computer(s) from all viruses, bugs, power disruptions, Internet access failures, content failures, hackers, and other unauthorized users. You must take reasonable steps to secure your systems through, among other things, firewalls, encryption, access code protection, antivirus systems, cybersecurity insurance, and backup systems. We do not have general access to hard drives or other software that is included as part of your computer. We may require you to switch to different systems and/or providers at any time, which may be provided by us or by designated third parties, at your sole cost.

3. <u>Computer Software Requirements</u>. You must license certain required software from us or our suppliers in order to operate your Camp. We may revise our specifications at any time and we may change software suppliers. All of the required software permits us to receive information in real time concerning sales, operations, and inventory of your CBW Franchise. Current software requirements include PB&J for webcam software, Scorpion for content management, Emma for marketing automation software, and us,

for point-of-sale software (Data Dawg) and client access applications. Costs for PB&J and Data Dawg are stated below. Scorpion and Emma are currently included in the Marketing Platform Fee beginning the month you sign your Real Estate Documents. We reserve the right to increase the Marketing Platform Fee upon notice to you.

4. <u>Webcams</u>. You must purchase webcam hardware, software, and routers from our approved supplier, which is currently PB&J. You webcam hardware and routers must have Broadband or DSL access to the Internet. The monthly fee for the webcam software ranges from \$139 to \$179 per month depending on the number of cameras you install, and this is paid directly to PB&J. This fee includes the costs of updates to the system, which are done by PB&J. Your costs may vary depending on the size of your camp and the number of cameras and monitors you order. We will have access to your webcams at all times, including but not limited to the lobby webcam, which is hidden from public view.

5. <u>Data Dawg</u>. You are required to use our proprietary point-of-sale software, which is developed by us and is maintained and updated by us. You are required to sign a separate software license agreement with us for this software. We may independently access your electronic information and data through Data Dawg, and collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. We use this information to access sales information, revenue reports and royalty reports, as well as to monitor compliance with staffing requirements and brand requirements, such as play yard supervision, vaccinations and overbookings. There is no contractual limitation on our right to view, receive, or audit information through Data Dawg. We reserve the right to discontinue Data Dawg at any time and require you to begin using another vendor or program that we designate. Currently, the cost for Data Dawg is included in your monthly Technology Fee. The Technology Fee is subject to change or increase upon notice to you.

6. <u>Intranet Systems</u>. You must regularly check, review and participate in our System-wide computer network Intranet Systems, and any other intranet systems we create in the future relating to the System. We may require that you use the Intranet Systems to: (i) submit reports due to us under the Franchise Agreement; (ii) view and print portions of the Operations Manual; (iii) download approved local advertising materials; (iv) communicate with us and other franchisees; or (v) participate in training as we determine. We will provide access to our Intranet Systems to your Personnel. Each of your Personnel will have different levels of security and access to the information contained in the Intranet Systems. You are responsible for the use of the Intranet Systems by your Personnel and for compliance by each of your Personnel with our security and access policies. If any access information is lost or stolen, or employment of any of your Personnel ends, you must promptly notify us.

Operations Manual. We will loan you a copy of our Operations Manual(s) during the Term of your Franchise Agreement, which contains mandatory and suggested specifications, standards, and procedures and may be updated from time to time in our sole discretion. The Operations Manual remains the sole and exclusive property of CBW and is only available online through CampConnect. The Table of Contents is attached as <u>Exhibit D</u>.

Training. You are responsible for making sure that your Personnel are properly trained to our standards and requirements. Any training we provide to our Personnel will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the System. You are, and will remain, the sole employer of your Personnel at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your Personnel.

The 8-day classroom/in-Camp training program is typically held in our Westminster, Colorado office and corporate Camp (or at another location designated by us). However, we reserve the right to alter this program and/or the locations of such training at any time.

| CAMP OPS 101 (INITIAL CAMP SERVICES TRAINING PROGRAM) | | | | |
|--|--|----------|----------------------|--|
| Subject | SubjectHours of ClassroomHours of On-the-Job | | Location* | |
| | Training | Training | | |
| Preliminary Training | 15 | 0 | Online | |
| Marketing | 5 | 1 | Headquarters, a CBW | |
| | | | corporate store, and | |
| | | | your Camp Site | |
| Technology | 6 | 4 | Headquarters, a CBW | |
| | | | corporate store, and | |
| | | | your Camp Site | |
| Financial | 4 | 1 | Headquarters, a CBW | |
| | | | corporate store, and | |
| | | | your Camp Site | |
| General Business | 2 | 2 | Headquarters, a CBW | |
| | | | corporate store, and | |
| | | | your Camp Site | |
| Daily Operations | 18 | 28 | Headquarters, a CBW | |
| | | | corporate store, and | |
| | | | your Camp Site | |
| Customer Service | 6 | 4 | Headquarters, a CBW | |
| | | | corporate store, and | |
| | | | your Camp Site | |
| Total | 56 | 40 | | |

* All or portions of the program may be offered via webinar, online learning management system, or via third-party online learning systems that we designate.

The principal instructional materials are the Operations Manuals and training presentations created by our Learning & Development team. The Initial Camp Services Training and other on-going training will be conducted by our trainers under the direction of our Vice President of Operations Todd Houghton, whose experience is described in Item 2. We may change or substitute trainers as necessary and may delegate and share our training responsibilities.

Unless CBW agrees otherwise in writing, Franchisee (its Majority Owner, if Franchisee is an entity) and its Manager must complete the Initial Camp Services Training Program to CBW's satisfaction, in its sole discretion, prior to beginning operations. Failure to complete the Initial Camp Services Training to our satisfaction and begin providing Camp Services by the Operations Deadline may, at our option, result in a Default under or the termination of your Franchise Agreement. While tuition for you and your manager is included in the Initial Franchise Fee, you will be responsible for the cost of all travel, lodging, wages, meals and expenses you incur in attending the Initial Camp Services Training Program. We will also provide Initial Camp Services Training to any Personnel for \$100 per day for each person that you cause or we require to participate in or retake the Initial Camp Services Training. You will be responsible for all travel

expenses for all of your attendees, including airfare, lodging, meals, ground transportation, and personal expenses.

You also must comply with our ongoing training requirements, at your expense, at the midpoint of the initial term of your Franchise Agreement (5 years) and upon renewal of your CBW Franchise. Currently, the Advanced Camp Ops training program below is required of existing owners every 5 years, at renewal, or upon purchase of a new location.

| OPENING WEEK SUPPORT | | | |
|----------------------|------------------------------|----------------|--|
| Subject | Hours of On the Job Training | Location * | |
| Technology | 2 | Your Camp Site | |
| Daily Operations | 20 | Your Camp Site | |
| Customer Service | 10 | Your Camp Site | |
| Total | 32 | | |

* While we strive to do this in-person at your Camp Site, all or portions of the program may be offered virtually, as we deem necessary.

The principal instructional materials are the Operations Manuals and training presentations created by our Learning & Development team. Opening Week training will be conducted by trainers (referred to as openers) under the direction of our Vice President of Operations Todd Houghton, whose experience is described in Item 2. We may change or substitute openers as necessary and may delegate and share our training responsibilities.

| (| ADVANCED CAMP OPS (Experienced Camp Training Program) | | | |
|------------------|--|-------------------------------|--|--|
| Subject | Hours of Classroom Training | Location * | | |
| Marketing | 3 | Headquarters, a CBW corporate | | |
| | | store, and your Camp Site | | |
| Technology | 3 | Headquarters, a CBW corporate | | |
| | | store, and your Camp Site | | |
| Financial | 4 | Headquarters, a CBW corporate | | |
| | | store, and your Camp Site | | |
| General Business | 3 | Headquarters, a CBW corporate | | |
| | | store, and your Camp Site | | |
| Daily Operations | 4 | Headquarters, a CBW corporate | | |
| | | store, and your Camp Site | | |
| Total | 17 | | | |

* All or portions of the program may be offered via webinar, online learning management system, or via third-party online learning systems that we designate.

The principal instructional materials are the Operations Manuals and training presentations created by our Training team. The Advanced Camp Training and other on-going training will be conducted by trainers under the direction of our Vice President of Operations Todd Houghton, whose experience is described in Item 2. We may change or substitute trainers as necessary and may delegate and share our training responsibilities.

Failure to complete the Advanced Camp Ops training to our satisfaction may, at our option, result in a default under your Franchise Agreement. While there is no tuition fee for the program, you will be responsible for the cost of all travel, lodging, wages, meals and expenses you incur in attending the Advanced Camp Ops Program. You will be responsible for all travel expenses for all of your attendees, including airfare, lodging, meals, ground transportation, and personal expenses.

| DOG TRAINER CERTIFICATE PROGRAM (For Trainers who are Independently Certified by a Pre-Approved Organization) | | | | |
|--|---|---------------------------------|----------------|--|
| Subject | Hours of Web-Based or Virtual Training | Hours of On the Job Training | Location* | |
| Brand Standards (methodology, training services, referrals) | 1 | 0 | Your Camp Site | |
| Communication | 2 | 2 | Your Camp Site | |
| Dog Training Business Operations (marketing, finance, sales, technology) | 4 | 2 | Your Camp Site | |
| Virtual Start Up Planning (ramp up plan, goal setting, trainer introduction) | 4 | 0 | Your Camp Site | |
| Total | 7 | 4 | | |

* All or portions of the program may be offered via webinar, online learning management system, or via third-party online learning systems that we designate.

If you elect to provide dog training services, you must hire a dog trainer with one of the following approved certifications (which may be updated from time to time): Trainers hired who have a current credential from the Certification Council for Professional Dog Trainers (CCPDT), the International Association for Animal Behavior Consultants (IAABC), or have completed one of the following dog training programs: CATCH Canine Trainers Academy; Victoria Stilwell Academy; Peaceable Paws; Karen Pryor Academy; or, The Academy for Dog Trainers. Your selected trainer must complete the Dog Trainer Certificate Program to our satisfaction before you will be approved to begin dog training.

The Dog Trainer Certificate Program will be conducted by or overseen by Animal Health and Behavior Consultant Erin Askeland, CBCC-KA, CPDT-KA. Ms. Askeland has 22 years of experience in the pet-care industry, including dog daycare and boarding, and veterinary hospital and shelter management, with a focus on behavior and health, training staff, volunteers, dogs and educating the public. She joined us in March 2015.

If your Certified Dog Trainer leaves your employ at any time, you must stop providing any dog training services until another trainer successfully completes our Dog Trainer Certificate Program, to our satisfaction.

We also allow Camps with Certified Dog Trainers to have assistant trainers on staff. An assistant trainer is trained by a Certified Dog Trainer at their Camp location. An assistant trainer may only perform obedience

training through Play & Train services at Camp but may assist the Certified Dog Trainer during group classes, private instruction, and at events. All training for Assistant Trainers may be conducted by your Camp's Certified Dog Trainer. The assistant trainer program consists of:

| ASSISTANT TRAINER PROGRAM | | | | |
|--------------------------------|---------------------|------------------|----------------|--|
| Subject | Hours of Web-Based | Hours of On-the- | Location * | |
| | or Virtual Training | Job Training | | |
| Brand Standards (methodology) | 1 | 0 | Your Camp Site | |
| Observation and Critique | 1 | 15 | Your Camp Site | |
| Communication (follow up, pet | 2 | 2 | Your Camp Site | |
| parent discussions, referrals) | | | | |
| Total | 4 | 17 | | |

| | SCOUT TRAINING PROGRAM | | | | |
|---------------------|------------------------|-----------|------------|-------------------------------|--|
| Subject | Hours of | Hours of | Hours of | Location | |
| | At-Home | Classroom | On-the-Job | | |
| | Work | Training | Training | | |
| Marketing Strategy | 4 | 3 | 1 | At your home, a CBW corporate | |
| | | | | store, Headquarters, or your | |
| | | | | Camp Site | |
| Digital Marketing | 2 | 2 | 2 | At your home, a CBW corporate | |
| | | | | store, Headquarters, or your | |
| | | | | Camp Site | |
| Community Marketing | 1 | 6 | 2 | At your home, a CBW corporate | |
| | | | | store, Headquarters, or your | |
| | | | | Camp Site | |
| Total | 7 | 11 | 5 | | |

We will also make available to you our Scout Training Program. The Scout Training Program is open to franchise owners, managers, Scouts or other individuals to whom you will delegate marketing activities, but we recommend at a minimum that you send your full-time Scout through the program. The classroom and on-site training is usually conducted at corporate headquarters, but the training course may be held elsewhere in the future. Portions of the program may be offered via webinar, online learning management system, or via third-party online learning systems that we designate. We reserve the right to cancel or modify the Scout Training Program at any time (Section 6.9(c) of the Franchise Agreement).

The principal instructional materials are the presentations created by our Marketing team. The Scout Training Program will be conducted under the direction of our Vice President of Marketing, Christy Barnes, whose experience is described in Item 2. We may change or substitute trainers as necessary and may delegate our duties and share our responsibilities with regard to training.

In addition to the training programs outlined above, we offer an extensive suite of brand-specific online training modules through our learning management system. There are currently more than 200 hours of proprietary training materials available to you and your staff, that were created by our Training Team.

ITEM 12. TERRITORY

Upon execution of the Franchise Agreement, we will designate a geographic area throughout which you must offer the Camp Services (the "Authorized Territory"). The Authorized Territory and Camp Site location will be in the "Camp Site and Authorized Territory Selection Addendum" on Attachment A to the Franchise Agreement. Unless excepted in the Franchise Agreement and pre-approved by CBW, all of your advertising and marketing must be distributed in media that targets the Authorized Territory.

We define each Authorized Territory according to demographic data, including population density and average income, and other characteristics of the surrounding area, natural boundaries, and the amount and size of urban, suburban and rural areas within the Authorized Territory. We do not represent that each franchisee's Authorized Territory will be the same minimum size or population. We may adjust, redefine or reduce the Authorized Territory upon the renewal of your Franchise Agreement.

The Camp Site must be situated within the Authorized Territory. If your Camp Site is too close to the border of the Authorized Territory, in CBW's sole discretion, we may require changes to your Authorized Territory as a condition to our approving the Camp Site. You may be required to cover any costs we incur in making these changes. You must obtain our approval of the Camp Site and once we have granted approval, you cannot move your Camp Site without our prior written consent and your payment of the relocation fee.

Our approval of a relocation is based on a variety of factors, including but not limited to the demographics, population density, average income and other characteristics of the surrounding area, natural boundaries, extent of competition and the amount and size of urban, suburban and rural areas within the Authorized Territory. CBW may continue to collect the Advertising Fund Fee, Royalty Fee, Technology Fee, or any other fee due to CBW during any relocation period. Further, CBW may require Franchisee to continue spending the Local Advertising Expense and/or to spend the Camp Launch Advertising to promote the opening of the new Camp Site location. Royalty Fees during this period will be the greater of (i) the monthly average of Royalty Fees paid by Franchisee during the immediately preceding 12 months of operations, or (ii) the Minimum Monthly Royalty. Advertising Fund Fees during this period will be based on the monthly average of Advertising Fund Fees paid by Franchisee during the immediately preceding 12 months of operations. If you are forced to relocate due to a force majeure event as defined in Section 20.9 of the Franchise Agreement, you will not be required to pay the \$10,000 relocation fee or the Advertising Fund Fee, Royalty Fee, Technology Fee, or any other fee due to CBW during the relocation period unless you fail to re-open within 12 months, in which case CBW may elect to terminate this agreement upon written notice, in its sole discretion. However, CBW may still require you to continue spending the Local Advertising Expense or to spend the Camp Launch Advertising to promote the opening of the new Camp Site.

The Authorized Territory

You will receive an Authorized Territory in which to develop and operate your CBW Franchise. You, however, do not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. For example, VCA may operate or manage animal hospitals located within the Authorized Territory that offer dog boarding services which may or may not utilize the Marks. Except as provided below, during the term of the Franchise Agreement, we will not locate, or license to another franchisee the right to locate, a CBW Franchise within the Authorized Territory. However, we reserve for ourselves, our Affiliates and others whom we authorize, the right to engage in certain activities in your Authorized Territory. Our reserved rights include the right to:

a. establish and operate, or grant others the right to establish and operate businesses anywhere within or outside of the Authorized Territory selling similar or identical Products and Services as you under a different name, trademark or service mark than the Marks, including without limitation through brick and mortar stores or through alternative channels of distribution such as wholesalers, retail outlets, mail order, catalog, or via the Internet;

b. offer or grant others the right to offer the Products or Services under the Marks within or outside the Authorized Territory through channels of distribution not licensed to you in the Franchise Agreement, including but not limited to wholesalers, retail outlets, mail order, catalog, or via the Internet;

c. market anywhere within or outside the Authorized Territory or on the Internet in any way CBW deems appropriate, including use of all websites, domain names, URLs, social media sites, directory addresses, metatags, linking, advertising and co-branding and other arrangements. You may not independently market on the Internet or buy or use any domain name, address, locator, link, metatag or search technique with words or symbols similar or identical to the Marks or otherwise establish a presence on the Internet without CBW's prior written approval;

d. acquire, be acquired by, merge, affiliate with or otherwise engage in any transaction with another business (whether competitive or not), with units within or outside of the Authorized Territory, and to do the following, regardless of their proximity to your Camp Site or the actual or threatened impact on your Camp: (i) establish, acquire, operate or license units under the newly acquired or merged system or trademarks; (ii) convert units from the acquired or merged system to the Camp Bow Wow® brand; or (iii) require that you convert your Camp to the newly acquired or merged system or brand, at your cost;

e. limit the scope of your license for any individual Product or Service if you or any of your officers, directors, shareholders, employees, agents, members, Affiliates, owners or Principals is not in compliance with this Agreement or any other agreement(s) with CBW;

f. establish and operate, or grant others the right to establish and operate a Camp in any of the following "Non-Traditional Location(s)" located inside or outside the Authorized Territory: sporting stadium or similar sports venue, hotel or resort, amusement park or other tourist attraction, casino, corporate campus, hospital or other healthcare facility, college, university or other educational facility, airport, public transportation facility, or co-branded location. However, if the owner of the Non-Traditional Location agrees to consider a franchise in the space, and it is within the Authorized Territory, then subject to the conditions below, CBW will grant you a 30-day right of first negotiation to acquire the right to establish and operate a Camp at the Non-Traditional Location. If: (i) the owner of the Non-Traditional Location elects not to offer you the right (CBW has no obligation or duty to make them offer you the right); (ii) you do not reach an agreement during the 30-day negotiation period; (iii) you or any of your officers, directors, shareholders, employees, agents, members, Affiliates, owners or Principals is not then in compliance under the Franchise Agreement or any agreement with CBW; (iv) you do not meet the then-current requirements for additional franchised units; (v) you fail to sign the then-current franchise agreement for the additional location within 30 days of receipt; or (vi) you elect not to pursue the non-traditional location, then CBW or

an Affiliate of CBW has the right to establish and operate the business at the Non-Traditional Location, or the owner of the Non-Traditional Location may establish and operate the business itself (directly or indirectly);

g. establish and operate, and grant others the right to establish and operate, Camps using the System and Marks anywhere outside the Authorized Territory;

h. enter into agreements with other franchisees or licensees that may contain provisions, conditions, and obligations that differ from those contained in your Franchise Agreement, without affecting the terms and conditions of your license; and

i. engage in any other activity not expressly prohibited in the Franchise Agreement.

We have no duty to compensate you on account of business that we, our Affiliates, or our licensees conduct within your Authorized Territory pursuant to our reserved rights. You acknowledge that you may compete with other Camp Sites and other CBW Franchises which are now, or which may in the future be, located in, near or adjacent to your Authorized Territory, and these Camp Sites and other CBW Franchises may be owned by us, third parties, or both.

Your rights to the Authorized Territory as a Franchisee are contingent on achieving minimum Net Revenue 7 months after you begin Camp Service operations. If, during any four months in any 12 consecutive month period, your Net Revenue do not amount to a level where you are paying a Royalty Fee (based on Net Sales) equal to or greater than the Minimum Monthly Royalty, we may (a) impose additional mandatory marketing and training programs to be paid for by you, or (b) terminate the Franchise Agreement upon notice and opportunity to cure.

Outside of your Authorized Territory, we may use, and license others the right to use, the Marks and System for the operation of a CBW Franchise anywhere regardless of proximity to your Authorized Territory and for any other purposes in our discretion.

Multi-Unit Development Agreement

If we grant you multi-unit development rights, the Multi-Unit Development Agreement you sign with us will grant to you a designated area within which you may establish, according to your Development Schedule, the agreed upon number of CBW Franchises ("Development Area"). The Development Area and number of CBW Franchises to be developed is determined based on demographics and other characteristics of the Development Area, including population density, average income and other characteristics of the surrounding area, natural boundaries, and the amount and size of urban, suburban and rural areas in the Development Area. Your Development Area is not dependent upon sales volume or market penetration. Based on your proposal and our own research, we will negotiate with you how many CBW Franchises must be established within the Development Area. Each Authorized Territory for specific CBW Franchise locations to be established within the Development Area will be determined at the time the Franchise Agreement is signed for each new CBW Franchise.

You cannot move your Development Area without our prior written consent. Our approval is based on a variety of factors, including the demographics of the proposed new Development Area and your ability to meet the Development Schedule provided in Schedule A of the Multi-Unit Development Agreement. Our approval of your Development Area does not guarantee the success of CBW Franchises. You will not have any option, right of first refusal or similar rights to acquire any additional camps, franchises or territories by virtue of signing the Multi-Unit Development Agreement.

You will not receive an exclusive Development Area. You may face competition from other franchises, from outlets that we own or from other channels of distribution or competitive brands that we control. We will not, during the term of the Multi-Unit Development Agreement, locate nor license to another the right to locate CBW Franchises within the Development Area, unless you fail to meet the Development Schedule. If you fail to meet that schedule or if the Multi-Unit Development Agreement terminates or expires, your rights to the Development Area may be forfeited and we may grant franchises to other persons or entities to establish CBW Franchises using the Marks and the System within the Development Area, subject only to the territorial rights, if any, under the Franchise Agreements you enter into for the CBW Franchises in the Development Area. You are not granted any rights to develop or operate, CBW Franchises outside the Development Area, except under rights granted to you under other agreements entered into with us. Unless your Multi-Unit Development Agreement Agreement specifies otherwise, if we grant you the right to develop one type of franchise under your area development Area.

Neither we nor any of our franchisees are prohibited from soliciting or making sales within the Development Area. We have no duty to protect you from these sales, solicitations, or attempted sales. We also have no duty to compensate you for any Services or products we provide within the Development Area. You acknowledge that (i) you will compete with other CBW Franchises which are now, or which may in the future be, located near or adjacent to your Development Area, and (ii) these CBW Franchises may be owned by us, third parties, or both. You also acknowledge that we may locate a CBW Franchise in your Development Area, provided that such CBW Franchise is not the same type of CBW Franchise for which you have purchased the license to develop, and you may compete with such CBW Franchise.

If you are developing a CBW Franchise, customers from your Development Area may purchase Services and products from other CBW Franchises or from us and our Affiliates or designees over the Internet, or in other reserved channels of distribution such as directory addresses, metatags, linking, advertising, and co-branding and other arrangements. Customers from other Authorized Territories may purchase Services and products from your Development Area (after you begin operations), over the Internet, or in other reserved channels of distribution.

You may not advertise or market the Services or products you intend to provide in your Development Area outside of your Development Area, unless otherwise approved by us, you will be in breach of your Multi-Unit Development Agreement, and we would have the right to terminate your Multi-Unit Development Agreement.

We reserve the right to use, license and franchise the use of other trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including the Development Area, in association with operations that are the same as, similar to, or different than CBW Franchises.

ITEM 13. TRADEMARKS

The Franchise Agreement grants you the nonexclusive license and right to use the Marks that we designate for the System. You must indicate, as explained in the Franchise Agreement and specified in the

Operations Manuals, that you are an independent operator of the CBW Franchise and you will use only the appropriate and authorized Marks as indicated by us.

We are the current owner of the Marks and certain other intellectual property, and we have registered and filed all the required affidavits for the following principal Marks with the United States Patent and Trademark Office ("USPTO") on the Principal Register:

| Mark | Registration Number | Registration Date |
|---|----------------------------|--------------------------|
| CAMP BOW WOW® | 2,954,646 | May 24, 2005 |
| CAMP BOW WOW® | 3,364,523 | January 8, 2008 |
| CAMP BOW WOW® | 5,025,152 | August 23, 2016 |
| CAMP BOW WOW® | 5,529,134 | July 31, 2018 |
| CAMP BOW WOW (and design) | 5,451,586 | April 24, 2018 |
| CAMP BOW WOW A DOG GONE GOOD TIME (and design) | 4,188,751 | August 14, 2012 |
| HAPPY HEALTHY PETS, HAPPY HEALTHY PEOPLE BY CAMP BOW WOW® | 4,686,913 | February 17, 2015 |
| TRADE DRESS (design only) | 4,566,177 | July 15, 2014 |
| SEIZE THE PLAY® | 5,488,343 | June 5, 2018 |
| SEIZE THE PLAY® | 5,519,583 | July 17, 2018 |
| SEIZE THE PLAY® | 5,758,242 | May 21, 2019 |

We do own and claim common law trademark rights in the phrase "Camper Cams" when used in connection with web cams in your CBW franchise and for "Campfire Treats" when used in connection with dog treats. Our common law trademark rights are included as part of the Marks.

You must adhere to our rules and guidelines when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols, as part of a corporate or business name or in any form on the Internet, including URLs, domain names, e-mail addresses, locators, links, metatags or search techniques, except as we license to you. You must not use any of our Marks, or portions or derivatives of them in the registration of the name of any entity. Guidelines regarding proper trademark use and notices are in the Operations Manuals and will be updated periodically. You may not use our Marks with an unauthorized product or service, or in a manner not authorized in writing by us.

By signing the Franchise Agreement you agree that we own or have the rights to all rights and title in the Marks and that if you use them in an unauthorized manner that use will be an infringement of our rights in and to the Marks. You also agree that your use of the Marks specifically identified in your Franchise Agreement and any goodwill you establish will be to our exclusive benefit. You agree to operate your CBW Franchise in strict compliance with our high standards and to comply strictly with all of our mandatory specifications, standards and operating procedures for CBW Franchises, as applicable, that we may change periodically.

Except as we explain in this Item 13, there are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, or cancellation proceedings or any pending material litigation involving any of our Marks that are relevant to the use of these Marks. There is no pending material federal or state court litigation regarding our use or ownership rights in any of our principal Marks.

However, we are aware of similar businesses operating in Ohio and Texas under names similar to ours, and with rights that may or may not be superior to ours. In May 2007, we entered into a Trademark Co-Existence Agreement with CEC Entertainment Concepts, L.P., the owner of the mark "Where a Kid can be a Kid." Under the terms of that agreement, we agreed not to use our Mark "Where a Dog can be a Dog®" on certain products and to not distribute these products through our Camps.

You must immediately notify us of any potential infringement or challenge to your use of any Mark, trade dress or our other intellectual property. We will take the action that we deem appropriate or necessary to protect the unauthorized use of our Marks, trade dress or our other intellectual property. You agree not to communicate with any person other than us or our attorneys as directed in any claim or challenge. You must fully cooperate in our defense of any action for the Marks or other intellectual property, sign any instruments and documents, and other actions that may be necessary or helpful to protect and maintain our interests. The cost of defense for a claim or challenge will be paid by us, however, if the claim or challenge is caused by your wrongful acts or if you use the Marks in a manner inconsistent with our standards and specifications, you must indemnify us for any damages we incur, including all of our attorneys, experts or other fees.

You must modify or discontinue the use of a Mark, at your expense, if we modify or discontinue its use. In addition, if we discontinue the use of a Mark due to our determination that a third party has superior rights to the Mark, we will reimburse you for the tangible cost of compliance with this requirement (such as the cost of new signage, printing new letterhead and business cards), but you will have no rights of damages, offset, or termination, and CBW will have no further liability or obligation whatsoever.

You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before opening your CBW Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your CBW Franchise name.

As of the date of this Disclosure Document, we are not aware of any effective agreements that significantly limit our rights to use or license the use of the Marks or of any superior prior rights or infringing uses that could materially affect your use of the Marks where your CBW Franchise will be located.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information contained in the Operations Manuals is proprietary, protected as a trade secret and, although we have not registered it with the United States Copyright Office, we claim federal copyright protection. Additionally, although we have not registered the following copyright registrations, we claim that the designs contained in the Marks, our website, the layout and content of our advertising materials and those that we permit you to use, as well as the content and format of any other writings, pictorial works and recordings, as well as any other works of authorship, are protected by copyright and other laws. You are only granted the right to use the version of the website specific to your CBW Franchise. We grant you the nonexclusive license and right to use the above-described proprietary and copyrighted information (collectively, "Copyright Works") solely for use for the operation of the CBW Franchise, but these copyrights remain our sole property.

There are currently no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit your use of our Copyrighted Works. We are not obligated under the Franchise Agreement or otherwise to protect or defend our copyrights. We have registered the following copyrighted works with the United States Copyright Office:

| Title | Registration Number | Registration Date |
|--|----------------------------|--------------------------|
| CAMP BOW WOW LOGO WOODEN MEDALLION (Sculpture/3-D Art Work) | VA 1-752-006 | December 8, 2010 |
| UNTITLED (Camp Bow Wow Website) (Literary Work) | TX 7-653-691 | January 8, 2013 |
| CAMP BOW WOW PROTOTYPE DESIGN A&B (Architectural Work) | VAu 1-134-014 | March 8, 2013 |
| UNTITLED (Camp Bow Wow Website – Franchisee Pages) (Literary Work) | TX 8-074-174 | January 8, 2013 |
| Dogs Get Nervous Too: A Book About Dog Bite Prevention | TX 7-800-316 | November 8, 2013 |
| Dogs Need More than Love: A Book About Responsible Dog Care | TX 8-0110636 | January 7, 2015 |

| Patent | Registration No. | Date Registered |
|--|------------------|-------------------|
| Kennel Gate (Log Cabin Design) | 0692,621 S | October 29, 2013 |
| Kennel Gate (Picket Fence Design) | D696,473 S | December 24, 2013 |
| Header for a Kennel Gate (Tree Design) | 0703,391 S | April 22, 2014 |
| Design for a Kennel Gate | D735,954 S | August 4, 2015 |

We have registered the following patented works with the United States Patent and Trademark Office, all of which are protected for 14 years from the date of registration:

Our Copyright Works, confidential information, trade secrets, and other intellectual property and equipment subject to patent registrations (collectively, "Intellectual Property") are our property to be used by you only as described in the Franchise Agreement and Operations Manuals. You must add, modify or discontinue the use of the Intellectual Property if we instruct you to do so. Unless otherwise stated in this document, we do not have any obligation to reimburse you for any expenditure you may incur for the discontinuance, modification or substitution of any equipment or otherwise. You must maintain the confidential information and trade secrets and adopt reasonable procedures to prevent unauthorized disclosure of our trade secrets and confidential information, including the obligation to require that all of your Personnel execute our nondisclosure form.

You must notify us within 3 days after you learn about another's use of language, visual image or design, or a recording of any kind, that you believe to be identical or substantially similar to any of our Intellectual Property. You must also notify us within 3 days if someone challenges your use of our Intellectual Property. We will take whatever action we deem appropriate to protect our rights in and to the Intellectual Property, which may include payment of reasonable costs associated with the action. However, we are not required to take affirmative action in response to any apparent infringement of or challenge to your use of any of our Intellectual Property or claim by any person of any rights in any of the same. You must not directly or indirectly contest our rights to any of our Intellectual Property. You may not communicate in any infringement, challenge or claim with anyone except us and our counsel. We will take action we deem appropriate regarding any infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim under any Intellectual Property. You must sign all instruments and documents, give the assistance, and do things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Intellectual Property.

You must disclose to us all ideas, techniques and products concerning the development and operation of the CBW Franchise that you or your Personnel conceive or develop during the term of the Franchise Agreement. You must grant to us and agree to obtain from your owners or Personnel a perpetual, exclusive, royalty free and worldwide right to use ideas, techniques and products concerning the development and operation of your CBW Franchise that you or your Personnel conceive or develop during the term of the Franchise Agreement in all pet-related product and service businesses that you operate. We will have no obligation to compensate you in any way for any idea, concept, method, technique or product. You must agree that you will not use, nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Under the Franchise Agreement and the Multi-Unit Development Agreement, you are not obligated to participate personally in the direct operation of your CBW Franchise, however, you are at all times responsible for the operations of the CBW Franchise. Your Manager may manage the day-to-day operations of the CBW Franchise. The Manager is not required to own an equity interest in the franchisee entity; however, the Manager must complete the Initial Camp Services Training, all ongoing training programs, and any other applicable training to our satisfaction. You (if Franchisee is an entity, your Majority Owner) or Manager must devote full time and best efforts to the management and operation of the CBW Franchise and both must successfully complete our Initial Camp Services Training by demonstrating to us appropriate levels of competence in the subject matters taught in these training programs.

At all times, you must keep us advised of the identity of your Manager. We may deal with the Manager on the day-to-day operations of, and reporting requirements for, the CBW Franchise. You must hire all Personnel of your CBW Franchise and are solely responsible for the terms of their work, training, compensation management and oversight. We strongly suggest that you obtain confidentiality agreements from all of your Personnel.

If you are a business entity, we require that each of your officers, directors, partners, shareholders or members (and, if you are an individual, immediate family members) (i) provide us with financial information that we may reasonably require, and (ii) execute our standard Guarantee and Assumption of Franchisee's Obligations and our Nondisclosure and Noncompetition Agreement. (See Attachments B and E to the Franchise Agreement, respectively).

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must keep your CBW Franchise open and in normal operation for the minimum hours and days we may specify in the Operations Manuals. You must refrain from using or permitting the use of your CBW Franchise for any other purpose or activity at any time, including the offering of collateral services, without first obtaining our written consent.

You must sell or offer to sell all of the required Approved Products and Services and only the Approved Products and Services, which may be changed from time to time. You must follow our policies, procedures, methods, and techniques. We may change or add to our required Approved Products and Services at any time, upon prior notice to you. You must discontinue selling and offering for sale any services or products which we may disapprove in writing at any time.

Approved Products and Services currently include but are not limited to: (i) Camp Services; (ii) certain pre-approved dog training services (after the minimum requirements are met); (iii) retail sale of pet food and other products; (iv) certain grooming services; and (v) assorted other pet-related services and products authorized by us and specified in the Operations Manuals, which may be updated from time to time. You must begin offering all Approved Products and Services at the time you begin to provide Camp Services or as otherwise agreed in writing. Our System has changed over time and our franchisees that have been in the System for a longer period of time may not have the same license granted to you under the Franchise Agreement.

We designate some services as optional. To offer optional services, you must be in compliance with all of your obligations under any agreement with us or our Affiliates and we may require you to comply with other requirements such as training, marketing, or insurance before we permit you to offer optional services.

ITEM 17.

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

These tables list important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

The Franchise Agreement is abbreviated in this table as "FA" and the Multi-Unit Development Agreement is abbreviated as "MDA."

| Column 1 Provision | Column 2 Section | Column 3 Summary |
|---|---------------------------------|--|
| a. Length of the franchise term | FA: § 2.1 MDA: § II | Initial term of Franchise Agreement is 10 years. The term of the Multi-Unit Development Agreement will be negotiated by the parties. |
| b. Renewal or extension of the term. | FA: §§ 2.1, 2.2 MDA: None | Franchisees may renew for two additional 10-year terms if certain renewal conditions are satisfied. |
| c. Requirements for franchisee to renew or extend | FA: §§ 2.1, 2.2 MDA: None | Sign a new and then current Franchise Agreement within 30 days of receipt, sign a release and new personal guaranty, provide us proof that you have the right to continue providing all Services from the Camp Site or have found an alternative location, refurbish/upgrade the CBW Franchise and Camp Site if required, take any renewal training courses we require, provide us with at least 6 months and no more than 12 months prior notice of intent to renew, satisfy all payment obligations, including the renewal fee, provide us with requested financial information. You must be in compliance with the Franchise Agreement during the initial term and not in default at the time of renewal, have participated in and supported our brand initiatives throughout the initial term and agree to any reasonable request to redefine the Authorized Territory. We must be offering franchises in the state in which your Authorized Territory is located at the time of renewal. The new franchise agreement may contain terms and conditions materially different from those in your previous |

| Column 1 Provision | Column 2 Section | Column 3 Summary |
|---|----------------------------|---|
| | | franchise agreement, like different fee requirements and territorial rights. |
| d. Termination by Franchisee | FA: § 15.2 MDA: None | You may terminate the Franchise Agreement for good cause (as defined in Section 15.2 of the Franchise Agreement) only and if you are in compliance with the Franchise Agreement and we fail to cure, or fail to begin to cure, an alleged breach within the 60 day cure period we are allowed under the Franchise Agreement. |
| e. Termination by Franchisor without cause. | None | N/A |
| f. Termination by Franchisor with cause. | FA: §§ 14, 15 MDA: §VII | We may terminate the Franchise Agreement and Multi-Unit Development Agreement with cause. |
| g. "Cause" defined - curable defaults | FA: § 14.2 MDA: None | We may terminate the Franchise Agreement after providing you a 15- day cure period if: (i) you fail to comply with the Operations Manual or system standard, (ii) you fail to adhere to the insurance requirements for the Camp Franchise and Camp Site, (iii) you fail to pay any monies you owe us, our Affiliates, third party creditors, third party lienholders, and/or the lessor from whom you are renting the Camp Site; (iv) you fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your CBW Franchise; or (v) any guarantor fails or refuses to deliver to Franchisor, within 10 days after Franchisor's written request a personal guaranty or current financial statements. We may terminate the Franchise Agreement after providing you a 30- day cure period if you fail to perform or comply with any one or more of the terms or conditions of the Franchise Agreement, including but not only if: (i) you fail to satisfy any training requirement; (ii) you use an unapproved vendor or supplier; (iii) you make an unauthorized change to the Camp Site or other equipment; or (iv) you fail to maintain a sufficient staff level. |
| h. "Cause" defined - non- curable defaults | FA: § 14.1 MDA: § VII | The Franchise Agreement will terminate upon written notice without the opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or |

| Column 1 | Column 2 | Column 3 |
|-----------|----------|---|
| Provision | Section | Summary |
| | | arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the CBW Franchise; (ii) proceedings have started to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and those proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the CBW Franchise without your consent, and the appointment is not vacated within 60 days; (iii) you purport to sell, transfer or otherwise dispose of your interest in the CBW Franchise in violation of our requirements; (iv) you take part in criminal acts or misconduct or commit fraud in the operation of the CBW Franchise or otherwise; (vi) you make any misrepresentations in the franchise application; (vii) you fail to start operations within the periods provided; (viii) you receive more than 2 written notices of default within any 12-month period; (ix) you materially breach any other agreement with us or our Affiliates; (x) you misuse the Intellectual Property, Confidential Information or Trade Secrets; (xi) you violate any health, safety or sanitation law; (xii) you violate the in-term restrictive covenants of the Franchise Agreement; (xiii) a lien or writ of attachment or execution is placed against you and is not released or bonded against within 5 days; (xiv) you abandon the CBW Franchise; (xv) you offer any unauthorized or unapproved products or services in the operation of your CBW Franchise; (xvi) you purchase or use supplies from unapproved suppliers; (xvii) you mails or regulation within the required cure period; (xix) you fail to comply with any governmental notice of noncompliance with any law or regulation within the required cure period; (xix) you fail to comply with any laws or regulations; (xx) any audit reveals that you have understated your royalty or advertising payments, or your Local Advertising Expense, by more than 1%, or if you have failed to submit timely reports and/o |

| Column 1 Provision | Column 2 Section | Column 3 Summary |
|--|--|---|
| | | terminated, we have the right to terminate all other franchise agreements ("cross-default and termination"). |
| | | Under the Multi-Unit Development Agreement, non-curable defaults include failure to comply with the Development Schedule or failure to comply with any obligation in the Franchise Agreement. |
| i. Franchisee's obligations on termination/non- renewal | FA: § 16 MDA: §§ X, XI | Your obligations under the Franchise Agreement include complete cessation of business, de-identification, return of Manuals, customer lists and other proprietary information, nondisclosure of trade secrets, comply with insurance, indemnification, non-competition and other obligations to protect our system and intellectual property, and payments of amounts due. You must pay back both account credits and outstanding balances. Your obligation under the Multi-Unit Development Agreement is non-competition and confidentiality. |
| j. Assignment of contract by Franchisor | FA: § 12.1 MDA: § VIII.1 | No restriction on our right to assign under the Franchise Agreement or Multi-Unit Development Agreement. |
| k. "Transfer" by Franchisee - defined | FA: §§ 12.2, 14 MDA: § VIII.2 | Includes transfer of rights under the Franchise Agreement and Multi-Unit Development Agreement; all or a substantial portion of the assets or entity of your CBW Franchise or the Camp or Camp Site; or if the franchisee is a business entity, a controlling interest in that business entity. |
| | | As noted in (m) below, Transferee must sign the then-current form of Franchise Agreement, which may contain materially different terms, upgrade the Camp Site to our then-current standards and specifications, take all required training programs, and be approved by us. Transferees who are related to you and who sign our then-current form of franchise agreement will receive the full initial term contained in our then-current offering. We must be paid a transfer fee and, if applicable, sales commission. |
| 1. Franchisor approval of transfer by Franchisee | FA: § 12.2 MDA: § VIII.2 | We must approve all transfers. |

| Column 1 Provision | Column 2 Section | Column 3 Summary |
|---|-----------------------------------|---|
| m. Conditions for Franchisor approval of transfer. | FA: § 12.2.b MDA: § VIII.2 | Transferee qualifies and meets our then-current requirements for becoming a franchisee, no existing defaults or debts, transfer fee paid (as well as any applicable sales commission), signs the then-current franchise agreement, which may contain materially different terms, and Transferee provides us with requested financial information that we approve. |
| | | Transferee or its designated personnel that we approve must complete Camp Services Training, Scout Training, and the Dog Trainer Certificate Program. Transferee and Transferor sign a general release as well as a personal guaranty. All material terms of transfer require our approval. If you finance any part of a transfer, you agree to subordinate your interests to ours. You also agree to be bound by post-termination covenant not to compete and sign a mutual termination and release. Transferor must update the Camp Site, if applicable, to our then-current standards. The CBW Franchise must be kept operational during any period of transfer. |
| | | Under the Multi-Unit Development Agreement, all sums due are paid, no existing defaults, release signed, transfer fee paid, transferee meets our standards, transferee signs the current Multi-Unit Development Agreement and attends training. |
| n. Franchisor's right of first refusal to acquire Franchisee's business | FA: §§ 12.2.b, 13 MDA: None | We have a right of first negotiation for the CBW Franchise. We also have a right of first refusal and option to purchase the CBW Franchise upon termination or expiration (see o. below). |
| o. Franchisor's option to purchase Franchisee's business | FA: § 13 MDA: None | Upon termination or expiration of the Franchise Agreement we have an option to buy the CBW Franchise and all furniture, fixtures, equipment, products, accounts and other business assets. |
| p. Death or disability of Franchisee | FA: § 12.2.c MDA: None | The CBW Franchise may be assigned to your successor provided that the successor complies with the conditions of transfer. |
| q. Non- competition covenants during the term of the franchise | FA: § 11.3.b MDA: § XI | Under the Franchise Agreement and Multi-Unit Development Agreement, neither you, your guarantors, officers, directors, owners nor any immediate family of such persons can have any direct or indirect interest in any competitive business, cannot perform services for a competitive business, and cannot |

| Column 1 Provision | Column 2 Section | Column 3 Summary |
|---|----------------------------|--|
| | | direct or attempt to divert business during the term of the Franchise Agreement or Multi-Unit Development Agreement. The in-term non-compete does not apply to your operation of existing CBW Franchises pursuant to other effective franchise agreements with us. |
| r. Non- competition covenants after the franchise is terminated or expires | FA: § 11.3.c MDA: § XI | Under the Franchise Agreement and Multi-Unit Development Agreement, neither you, your guarantors, officers, directors, your owners nor any immediate family of such persons can have any direct or indirect interest in any competitive business and cannot perform services for a competitive business within (1) the Authorized Territory, (2) any other franchisee's authorized territory, or (3) within 50 miles of another franchisee's authorized territory or a company-owned CBW Franchise for two years from the date of termination. The post- termination non-compete does not apply to your operation of existing CBW Franchises pursuant to other effective franchise agreements with us. You also cannot divert or attempt to divert business for 2 years following termination of the Franchise Agreement or Multi-Unit Development Agreement. |
| s. Modification of the agreement | FA: § 20.13 MDA: § XII | The Franchise Agreement and Multi-Unit Development Agreement can only be modified by mutual written agreement of the parties, but we may change the Operations Manuals at any time. |
| t. Integration/ merger clause | FA: § 20.6 MDA: § XII | Only the terms of the Franchise Agreement or Multi-Unit Development Agreement are binding (subject to applicable state law). No other representations or promises will be binding, although nothing in the Franchise Agreement, Multi- Unit Development Agreement or in any other related written agreement is intended to disclaim representations made in this Disclosure Document. |
| u. Dispute resolution by arbitration or mediation | FA: § 19 MDA: § XXII | All disputes must be mediated and, if necessary, arbitrated in the State of Colorado, City of Denver, except that Franchisor may seek injunctive and/or equitable relief to enforce the Franchise Agreement or Multi-Unit Development Agreement (subject to state law). |
| v. Choice of Forum | FA: § 19 MDA: § XXII | All disputes must be brought in the State of Colorado (subject to state law). Certain states have laws that supersede the choice of forum in the Franchise Agreement and require that a lawsuit be brought |

| Column 1 Provision | Column 2 Section | Column 3 Summary |
|-----------------------|-------------------------------|---|
| | | in the state or federal courts in the franchisee's home state. See the State Addendum, Exhibit F. |
| w. Choice of Law | FA: § 20.1 MDA: § XVIII | Colorado law shall apply to all disputes (subject to state law). Certain states have laws that supersede the choice of law in the Franchise Agreement. See the State Addendum, Exhibit F. |

ITEM 18. PUBLIC FIGURES

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

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.

Except for Part 3 below, we do not include information from franchisor-owned outlets in this Item 19. Unless otherwise stated below, all data for franchisee-owned CBW Franchises has been reported to us by the franchise owner of the CBW Franchise. We have not audited this information nor independently verified any of the information included in this Item 19. All data in this Item 19 is historical data. None of the tables in this Item 19 include information regarding the 15 new Franchised Camps that were open less than 12 months as of December 31, 2021, and the two Franchised Camps that closed during the year (both of those Camps had been open more than 12 months but were not open for the full 12 month period as of December 31, 2021).

Written substantiation of the data used in preparing this information will be made available upon reasonable request.

PART 1: ANNUAL GROSS REVENUE

"Gross Revenue," for purposes of this Item 19, means the total annual gross revenue for Camp Services, Dog Training Services, and any other Approved Products and Services as reported by franchisees to us through our designated financial reporting software, which revenue may be reported on cash basis or accrual basis accounting. Gross Revenue differs from Net Revenue (as defined in Item 6) in that Net Revenue is recorded using cash basis accounting only.

The table below shows the Gross Revenue from January 1, 2021 - December 31, 2021 (the

"Measurement Period") for the 177 franchises that were open and operating for more than 12 months as of December 31, 2021 ("Revenue-ReportingFranchises"). Not all Revenue-Reporting Franchises offer the same set of services. Some provide only Camp Services, while some also provide Dog Training Services, retail, and/or in-home services.

The length of time that these Revenue-Reporting Franchises have been operating varies widely, and time in operation materially affects the Gross Revenue of CBW Franchises. The oldest CBW Franchise has been operating continuously for 253 months as of December 31, 2021. The average time in operation for Revenue-Reporting Franchises is 110 months, and the median is 100 months.

The table below shows the high, low, and average Gross Revenue of all, as well as the top 25% and bottom 25% of Revenue Reporting Franchises during the Measurement Period and for the previous two years.

| | Annual Gross Revenue (unaudited) | | | | | | | | | | | |
|-------------------------|----------------------------------|-------------------|-------------|-----------------|-------------|-----------|----------------------|-------------|-------------|--|--|--|
| Revenue | | 2019 ⁹ | | | 20205 | | | 20211 | | | | |
| Reporting Franchises | e High I | | Low | Average 6, 7, 8 | High | Low | Average 2,3,4 | High | Low | | | |
| All | \$875,257 | \$2,184,057 | \$314,190 | \$559,204 | \$1,449,082 | \$149,009 | \$880,558 | \$2,141,520 | \$346,447 | | | |
| Top 25% | \$1,282,635 | \$2,184,057 | \$1,055,915 | \$868,547 | \$1,449,082 | \$673,786 | \$1,304,404 | \$2,141,520 | \$1,059,897 | | | |
| Bottom 25% | \$505,386 | \$632,632 | \$314,190 | \$319,910 | \$389,682 | \$149,009 | \$527,045 | \$643,834 | \$346,447 | | | |

Notes to 2021 Annual Gross Revenue Data:

- 1 The 2021 Annual Gross Revenue tables are based on data that was reported to us by the franchise owners for 177 Revenue-Reporting Franchises. One of the Revenue-Reporting Franchises did not submit their data to us as required, so data for that camp was pulled from the revenue information that respective franchisee entered into DataDawg.
- 2 For 2021, of the 177 Revenue-Reporting Franchises, 78 (44%) exceeded the Average Annual Gross Revenue of \$880,558 and 88 (50%) exceeded the Median Annual Gross Revenue of \$840,138.
- **3** For 2021, the Top 25% of Revenue-Reporting Franchises consists of 44 Camps. Of those, 13 (30%) exceeded the Average Annual Gross Revenue of \$1,304,404 and 22 (50%) exceeded the Median Annual Gross Revenue of \$1,190,028.
- 4 For 2021, the Bottom 25% of Revenue-Reporting Franchises consists of 44 Camps. Of those, 24 (55%) exceeded the Average Annual Gross Revenue of \$527,045 and 22 (50%) exceeded the Median Annual Gross Revenue of \$546,741.

Notes 2020 Annual Gross Revenue Data:

- 5 The 2020 Annual Gross Revenue tables are based on data that was reported to us by the franchise owners for 161 of the 163 Revenue-Reporting Franchises. Two of the Revenue-Reporting Franchises did not submit their data to us as required, so data for those two camps was pulled from the revenue information those respective franchisees entered into DataDawg.
- 6 For 2020, of the 163 Revenue-Reporting Franchises, 70 (43%) exceeded the Average Annual Gross Revenue of \$559,204 and 81 (50%) exceeded the Median Annual Gross Revenue of \$528,235.
- 7 For 2020, the Top 25% of Revenue-Reporting Franchises consists of 41 Camps. Of those, 14 (34%) exceeded the Average Annual Gross Revenue of \$868,547 and 20 (49%) exceeded the Median Annual Gross Revenue of \$822,760.
- 8 For 2020, the Bottom 25% of Revenue-Reporting Franchises consists of 41 Camps. Of those, 23 (56%) exceeded the Average Annual Gross Revenue of \$319,910 and 20 (49%) exceeded the Median Annual Gross Revenue of \$329,802.

Notes to 2019 Annual Gross Revenue Data:

- 9 The 2019 Annual Gross Revenue tables are based on data that was reported to us by the franchise owners for 149 of the 161 Revenue-Reporting Franchises.
- 10 For 2019, of the 149 Revenue-Reporting Franchises, 75 (50%) exceeded the Average Annual Gross Revenue of \$875,257 and 74 (50%) exceeded the Median Annual Gross Revenue of \$887,233.
- 11 For 2019, the Top 25% of Revenue-Reporting Franchises consists of 37 Camps. Of those, 11(30%) exceeded the Average Annual Gross Revenue of \$1,282,635 and 18 (50%) exceeded the Median Annual Gross Revenue of \$1,205,064.
- 12 For 2019, the Bottom 25% of Revenue-Reporting Franchises consists of 37 Camps. Of those, 18 (53%) exceeded the Average Annual Gross Revenue of \$505,386 and 18 (50%) exceeded the Median Annual Gross Revenue of \$504,877.

PART 2: SELECT EXPENSES

The tables below show selected expense data during the Measurement Period for 176 CBW Franchises that were open and operating for more than 12 months as of December 31, 2021 ("Expense-Reporting Franchises"). The Expense Reporting Franchises do not include the one franchised business that did not submit data to us. Not all Expense-Reporting Franchises offer the same set of services. Some provide only Camp Services, while some also provide Dog Training Services, retail, and/or in-home services.

Expense-Reporting Franchises have an average Camp Site size of approximately 7,914 square feet and are generally located in light industrial or commercial areas.

Annual Occupancy Expense

The "Annual Occupancy Expense" includes the following costs associated with occupying the Camp Site during the Measurement Period: rent, utilities, and common area maintenance charges, as well as other charges imposed by and passed on to the tenant by the landlord under the Lease (which may include property tax, insurance, and landlord operating expenses, commonly referred to as "NNN" or "Triple Net"). Some Expense-Reporting Franchises own their real estate, so their Annual Occupancy Expenses may be skewed for that reason.

The table below shows the high, low, and average Annual Occupancy Expense of all, as well as the top 25% and bottom 25% of Expense Reporting Franchises during the Measurement Period and the previous two years.

| | Annual Occupancy Expense (Unaudited) | | | | | | | | | | | |
|-------------------------|--------------------------------------|-----------|----------|-----------------|-----------|----------|--------------------|-----------|----------|--|--|--|
| Expense | | 2019 | | | 2020 | | | 2021 | | | | |
| Reporting Franchises | Average 7, 8, 9 | High | Low | Average 4, 5, 6 | High | Low | Average 1, 2, 3 | High | Low | | | |
| All | \$128,170 | \$285,053 | \$13,873 | \$123,143 | \$295,958 | \$41,008 | \$138,128 | \$305,784 | \$26,792 | | | |
| Top 25% | \$172,381 | \$285,053 | \$80,714 | \$153,619 | \$295,958 | \$55,934 | \$174,051 | \$305,784 | \$64,225 | | | |
| Bottom 25% | \$90,520 | \$137,801 | \$13,873 | \$91,131 | \$150,645 | \$42,430 | \$112,611 | \$194,890 | \$26,792 | | | |

The Annual Occupancy Expense for Expense-Reporting Franchises averaged \$17.45 per square foot (with a median of \$16.69 per square foot) during the Measurement Period.

Notes to 2021 Annual Occupancy Expense Data:

- 1 For 2021, of the 176 Expense-Reporting Franchises, 79 (45%) exceeded the Average Annual Occupancy Expense of \$138,128 and 97 (55%) exceeded the Median Annual Occupancy Expense of \$129,241.
- 2 For 2021, the Top 25% of Expense-Reporting Franchises consists of 44 Camps. Of those, 22 (50%) exceeded the Average Annual Occupancy Expense of \$174,051 and 22 (50%) exceeded the Median Annual Occupancy Expense of \$170,796.
- **3** For 2021, the Bottom 25% of Expense-Reporting Franchises consists of 44 Camps. Of those, 18 (41%) exceeded the Average Annual Occupancy Expense of \$112,611 and 18 (41%) exceeded the Median Annual Occupancy Expense of \$114,409.

Notes to 2020 Annual Occupancy Expense Data:

- 4 For 2020, of the 161 Expense-Reporting Franchises, 73 (45%) exceeded the Average Annual Occupancy Expense of \$123,143 and 88 (55%) exceeded the Median Annual Occupancy Expense of \$113,666.
- 5 For 2020, the Top 25% of Expense-Reporting Franchises consists of 40 Camps. Of those, 16 (40%) exceeded the Average Annual Occupancy Expense of \$153,619 and 20 (50%) exceeded the Median Annual Occupancy Expense of \$149,768.
- 6 For 2020, the Bottom 25% of Expense-Reporting Franchises consists of 40 Camps. Of those, 18 (45%) exceeded the Average Annual Occupancy Expense of \$91,131 and 19 (48%) exceeded the Median Annual Occupancy Expense of \$89,247.

Notes to 2019 Annual Occupancy Expense Data:

- 7 For 2019, of the 149 Expense-Reporting Franchises, 78 (52%) exceeded the Average Annual Occupancy Expense of \$128,170 and 74 (50%) exceeded the Median of \$130,051.
- 8 For 2019, the Top 25% of Expense-Reporting Franchises consists of 37 Camps. Of those, 17 (46%) exceeded the Average of \$172,381 and 18 (49%) exceeded the Median of \$168,247.
- **9** For 2019, the Bottom 25% of Expense-Reporting Franchises consists of 37 Camps. Of those, 18 (49%) exceeded the Average of \$90,520 and 18 (49%) exceeded the Median of \$85,660.

Annual Labor Expense

The "Annual Labor Expense" includes the following costs associated with labor during the Measurement Period: wages, withholding taxes, and government-mandated employee benefits for non-managerial fulltime and part-time workers. The Annual Labor Expense is intended to exclude salary and draws paid to Managers and franchisee owners, but since we do not audit the information provided by our franchisees, it is possible that some franchisees may have mistakenly reported Manager and/or owners' salaries together with the Annual Labor Expense.

The table below shows the high, low, and average Annual Labor Expense of all, as well as the top 25% and bottom 25% of Expense Reporting Franchises during the Measurement Period and the previous two years.

| Annual Labor Expense (as % of Gross Revenue) (Unaudited) | | | | | | | | | | |
|--|---------------------------|------|-----|--------------------|------|-----|---------------------------|------|-----|--|
| | 2019 | | | 2020 | | | 2021 | | | |
| Expense Reporting Franchises | Average 7, 8, 9 | High | Low | Average 4, 5, 6 | High | Low | Average 1, 2, 3 | High | Low | |
| All | 41% | 93% | 18% | 49% | 122% | 15% | 39% | 74% | 13% | |
| Top 25% | 39% | 61% | 18% | 49% | 89% | 21% | 38% | 60% | 13% | |
| Bottom 25% | 44% | 67% | 25% | 51% | 82% | 15% | 36% | 56% | 19% | |

The "Annual Labor Expense Percentage" is calculated by dividing the Annual Labor Expense by Gross Revenue for each respective Expense-Reporting Franchise, adding the percentages for all Expense-Reporting Franchises, and dividing the total by the number of Expense-Reporting Franchises.

Notes to 2021 Annual Labor Expense (as % of Gross Revenue) Data

- 1 For 2021, of the 176 Expense-Reporting Franchises, 72 (41%) exceeded the Average Annual Labor Expense of 39% and 88 (50%) exceeded the Median Annual Labor Expense of 36%.
- 2 For 2021, the Top 25% of Expense-Reporting Franchises consists of 44 Camps. Of those, 22 (50%) exceeded the Average Annual Labor Expense of 38% and 22 (50%) exceeded the Median Annual Labor Expense of 37%.
- **3** For 2021, the Bottom 25% of Expense-Reporting Franchises consists of 44 Camps. Of those, 14 (32%) exceeded the Average Annual Labor Expense of 36% and 18 (41%) exceeded the Median Annual Labor Expense of 35%.

Notes to 2020 Annual Labor Expense (as % of Gross Revenue) Data

- 4 For 2020, of the 161 Expense-Reporting Franchises, 71 (44%) exceeded the Average Annual Labor Expense of 49% and 80 (50%) exceeded the Median Annual Labor Expense of 46%.
- 5 For 2020, the Top 25% of Expense-Reporting Franchises consists of 40 Camps. Of those, 18 (45%) exceeded the Average Annual Labor Expense of 49% and 20 (50%) exceeded the Median Annual Labor Expense of 47%.
- 6 For 2020, the Bottom 25% of Expense-Reporting Franchises consists of 40 Camps. Of those, 20 (50%) exceeded the Average Annual Labor Expense of 51% and 20 (50%) exceeded the Median Annual Labor Expense of 51%.

Notes to 2019 Annual Labor Expense (as % of Gross Revenue) Data

- 7 For 2019, of the 149 Expense-Reporting Franchises, 66 (44%) exceeded the Average Annual Labor Expense of 41% and 74 (50%) exceeded the Median of 39%.
- 8 For 2019, the Top 25% of Expense-Reporting Franchises consists of 37 Camps. Of those, 15 (41%) exceeded the Average of 39% and 16 (49%) exceeded the Median of 36%.
- **9** For 2019, the Bottom 25% of Expense-Reporting Franchises consists of 37 Camps. Of those, 17 (46%) exceeded the Average of 44% and 18 (49%) exceeded the Median of 42%.

Annual Owner's Discretionary Income

"Annual Owner's Discretionary Income" means EBITDA (reported Gross Revenue less total reported expenses, plus interest, tax, depreciation, and amortization expenses) plus any reported owner's salary which may be included in the calculation of annual earnings as reported by the Franchisee. Reported expenses include Annual Occupancy Expenses and Annual Labor Expenses described above plus all other reported expenses which may include marketing, manager salary, merchant processing fees, royalties,

building repairs and maintenance, supplies and other expenses. Not all CBW Franchises report owner's salary amounts, and those amounts may be included as part of Annual Labor Expenses, manager salary or included in some other expense category.

The table below shows the high, low, and average Annual Owner's Discretionary Income of all, as well as the top 25% and bottom 25% of Expense Reporting Franchises during the Measurement Period, in addition to the previous two years.

| | Annual Owner's Discretionary Income (Unaudited) | | | | | | | | | | | | |
|----------------------|---|---------|-----------|-----|------------|---------|------------|-------|------------|---------|-----------|-----|--|
| Expense Reporting | | 20 | 19 | | | 2020 | | | | 20 | 21 | | |
| Franchises | Average | 7, 8, 9 | Media | an | Average | 4, 5, 6 | Media | n | Average | 1, 2, 3 | Media | an | |
| | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % | |
| All | \$148,051 | 17% | \$134,199 | 15% | \$(14,424) | -3% | \$(22,945) | -4% | \$164,787 | 19% | \$138,340 | 16% | |
| Top 25% | \$232,954 | 18% | \$227,424 | 19% | \$(7,471) | -1% | \$(18,436) | -2% | \$ 269,431 | 21% | \$232,528 | 20% | |
| Bottom 25% | \$54,291 | 11% | \$57,182 | 11% | \$(40,126) | -13% | \$(42,650) | - 13% | \$91,452 | 17% | \$97,055 | 18% | |

Average percentages in this Chart represent the average percent of revenue, and are calculated by dividing Owner's Discretionary Income by annual Gross Revenue for each Expense-Reporting Franchise, adding the percentages for all Expense-Reporting Franchises, and dividing the total by the number of Expense-Reporting Franchises. Median percentages in this Chart represent the median percent of revenue, and are calculated by dividing Owner's Discretionary Income by annual Gross Revenue for each Expense-Reporting Franchises. Median percentages in this Chart represent the median percent of revenue, and are calculated by dividing Owner's Discretionary Income by annual Gross Revenue for each Expense-Reporting Franchise and taking the middle value of all Expense-Reporting Franchises.

Notes to 2021 Annual Owner's Discretionary Income Data

- 1 For 2021, of the 176 Expense-Reporting Franchises, 76 (43%) exceeded the Average Annual Owner's Discretionary Income of \$164,787 and 88 (50%) exceeded the Median Annual Owner's Discretionary Income of \$138,340.
- 2 For 2021, the Top 25% of Expense-Reporting Franchises consists of 44 Camps. Of those, 19 (43%) exceeded the Average Annual Owner's Discretionary Income of \$269,431 and 22 (50%) exceeded the Median Annual Owner's Discretionary Income of \$232,528.
- **3** For 2021, the Bottom 25% of Expense-Reporting Franchises consists of 44 Camps. Of those, 21 (48%) exceeded the Average Annual Owner's Discretionary Income of \$91,452 and 18 (41%) exceeded the Median Annual Owner's Discretionary Income of \$97,055.

Notes to 2020 Annual Owner's Discretionary Income Data

- 4 For 2020, of the 161 Expense-Reporting Franchises, 77 (48%) exceeded the Average Annual Owner's Discretionary Income of \$(14,424) and 80 (50%) exceeded the Median Annual Owner's Discretionary Income of \$(22,945).
- 5 For 2020, the Top 25% of Expense-Reporting Franchises consists of 40 Camps. Of those, 20 (50%) exceeded the Average Annual Owner's Discretionary Income of \$(7,471) and 20 (50%) exceeded the Median Annual Owner's Discretionary Income of \$(18,436).
- 6 For 2020, the Bottom 25% of Expense-Reporting Franchises consists of 40 Camps. Of those, 19 (48%) exceeded the Average Annual Owner's Discretionary Income of \$(40,126) and 19 (48%) exceeded the Median Annual Owner's Discretionary Income of \$(42,650).

Notes to 2019 Annual Owner's Discretionary Income Data

- 7 For 2019, of the 149 Expense-Reporting Franchises, 64 (43%) exceeded the Average of \$148,051 and 74 (50%) exceeded the Median of \$134,199.
- 8 For 2019, the Top 25% of Expense-Reporting Franchises consists of 37 Camps. Of those, 17 (46%) exceeded the Average of \$232,954 and 18 (49%) exceeded the Median of \$227,424.
- **9** For 2019, the Bottom 25% of Expense-Reporting Franchises consists of 37 Camps. Of those, 19 (51%) exceeded the Average of \$54,291 and 18 (49%) exceeded the Median of \$57,182.

PART 3: SYSTEM-WIDE GROSS REVENUE

Part 3 sets forth the aggregate Gross Revenue for all CBW locations that were open and operating for any length of time for the 2017-2021 calendar years, including both franchised and corporate-owned locations as well as those locations that may have closed during a particular year.

| | Consolidated Gross Revenue for Camp Services, Dog Training Services, retail, and all other Approved Products and Services | Number of Franchisee/ Franchisor Locations | % Increase (or Decrease) in Gross Revenue from Year to Year (Unaudited) |
|------------------|--|---|--|
| 2021 (Unaudited) | \$163,312,462 | 194/7 | 71% |
| 2020 (Unaudited) | \$ 95,433,113 | 175/10 | (34%) |
| 2019 (Unaudited) | \$144,515,606 | 163/11 | 12% |
| 2018 (Unaudited) | \$129,017,359 | 153/12 | 14% |
| 2017 (Unaudited) | \$115,593,475 | 137/9 | 9% |

ADDITIONAL NOTES TO ITEM 19

1. We include franchisee-owned CBW Franchises meeting the reporting criteria even if the CBW Franchise changed ownership during the Measurement Period. As of the end of the Measurement Period, 45.1% of CBW territories sold are owned by multi-unit owners.

2. Revenues and expenses vary among CBW Franchises based on numerous factors including location, local competition, economic conditions in a CBW Franchise's market, and prevailing occupancy and labor costs.

3. Part 2 shows only occupancy and hourly labor expenses. You will have other expenses operating your CBW Franchise including fees payable to us under the Franchise Agreement.

4. We have not audited the revenue and expense data collected from our franchisees and used to compile the information disclosed in this Item 19. You should conduct an independent investigation of the costs and expenses you will incur in operating your CBW Franchise. Franchisees or former franchisees listed in the disclosure document may be one source of this information.

5. Some CBW Franchises have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. Your individual financial results may differ from the results stated in this financial performance representation. We also do not authorize our employees or representatives to make any financial performance representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Laura Clyncke, at Camp Bow Wow Franchising, Inc., 7577 W. 103rd Ave, Unit 209, Westminster, CO 80021, 877-700-BARK, the Federal Trade Commission, and the appropriate state regulatory agencies.

| Syst | tem-Wide O | Table 1 utlet Summary for Ye | ars 2019-2021 | |
|--------------------------|------------|-------------------------------------|---|------------|
| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year the Year | Net Change |
| U.S. Franchised Outlets | 2019 | 151 | 161 | +10 |
| | 2020 | 161 | 174 | +13 |
| | 2021 | 174 | 191 | +17 |
| International Franchised | 2019 | 1 | 1 | 0 |
| Outlets | 2020 | 1 | 1 | 0 |
| | 2021 | 1 | 1 | 0 |
| Total Franchised Outlets | 2019 | 152 | 162 | +10 |
| | 2020 | 162 | 175 | +13 |
| | 2021 | 175 | 192 | +17 |
| Company-Owned | 2019 | 12 | 11 | -1 |
| | 2020 | 11 | 10 | -1 |
| | 2021 | 10 | 7 | -3 |
| VCA-Owned | 2019 | 1 | 1 | 0 |
| | 2020 | 1 | 1 | 0 |
| | 2021 | 1 | 0 | -1 |
| Total Outlets | 2019 | 165 | 174 | +9 |
| | 2020 | 174 | 186 | +12 |
| | 2021 | 186 | 199 | +13 |

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

| Table 2 Transfers of Outlets from Franchisees to New Owners (other than Franchisor or its Affiliates) from 2019-2021 | | | | | | | |
|--|------|---------------------|--|--|--|--|--|
| State | Year | Number of Transfers | | | | | |
| Colorado | 2019 | 1 | | | | | |
| | 2020 | 0 | | | | | |
| | 2021 | 1 | | | | | |
| Florida | 2019 | 0 | | | | | |
| | 2020 | 1 | | | | | |
| | 2021 | 0 | | | | | |
| Michigan | 2019 | 0 | | | | | |
| | 2020 | 0 | | | | | |
| | 2021 | 1 | | | | | |
| New Jersey | 2019 | 1 | | | | | |
| | 2020 | 0 | | | | | |
| | 2021 | 0 | | | | | |
| Ohio | 2019 | 0 | | | | | |
| | 2020 | 0 | | | | | |
| | 2021 | 2 | | | | | |
| South Carolina | 2019 | 1 | | | | | |
| | 2020 | 0 | | | | | |
| | 2021 | 0 | | | | | |
| Tennessee | 2019 | 0 | | | | | |
| | 2020 | 1 | | | | | |
| | 2021 | 0 | | | | | |
| Total | 2019 | 3 | | | | | |
| | 2020 | 2 | | | | | |
| | 2021 | 4 | | | | | |

| | Stat | tus of Fr | anchised | Table 3 Outlets for Y | ears 2019 | to 2021 | | |
|-------------|------|--------------------------------|----------|----------------------------|-----------|------------|--|------------------------------|
| State | Year | Outlets at Start of Year | | Touringtions | | Reacquired | Ceased Operations Other Reasons | Outlets at End of Year |
| Alabama | 2019 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Arizona | 2019 | 4 | 2 | 0 | 0 | 0 | 0 | 6 |
| | 2020 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Arkansas | 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 1 | 0 | 0 | 0 | 0 | 1^ |
| California | 2019 | 8 | 0 | 0 | 1 | 0 | 0 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 2 | 0 | 0 | 0 | 0 | 9 |
| Colorado | 2019 | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| | 2020 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2021 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| Connecticut | 2019 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Delaware | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Florida | 2019 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2020 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2021 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| Georgia | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| C | 2020 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| Idaho | 2019 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Illinois | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Indiana | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Iowa | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |

| Table 3 Status of Franchised Outlets for Years 2019 to 2021 | | | | | | | | | | | |
|--|------|--------------------------------|---|---|---|------------|--|------------------------------|--|--|--|
| State | Year | Outlets at Start of Year | | T | | Reacquired | Ceased Operations Other Reasons | Outlets at End of Year | | | |
| Kansas | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| Louisiana | 2019 | 7 | 0 | 0 | 0 | 0 | 0 | 7 | | | |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 | | | |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 0 | 7 | | | |
| Maine | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| Maryland | 2019 | 2 | 0 | 0 | 0 | 0 | 1 | 1 | | | |
| | 2020 | 1 | 1 | 0 | 0 | 0 | 0 | 2 | | | |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| Massachusetts | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 1 | 0 | 0 | 0 | 0 | 2 | | | |
| Michigan | 2019 | 8 | 0 | 0 | 0 | 0 | 0 | 8 | | | |
| - | 2020 | 8 | 1 | 0 | 0 | 0 | 0 | 9* | | | |
| | 2021 | 9 | 1 | 1 | 0 | 0 | 0 | 9^ | | | |
| Minnesota | 2019 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| | 2020 | 2 | 1 | 0 | 0 | 0 | 0 | 3 | | | |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | | | |
| Mississippi | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| 11 | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| Missouri | 2019 | 4 | 1 | 0 | 0 | 0 | 0 | 5 | | | |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | | | |
| | 2021 | 5 | 1 | 0 | 0 | 0 | 0 | 6 | | | |
| Nebraska | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| Nevada | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | | | |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | | | |
| | 2021 | 3 | 1 | 0 | 0 | 0 | 0 | 4 | | | |
| New Jersey | 2019 | 8 | 1 | 0 | 0 | 0 | 0 | 9 | | | |
| | 2020 | 9 | 0 | 0 | 0 | 0 | 0 | 9 | | | |
| | 2021 | 9 | 1 | 0 | 0 | 0 | 0 | 10 | | | |
| New York | 2019 | 6 | 0 | 0 | 0 | 0 | 0 | 6 | | | |
| | 2020 | 6 | 0 | 0 | 0 | 0 | 0 | 6 | | | |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 | | | |

| Table 3 Status of Franchised Outlets for Years 2019 to 2021 | | | | | | | | | | | |
|--|------|--------------------------------|----|--------------|---|------------|--|------------------------------|--|--|--|
| State | Year | Outlets at Start of Year | | Touminotions | | Reacquired | Ceased Operations Other Reasons | Outlets at End of Year | | | |
| North Carolina | 2019 | 7 | 0 | 0 | 0 | 0 | 0 | 7 | | | |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 | | | |
| | 2021 | 7 | 1 | 0 | 0 | 0 | 0 | 8 | | | |
| Ohio | 2019 | 8 | 1 | 0 | 0 | 0 | 1 | 8 | | | |
| | 2020 | 8 | 0 | 0 | 0 | 0 | 0 | 8 | | | |
| | 2021 | 8 | 0 | 0 | 0 | 0 | 0 | 8 | | | |
| Oklahoma | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | | | |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | | | |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | | | |
| Oregon | 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | 2020 | 0 | 2 | 0 | 0 | 0 | 0 | 2 | | | |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| Pennsylvania | 2019 | 7 | 1 | 0 | 0 | 0 | 0 | 8 | | | |
| - | 2020 | 8 | 0 | 0 | 0 | 0 | 0 | 8 | | | |
| | 2021 | 8 | 1 | 0 | 0 | 0 | 0 | 9 | | | |
| Rhode Island | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| South Carolina | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | | | |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | | | |
| | 2021 | 5 | 1 | 0 | 0 | 0 | 0 | 6^ | | | |
| Tennessee | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | | | |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | | | |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | | | |
| Texas | 2019 | 18 | 5 | 0 | 0 | 0 | 0 | 23 | | | |
| | 2020 | 23 | 4 | 0 | 0 | 0 | 0 | 27 | | | |
| | 2021 | 27 | 4 | 1 | 0 | 0 | 0 | 30 | | | |
| Utah | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2021 | 1 | 1 | 0 | 0 | 0 | 0 | 2 | | | |
| Washington | 2019 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| Wisconsin | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | 2020 | 1 | 1 | 0 | 0 | 0 | 0 | 2 | | | |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | | | |
| U.S. Only | 2019 | 151 | 13 | 0 | 1 | 0 | 2 | 161 | | | |
| Total | 2020 | 161 | 13 | 0 | 0 | 0 | 0 | 174 | | | |
| | 2021 | 174 | 19 | 2 | 0 | 0 | 0 | 191 | | | |

| | Table 3Status of Franchised Outlets for Years 2019 to 2021 | | | | | | | |
|-------------------|--|--------------------------------|-------------------|--------------|------------------|--------------------------------|--|------------------------------|
| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non- Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets at End of Year |
| Nova Scotia | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| International | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Only Total | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 2019 | 152 | 13 | 0 | 1 | 0 | 2 | 162 |
| | 2020 | 162 | 13 | 0 | 0 | 0 | 0 | 175 |
| | 2021 | 175 | 19 | 2 | 0 | 0 | 0 | 192 |

* One company-owned outlet in Michigan was sold to a Franchisee in 2020. ^ Company-owned outlets in Arkansas (1), Michigan (1), and South Carolina (1) were sold to Franchisees in 2021.

| *V | Table 4 Status of Company-Owned Outlets for Years 2019 to 2021* *We have not included the one Combo Location referenced in Item 1 | | | | | | |
|----------------|---|--------------------------------|-------------------|---|--------|---|---|
| State | Year | Outlets at Start of Year | Outlets Opened | Column 5 Outlets Reacquire d from Franchisee s | Closed | | Column 8 Outlets at End of the Year |
| Arkansas | 2019 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 1 | 1 |
| Colorado | 2019 | 6 | 0 | 0 | 1 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 5 |
| Michigan | 2019 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 0 | 0 | 0 | 1 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 1 | 0 |
| New Mexico | 2019 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| North Carolina | 2019 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |

| *1 | Table 4 Status of Company-Owned Outlets for Years 2019 to 2021* *We have not included the one Combo Location referenced in Item 1 | | | | | | |
|----------------|---|----|---|---|---|---|----|
| South Carolina | 2019 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 1 | 0 |
| Total | 2019 | 12 | 0 | 0 | 1 | 0 | 11 |
| | 2020 | 11 | 0 | 0 | 0 | 1 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 3 | 7 |

| | Table 5Projected Openings as of December 31, 2021 | | | | | |
|----------------|--|--|---|--|--|--|
| State | Franchise Agreements Signed but Outlets not Opened | Projected New Franchised Outlets in the Next Fiscal year | Projected New Company Owned Outlets in the Current Fiscal year | | | |
| Alabama | 1 | 1 | 0 | | | |
| Arizona | 4 | 0 | 0 | | | |
| Arkansas | 1 | 1 | 0 | | | |
| California | 6 | 2 | 0 | | | |
| Colorado | 5 | 3 | 0 | | | |
| Connecticut | 2 | 1 | 0 | | | |
| Georgia | 2 | 0 | 0 | | | |
| Illinois | 3 | 3 | 0 | | | |
| Indiana | 1 | 0 | 0 | | | |
| Kansas | 2 | 1 | 0 | | | |
| Kentucky | 1 | 1 | 0 | | | |
| Louisiana | 1 | 1 | 0 | | | |
| Maryland | 1 | 0 | 0 | | | |
| Michigan | 1 | 1 | 0 | | | |
| Minnesota | 1 | 0 | 0 | | | |
| Mississippi | 1 | 1 | 0 | | | |
| Missouri | 1 | 0 | 0 | | | |
| Nevada | 1 | 0 | 0 | | | |
| New Jersey | 2 | 0 | 0 | | | |
| North Carolina | 2 | 1 | 0 | | | |
| Ohio | 1 | 0 | 0 | | | |
| Oklahoma | 1 | 0 | 0 | | | |
| Pennsylvania | 1 | 1 | 0 | | | |
| Rhode Island | 1 | 1 | 0 | | | |
| South Carolina | 2 | 0 | 0 | | | |
| Tennessee | 4 | 0 | 0 | | | |
| Texas | 12 | 0 | 0 | | | |
| Utah | 1 | 0 | 0 | | | |
| Virginia | 1 | 0 | 0 | | | |

| | Table 5Projected Openings as of December 31, 2021 | | | | | |
|------------|--|---|---|--|--|--|
| State | Franchise Agreements Signed but Outlets not Opened | Projected New Franchised Outlets in the Next Fiscal year Projected New Company Ow Outlets in the C Fiscal year | | | | |
| Washington | 1 | 1 | 0 | | | |
| Total | 64 | 20 | 0 | | | |

A list of Camp Bow Franchisees and Area Developers current as of the issuance date of this Disclosure Document with names, addresses, and telephone numbers is attached as Exhibit E. Also on Exhibit E is a list of the names, city and state, and last known business telephone numbers or email for franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the period of January 1, 2021 through December 31, 2021, or who have not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, some current and former franchisees have signed provisions restricting their ability to speak openly about their experience with the Camp Bow Wow® franchise System. You may wish to speak with current and former franchisees but be aware that not all franchisees will be able to communicate with you.

No franchisee organizations or association has asked to be included in this Disclosure Document. We do have a franchise advisory council – the Camp Bow Wow® Franchise Council – that serves in an advisory capacity. Its contact information is the same as our contact information noted in Item 1.

ITEM 21. FINANCIAL STATEMENTS

Attached to the Disclosure Document as <u>Exhibit C</u> are the audited financial statements for Camp Bow Wow Franchising, Inc. for the fiscal years ending December 28, 2019, January 2, 2021, and January 1, 2022, together with the independent auditor's report.

ITEM 22. CONTRACTS

Attached as exhibits to this Disclosure Document are the following agreements proposed for use in our offering of franchises:

- 1. Exhibit B: Franchise Agreement
 - a. Attachment A to Franchise Agreement: Camp Site and Authorized Territory Addendum
 - b. Attachment B to Franchise Agreement: Guarantee and Assumption of Franchisee's Obligations
 - c. Attachment C to Franchise Agreement: Acknowledgment Addendum

- d. *Attachment D to Franchise Agreement*: Collateral Assignment of Telephone Numbers, Telephone Listings, Internet Addresses and Social Media Pages
- e. Attachment E to Franchise Agreement: Non-Disclosure and Non-Competition Agreement
- f. Attachment F to Franchise Agreement: State Specific Addenda to Franchise Agreement
- g. Attachment G to Franchise Agreement: Software Subscription Services Agreement
- 2. <u>Exhibit F:</u> State-Specific Addenda to the Disclosure Document
- 3. <u>Exhibit G:</u> Release of Claims and Indemnification Agreement
- 4. <u>Exhibit H:</u> Multi-Unit Development Agreement
- 5. <u>Exhibit I:</u> Lease Addendum
- 6. Exhibit J: Right of First Refusal and Option Agreement
- 7. Exhibit K: Leaseback Agreement
- 8. <u>Exhibit L:</u> ACH Form
- 9. <u>Exhibit M</u>: State Effective Dates
- 10. Exhibit N: Receipts

ITEM 23. RECEIPTS

Exhibit N to this Disclosure Document contains copies of the acknowledgement of receipt of this Disclosure Document. One copy is for your records and the other copy is to be signed and returned to us.



EXHIBIT A TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

| STATE | STATE ADMINISTRATOR | AGENT FOR SERVICE OF PROCESS |
|------------|--|---|
| CALIFORNIA | Department of Financial Protection & Innovation 1 Sansome, Suite 600 San Francisco, CA 94104 (415) 972-8559 | Commissioner of Financial Protection & Innovation 320 West 4th Street, Ste. 750 Los Angeles, CA 90013-2344 1-866-275-2677 |
| HAWAII | Dept. of Commerce & Consumer Affairs Business Registration Division Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722 | Hawaii Commissioner of Securities Business Registration Division Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722 |
| ILLINOIS | Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-1090 | Illinois Attorney General Same Address |
| INDIANA | Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 (317) 232-6681 | Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204 |
| MARYLAND | Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360 | Maryland Securities Commissioner Same Address |
| MICHIGAN | Michigan Department of Attorney General Consumer Protection Division Attention: Franchise Section G. Mennen Williams Building, First Floor | Michigan Department of Commerce Corporations and Securities Bureau Same Address |

| STATE | STATE ADMINISTRATOR | AGENT FOR SERVICE OF PROCESS |
|--------------|--|--|
| | 525 W. Ottawa Street Lansing, MI 48933 (517) 373-7117 | |
| MINNESOTA | Minnesota Department of Commerce 85 Seventh Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600 | Minnesota Commissioner of Commerce Same Address |
| NEW YORK | Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway, 23 rd Floor New York, NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax | Attention: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001 (518) 473-2492 |
| NORTH DAKOTA | North Dakota Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor Bismarck, ND 58505-0510 (701) 328-4712 | North Dakota Securities Commissioner Same Address |
| RHODE ISLAND | Rhode Island Department of Business Regulation Securities Division John O. Pastore Complex - Bldg. 69-1 1511 Pontiac Ave. Cranston, RI 02920 (401) 462-9500 | Director of the Rhode Island Department of Business Regulation Same Address |
| SOUTH DAKOTA | Division of Insurance Securities Regulation 124 S. Euclid Ave., Suite 104 Pierre, SD 57501 (605) 773-4823 | Director of South Dakota Division of Securities Same Address |

| STATE | STATE ADMINISTRATOR | AGENT FOR SERVICE OF PROCESS |
|------------|--|--|
| VIRGINIA | State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9733 | Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9051 |
| WASHINGTON | Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8762 | Director, Dept. of Financial Institutions, Securities Division Same Address |
| WISCONSIN | Department of Financial Institutions Securities Division 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 266-8557 | Commissioner of Securities Same Address |



EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

| License Number: | |
|--------------------------|--|
| Territory: | |
| Franchisee: | |
| Majority Owner: | |
| Date Franchise Fee Paid: | |
| Effective Date: | |

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FRANCHISE AGREEMENT

This Franchise Agreement (together with all attachments and addenda, this "Agreement") is made by and between Camp Bow Wow Franchising, Inc., a Delaware corporation located at 7577 W. 103rd Ave., Suite 209, Westminster, CO 80021 ("CBW") and ______, a ______("Franchisee") on the date CBW signs below (the "Effective Date").

RECITALS

A. CBW has developed a unique system for establishing, operating and promoting businesses offering a variety of pet care services and products, including but not limited to dog daycare, boarding, grooming, training, and retail sales under the "Camp Bow Wow®" trademark (collectively, a "**Camp**");

B. CBW is engaged in the business of granting franchises to operate Camps in accordance with the System (defined below) and under the name Camp Bow Wow®;

C. Franchisee wants to purchase the right to develop and operate a Camp using the operating system established by CBW, the distinguishing features of which include but are not limited to: standards and specifications for offering and selling authorized Products and Services (defined below), and standards and specifications for equipment, furniture, and fixtures necessary to operate a Camp; interior and exterior designs, decor, and color schemes; sales techniques and methods; training programs and materials; access to custom-designed software; merchandising, marketing, and advertising; inventory purchasing sources; and general procedures for operating a Camp as set out in the Operations Manuals (defined below) and otherwise (collectively the "**System**," as further defined below);

D. CBW owns and has the right to license certain trade names, trademarks and service marks including, without limitation, the service mark "Camp Bow Wow®" and such other trade names, trademarks, and service marks (collectively "**Marks**") as CBW may designate for use with the System from time to time;

E. Franchisee has applied for a franchise to operate a Camp, and CBW has approved Franchisee's application based on the representations Franchisee made in its application;

F. Franchisee acknowledges the benefits from being identified with the System, and recognizes the value of the Marks and the Camp Bow Wow® brand;

G. Franchisee acknowledges that it is essential to the operation of Franchisee's Camp and the strength of the System for Franchisee to comply with the terms of this Agreement and the standards and specifications of CBW; and,

H. Franchisee is hereby licensed to use the System and the Marks in connection with a Camp in the Authorized Territory (as defined in Attachment A to this Agreement), subject to the terms and conditions contained in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, which are fully incorporated into this Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

DEFINITIONS

1. "Affiliate" – any person or business entity that controls, is controlled by, or is in common control with CBW or Franchisee.

2. "Camp Records" – all records, documents, databases and the like (whether in print, electronic or other form), including but not limited to all names, addresses, phone numbers, e-mail addresses, and purchase records of customers; Camper Applications; vendor records; service professional records; financial records; and all other records contained in print or electronic form pertaining to the Camp.

3. "Camp Scout" – one or more of Franchisee's Personnel (defined below) who will be dedicated to marketing and promoting the Services and Products of the Camp.

4. "**Camp Services**" – dog day care, boarding, enrichment, grooming, the retail sale of pet food and merchandise, certain approved dog training services, and assorted other pet-related services and products provided from the Camp Site.

5. "Camp Site" – the premises from which Franchisee will provide the Camp Services, or any other location as may be mutually agreed upon between the parties in writing.

6. "Net Revenue" – "Net Revenue" means the total of all receipts derived from all sales of Products or Services at or through the Camp or through Franchisee or its Personnel; insurance claims for lost profits to the extent a claim is paid by the insurer; and all other products and services sold or provided by or through Franchisee, the Camp, or within the Authorized Territory, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, payment coupons, traded services, property or other means of exchange. Net Revenue does not include the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority, or tips. Barter and exchange transactions are strictly prohibited. Net Revenue will be deemed received by Franchisee at the earlier of the time the relevant sale takes place or the time the Services are rendered or Products are delivered, regardless of whether Franchisee has actually received or retained final payment (e.g., collection on a customer's bad personal check). Franchisee is not entitled to a refund on any Royalty Fees paid for Net Revenue that is eventually escheated to the State.

7. "Change of Control" – a transaction or series of transactions that result in the sale or transfer of all or substantially all of the assets of the Camp. If Franchisee is a business entity, "Change of Control" also means a transaction or series of transactions resulting in: (a) a transfer of 50% or more of the voting power of Franchisee or any of its Affiliates, whether voluntarily, by operation of law, or due to a merger or consolidation; (b) a change in the person identified as the Majority Owner on the Effective Date; or (c) the right to appoint or elect a majority of the directors, officers, or managers of Franchisee.

8. "Confidential Information" – all information, knowledge, know-how, techniques, standards, formulas, methods, specifications, and procedures related to the establishment and operation of the Camp and offering, selling, and providing the Services and Products, including but not limited to: (a) all records pertaining to customers, suppliers and other service providers of the Camp; (b) all databases (whether in print, electronic or other form); (c) all customer lists, including but not limited to all customer names, addresses, phone numbers, email addresses, and purchase records; (d) all manuals; (e) promotional and marketing materials; (f) marketing strategies; (g) interior design plans; (h) operational standards; (i) marketing techniques and Internet advertising strategies; and (j) any other data and information which CBW or its Affiliates designates as confidential, including all information contained in CBW's Operations Manual (which may be provided as one or more separate manuals), written instructional guides, CD Rom or other communications from CBW or its Affiliates, which may be changed or supplemented from time to time. The term "Confidential Information" does not refer to: (i) information in the public domain, other than Confidential Information put into public domain by breach of this Agreement; (ii) information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee.

9. "Copyrighted Materials" – all materials, including but not limited to all forms, files, documents, artwork and designs, created by CBW or commissioned as a work made for hire by CBW and used with the Marks or in association with the System or Camp.

10. **"Dog Training Services"** – specialized dog training and behavior services offered through the Camp.

11. "Incapacity" – the inability, due to mental or physical health reasons, to devote full time and attention to duties of a Franchisee, Majority Owner or Manager for at least 90 days in the aggregate during any rolling 12- month period during the Term. A period of Incapacity shall continue without interruption unless and until the person suffering the Incapacity resumes his or her duties on a full-time basis for 30 consecutive days.

12. **"Initial Camp Services Training"** – the training program CBW provides that Franchisee (all owners must attend) and Manager must attend and complete to qualify to provide Camp Services.

13. **"Intellectual Property"** – the Marks, Confidential Information, Copyrighted Materials, Trade Secrets, Data Dawg, patents (or equipment subject to a patent-pending application), or any pending application for the any of the above.

14. "Lease" – any lease agreement (whether oral or written) under which Franchisee has the right to occupy the Camp Site, including without limitation, any offer to lease, or license agreement, and any amendment made thereto from time to time.

15. "Lease Addendum" – Exhibit K to the Franchise Disclosure Document ("FDD"), which Franchisee and its landlord are required to execute if Franchisee leases the Camp Site.

16. "Leaseback Agreement" – CBW's standard form Leaseback Agreement attached as Exhibit M to the FDD, which Franchisee is required to execute if Franchisee or Franchisee's Affiliate purchases property for the Camp Site.

17. **"Majority Owner"** – if the Franchisee is a business entity, the person who owns a majority interest in the business entity. If there is no majority interest owned by one person, the owners shall appoint one owner to act as the Majority Owner for purposes of this Agreement, who has the power to bind Franchisee in all dealings with CBW.

18. "Manager" – the person to whom Franchisee delegates the day-to-day operations of the Camp.

19. "Manual(s)" or "Operations Manual(s)" – means, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet or Intranet data, or other publications, documents, software programs, DVDs, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of CBW for use by franchisees generally or for Franchisee in particular, setting forth information, advice and standards, general requirements, build-out requirements, mandatory suppliers or vendors, dog trainer requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of the Camp or the operation of franchises, as it may be added to, deleted or otherwise amended by CBW from time to time. The Manuals, as amended from time to time, are incorporated into the Agreement as if fully set forth herein. Franchisee hereby acknowledges that the Manuals are loaned to Franchisee, and always remain the sole and exclusive property of CBW. Franchisee may not copy, distribute, post, publicize, or disseminate any portion of the Manuals at the Camp Site under lock and key, except when it is being used by Franchisee or Franchisee's employees.

20. "Marks" – the trademark Camp Bow Wow®, to the extent of CBW's rights to the same, together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, trade dress, insignia or otherwise which may be designated by CBW from time to time as part of the System. All Marks are or will be owned exclusively by CBW or its Affiliate and will be used for the benefit of CBW and/or its Affiliate to identify to the public the source of the Products and Services marketed.

21. "Personnel" – the employee(s) or independent contractor(s) that work for Franchisee.

- 22. "Principal" the person or persons who have primary responsibility for Franchisee.
- 23. "**Products**" all goods and merchandise that CBW approves for sale through the Camp.

24. **"Real Estate Documents"** – If Franchisee is leasing the Camp Site, this means Franchisee's lease and the then-current Lease Addendum. Leaseholders must maintain a current, written lease at all times after the Premises Deadline and may not rely on or act pursuant to any holdover provision without prior written consent from CBW. If Franchisee is purchasing the Camp Site, this means an executed purchase agreement, the then-current Right of First Refusal and Option Agreement attached as Exhibit L to the FDD, and the then-current Leaseback Agreement.

25. "Services" – collectively the Camp Services and any other services licensed to Franchisee under this Agreement.

26. "System" – As further defined above, CBW's: (a) standards and specifications for providing Products and Services; (b) standards and specifications for the equipment, furniture, and fixtures, and the general layout of a Camp Site and vehicles used to provide Services; (c) interior and exterior designs, decor and color schemes; (d) sales techniques; (e) merchandising, marketing, and advertising; and, (f) general procedures for operating a retail pet care business. CBW reserves the right to modify the System at any time, and to enforce and grant variances from the System in its sole discretion.

27. **"Trade Secrets"** – all information, including all formulas, patterns, compilations, programs, devices, methods, techniques or processes related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

28. "Transfer" – a transaction or series of related transactions that, directly or indirectly, voluntarily, involuntarily or by operation of law: (i) results in the sale, merger, conveyance, sharing, subdivision, assignment, transfer, pledge, gift, encumbrance or alienation of any interest in this Agreement or the right to use the System or any portion or components; (ii) involves the offer to sell securities of a Franchisee that is a business entity pursuant to a transaction subject to registration under federal or state securities laws or by private placement pursuant to a written offering memorandum; (iii) results in a Change of Control; or (iv) results in a disposition of a substantial portion of the assets of the CBW or Franchisee outside the ordinary course of business. Transfer includes, for example, without limitation: (a) an order dissolving the marriage of a Franchisee that is an individual and transferring all or a portion of that Franchisee's interest; (b) the issuance of additional equity or voting interests of a business entity resulting in a Change of Control; or (d) the death or Incapacity of Franchisee, if an individual, or any person owning enough equity or voting interests of a business entity to result in a Change of Control.

<u>TERMS</u>

1. GRANT OF LICENSE

1.1. <u>Grant</u>. Subject to the terms and conditions of this Agreement, for the Initial Term defined below, CBW grants to Franchisee, and Franchisee accepts, a license to develop and operate a single Camp using the Marks and System within the Authorized Territory identified in Attachment A to this Agreement. Franchisee shall provide the Products and Camp Services solely from the Camp Site (the "License").

1.2. <u>No Right to Transfer or Sublicense</u>. The License is specific to Franchisee, and Franchisee may not Transfer the License or any portion of it without express written consent from CBW. Franchisee does not have the right to subfranchise or sublicense any of its rights under this Agreement. Franchisee also does not have the right to lease or sublease space at the Camp Site or within the Authorized Territory to any third party.

1.3. <u>Territorial Restriction</u>. The License is specific to the Camp Site and Authorized Territory and subject to CBW's reservation of rights in Section 1.6 and 1.7 below. Franchisee may not move the Camp to an alternative camp site or another territory without CBW's prior written approval. Franchisee shall operate and advertise only within the Authorized Territory. This Agreement does not grant Franchisee any

rights regarding other territories, nor does it provide Franchisee with an option to purchase additional territories or franchises.

1.4. <u>Restrictions on Products & Services</u>. The License is limited to the offer and sale of approved Products and Services within the Authorized Territory. Nothing in this Agreement authorizes Franchisee to offer or sell unapproved products or services or gift cards, or to offer or sell the Products or Services via mail order, catalog (or comparable methods), or online. Further, Franchisee may not, directly or indirectly, sell Products or Services to consumers or third parties for further distribution through another trade method or channel.

1.5. <u>CBW's Right to Modify</u>. CBW expressly reserves the right to add to, subtract from, revise, modify or change the System or any part thereof from time to time, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change at Franchisee's expense, subject to the terms of Section 6.7(e).

1.6. <u>CBW's Reservation of Rights</u>. Franchisee expressly acknowledges that CBW retains all rights not specifically granted to Franchisee in this Agreement, including but not limited to the right to:

a. establish and operate, or grant others the right to establish and operate businesses anywhere within or outside of the Authorized Territory selling similar or identical Products and Services as Franchisee under a different name, trademark or service mark than the Marks, including without limitation through brick and mortar stores or through alternative channels of distribution such as wholesalers, retail outlets, mail order, catalog, or via the Internet;

b. offer or grant others the right to offer the Products or Services under the Marks within or outside the Authorized Territory through channels of distribution not licensed to Franchisee in this Agreement, including but not limited to wholesalers, retail outlets, mail order, catalog, or via the Internet;

c. market anywhere within or outside the Authorized Territory or on the Internet in any way CBW deems appropriate, including use of all websites, domain names, URLs, social media sites, directory addresses, metatags, linking, advertising and co-branding and other arrangements. Franchisee may not independently market on the Internet or buy or use any domain name, address, locator, link, metatag or search technique with words or symbols similar or identical to the Marks or otherwise establish a presence on the Internet without CBW's prior written approval;

d. acquire, be acquired by, merge, affiliate with or otherwise engage in any transaction with another business (whether competitive or not), with units within or outside of the Authorized Territory, and to do the following, regardless of their proximity to Franchisee's Camp Site or the actual or threatened impact on Franchisee's Camp: (i) establish, acquire, operate or license units under the newly acquired or merged system or trademarks; (ii) convert units from the acquired or merged system to the Camp Bow Wow® brand; or (iii) require that Franchisee convert its Camp to the newly acquired or merged system or brand, at Franchisee's cost;

e. limit the scope of the License for any individual Product or Service if Franchisee or any of its officers, directors, shareholders, employees, agents, members, Affiliates, owners or Principals is not in compliance with this Agreement or any other agreement(s) with CBW;

f. establish and operate, or grant others the right to establish and operate a Camp in any of the following "Non-Traditional Location(s)" located inside or outside the Authorized Territory: sporting stadium or similar sports venue, hotel or resort, amusement park or other tourist attraction, casino, corporate campus, hospital or other healthcare facility, college, university or other educational facility, airport, public transportation facility, or co-branded location. However, if the owner of the Non-Traditional Location agrees to consider a franchise in the space, and it is within the Authorized Territory, then subject to the conditions below, CBW will grant Franchisee a 30-day right of first negotiation to acquire the right to establish and operate a Camp at the Non-Traditional Location. If: (i) the owner of the Non-Traditional Location elects not to offer Franchisee the right (CBW has no obligation or duty to make them offer Franchisee the right); (ii) Franchisee does not reach an agreement during the 30-day negotiation period; (iii) Franchisee or any of its officers, directors, shareholders, employees, agents, members, Affiliates, owners or Principals is not then in compliance under this or any agreement with CBW; (iv) Franchisee does not meet the then-current requirements for additional franchised units; (v) Franchisee fails to sign the thencurrent franchise agreement for the additional location within 30 days of receipt; or (vi) Franchisee elects not to pursue the non-traditional location, then CBW or an Affiliate of CBW has the right to establish and operate the business at the Non-Traditional Location, or the owner of the Non-Traditional Location may establish and operate the business itself (directly or indirectly);

g. establish and operate, and grant others the right to establish and operate, Camps using the System and Marks anywhere outside the Authorized Territory;

h. enter into agreements with other franchisees or licensees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, without affecting the terms and conditions of this License; and,

i. engage in any other activity not expressly prohibited in this Agreement.

2. TERM

2.1. <u>Initial Term</u>. The Agreement and License granted shall commence on the Effective Date and shall continue for ten (10) years from the date Franchisee's Camp opens, subject to termination as set forth in this Agreement (the "Initial Term").

2.2. <u>Renewal</u>. If CBW is offering franchises in the state where the Camp Site is located at the time of renewal, then upon expiration of the Initial Term, Franchisee may renew the Agreement for two (2) additional 10-year terms (each a "**Renewal Term**," and together with the Initial Term, the "**Term**") if Franchisee satisfies the following conditions to CBW's satisfaction prior to the expiration of the Initial Term or first Renewal Term, as applicable:

a. Franchisee, along with its owners and Principals, has been in compliance with this Agreement and any other agreement(s) with CBW or its Affiliates throughout the Term and is not in default at the time of renewal;

b. Franchisee provides CBW with written notice of intent to renew at least six (6) but no more than twelve (12) months before expiration of the Initial Term or first Renewal Term, as applicable (or if

Franchisee plans to relocate the Camp Site, no less than eighteen (18) months before expiration). FAILURE TO PROVIDE PROPER NOTICE SHALL BE CONSIDERED AN ELECTION NOT TO RENEW;

c. Franchisee satisfies all payment obligations to CBW, CBW's Affiliates, Franchisee's vendors, and all customers;

d. Franchisee demonstrates to CBW's satisfaction that Franchisee's Real Estate Documents provide Franchisee the right to continue providing Camp Services from the Camp Site throughout the Renewal Term. If Franchisee is unable to show this to CBW's satisfaction, Franchisee shall secure a substitute location prior to renewal by following the process set out in Section 6.1(b);

e. Franchisee upgrades the Camp Site to CBW's then-current standards and specifications (which will not count toward the Maximum Modernization Amount), including all computers and systems;

f. Franchisee provides proof that it has obtained and maintained all licenses and permits necessary to continue operating the Camp;

g. Franchisee completes CBW's then-current training requirements at Franchisee's expense;

h. Franchisee provides CBW with any reasonably requested financial information;

i. Franchisee executes a new personal guarantee;

j. Franchisee executes a general release of all claims Franchisee may have against CBW, its Affiliates, and their past, present, and future officers, directors, members, shareholders, agents and employees, in a form satisfactory to CBW;

k. Franchisee pays CBW a renewal fee in the amount of \$10,000 USD (the **"Renewal Fee"**) (Franchisee shall not be required to pay the initial franchise fee stated in the new franchise agreement, but must instead pay the Renewal Fee);

1. Throughout the Initial Term, Franchisee has participated in and supported the operational, training, marketing, and other brand initiatives recommended, required, or provided by CBW, to CBW's satisfaction;

m. Franchisee agrees to any reasonable requests by CBW to re-define the Authorized Territory; and,

n. Franchisee executes CBW's then-current form of Franchise Agreement, which will supersede this Agreement and may contain terms that differ materially, including without limitation requiring payment of additional or different fees to CBW. IN CBW'S SOLE DISCRETION, FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO RENEW IF IT FAILS TO EXECUTE AND RETURN TO THE CBW THE THEN-CURRENT FRANCHISE AGREEMENT, PERSONAL GUARANTEE, OR RELEASE REQUIRED BY THIS SECTION 2 WITHIN THIRTY (30) DAYS AFTER THEIR DELIVERY TO FRANCHISEE.

2.3. <u>Franchise Disclosure Document ("FDD") Delays</u>. If CBW is in the process of revising, amending, or renewing its FDD (or its registration to sell franchises in the state where the Camp Site is located or the Franchisee is domiciled) or, under applicable State law, cannot lawfully offer Franchisee its then-current franchise agreement at the time Franchisee delivers notice of intent to renew, CBW may, in its sole discretion, offer to extend the Initial Term on a calendar month-to-month basis for up to one (1) year from the expiration of this Agreement. If, after one year, CBW still cannot lawfully offer its then-current franchise agreement, but CBW intends to continue franchising in the State and Franchisee has satisfied all of the conditions to renewal, the parties may extend this Agreement for the remainder of the Renewal Term.

2.4. <u>Non-Renewal & Expiration</u>. If any renewal condition is not timely satisfied, and Franchisee continues to accept the benefits of this Agreement after the expiration date, CBW may: (i) treat this Agreement as expired, and Franchisee's continued operation as a violation of CBW's rights; or (ii) offer Franchisee a short extension of the Initial Term (the "Extension Period") and charge Franchisee a penalty equal to \$1,000 on the day immediately following the missed renewal deadline plus a daily penalty of \$100 per day until such time as all renewal conditions are satisfied to CBW's satisfaction. The daily penalty shall apply beginning the second day after the missed renewal deadline. Franchisee agrees that CBW is entitled to ACH the foregoing penalties in the same manner as it collects Royalty Fee payments. Penalties shall be in addition to, and not in lieu of, any other remedy available to CBW. All obligations of Franchisee shall remain in full force and effect during the Extension Period as if the Agreement had not expired. If either party elects not to renew the License or the Extension Period expires without timely completion of any of the renewal conditions, this Agreement and the License will expire without further notice from CBW. Franchisee will remain obligated to comply with all provisions of this Agreement.

3. BANKING, FEES AND PAYMENT

3.1. <u>Banking</u>. Franchisee must maintain a separate bank account for depositing all Net Revenue generated by the Camp and must deposit all revenue into this bank account within three (3) days of receipt by Franchisee.

3.2. <u>Fees</u>. In consideration for the License, Franchisee shall pay CBW the following fees in U.S. Dollars ("USD").

a. *Initial Franchise Fee*. The Initial Franchise Fee set forth in Attachment A to this Agreement, via lump sum via cashier's check, money order or wire transfer at the time Franchise executes this Agreement (the **"Initial Franchise Fee"**). The Initial Franchise Fee is non-refundable upon receipt;

b. *Royalties*. A continuing monthly royalty fee (**"Royalty Fee"**) equal to the greater of (i) 7% of Net Revenue for all Products and Services provided in or through the Camp, or (ii) the minimum monthly royalty from the table below, if 7% of Franchisee's Net Revenue for the month is less than the amounts set forth in the table (the **"Minimum Monthly Royalty"**). The monthly royalty fee is paid semimonthly as further set forth below, but the Minimum Monthly Royalty is calculated on a monthly basis.

| Months of Operations | Minimum Monthly Royalty |
|----------------------|-------------------------|
| 0-6 | \$0 |
| 7-12 | \$1,500 |

| 13-18 | \$1,750 |
|---------|---------|
| 19 - 24 | \$2,000 |
| 25+ | \$2,500 |

If Franchisee has not opened by the Operations Deadline, and CBW elects to extend the Operations Deadline in its sole discretion (which will not waive its right to terminate this Agreement), the Minimum Monthly Royalty is \$1,500 per month during the extension period. CBW has the sole authority to waive the Minimum Monthly Royalty during any extension period, and has no obligation to impose this uniformly. The Minimum Monthly Royalty may be charged in addition to any Default Fee or Daily Fee that CBW assesses.

i. The Royalty Fee for the 1st through the 15th of each month are payable on the 25th of that month, and Royalty Fees for the 16th through the end of the month are payable on the 10th of the following month. CBW has the right to change the frequency of Royalty Fee due dates at any time. Franchisee shall not subordinate its obligation to pay the Royalty Fee (or any other fee due under this Agreement) to any other obligation.

ii. Except as set forth below, if any sales, income, excise, use, privilege or similar tax or assessment is imposed or levied on CBW by any taxing authority based on the payment of Royalty Fees by Franchisee under this Agreement, Franchisee must, in addition to all payments due to CBW, pay such tax, levy or assessment directly or reimburse CBW for the payment of such amount. This provision does not apply to any federal or Colorado income taxes imposed on CBW, or those state taxes that CBW can take as a credit against its federal or Colorado income taxes.

c. *Technology Fee* ("*Technology Fee*"). Franchisee shall pay a monthly fee for access to and use of technology tools and systems required to stay competitive, improve operations, and protect the brand, including but not limited access to our proprietary point-of-sale software, Data Dawg and our client access applications. Currently, this fee is \$250.00 per month, but CBW reserves the right to change the Technology Fee at any time upon notice to Franchisee. CBW also reserves the right to require that Franchisee submit payment to a third party, or that Franchisee start using a third-party point-of-sale or other software and paying the associated fees at any time. The terms and conditions for use and access to CBW's current point-of-sale software can be found in Attachment G to this Agreement, which Franchisee is required to sign prior to accessing the software. Nothing in this Agreement requires CBW to continue providing or supporting Data Dawg or any future proprietary point-of-sale software.

d. *Relocation Fee.* If Franchisee elects to relocate the Camp Site or Authorized Territory at any point during the Term, Franchisee shall submit information about the proposed Camp Site to CBW for approval pursuant to the terms set forth in Section 6.1(b), and shall simultaneously pay CBW a \$10,000 relocation fee. CBW may continue to collect the Advertising Fund Fee, Royalty Fee, Technology Fee, or any other fee due to CBW during any relocation period. Further, CBW may require Franchisee to continue spending the Local Advertising Expense and/or to spend the Camp Launch Advertising to promote the opening of the new Camp Site location. Royalty Fees during this period will be the greater of (i) the monthly average of Royalty Fees paid by Franchisee during the immediately preceding 12 months of operations, or (ii) the Minimum Monthly Royalty. Advertising Fund Fees during this period will be based on the monthly average of Royalty Fees paid by Franchisee during the immediately preceding 12 months of operations. If Franchisee is forced to relocate due to a force majeure event as defined in Section 20.9, Franchisee will not

be required to pay the \$10,000 relocation fee or the Advertising Fund Fee, Royalty Fee, Technology Fee, or any other fee due to CBW during the relocation period, unless Franchisee fails to re-open within 12 months, in which case CBW may elect to terminate this Agreement upon written notice. However, CBW may still require Franchisee to continue spending the Local Advertising Expense or to spend the Camp Launch Advertising to promote the opening of the new Camp Site. Franchisee shall de-identify the original Camp Site pursuant to CBW's then-current de-identification requirements, at Franchisee's sole cost.

e. *Default Fee.* The then-current amount(s) that CBW may charge upon Franchisee's Default under this Agreement, whether or not such Default(s) arise from or relate to the same occurrence or Section of this Agreement. The Default Fee is payable via ACH immediately upon demand, if Franchisee or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors violate any provision of this Agreement or fail to comply with a mandatory standard or procedure. The Default Fee is in addition to, and not in lieu of, any rights CBW has under this Agreement (including termination for Defaults as set forth in this Agreement). As of the date of this Agreement, the Default Fee is \$250 for Franchisee's first Default and \$500 for any subsequent Default within 12 months, whether or not such Default(s) arise from or relate to the same occurrence or Section of this Agreement. However, these amounts are subject to change at any time. CBW may elect, in any given instance of Default, to charge the Default Fee and/or the Daily Fee in lieu of issuing a formal Default, in CBW's sole discretion.

f. *Daily Fee.* The then-current amount that CBW may charge Franchisee for each day that Franchisee or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors remain out of compliance with the Franchise Agreement or any mandatory standard or procedure. The Daily Fee is payable via ACH immediately upon 24 hours' notice, and may be charged until Franchisee cures any applicable Default. The Daily Fee is in addition to, and not in lieu of, any rights CBW has under this Agreement (including termination for Defaults as set forth in this Agreement). As of the date of this Agreement, the Daily Fee is \$100, but that amount is subject to change at any time.

g. *Other Fees.* Franchisee shall pay all additional fees described in or contemplated by this Agreement, or any attachments or addenda to this Agreement and the FDD, pursuant to the terms and conditions identified for each fee, whether specifically identified in this Section or not.

3.3. <u>Payment</u>.

a. *ACH Form.* Prior to beginning interior construction, or as otherwise required by CBW, Franchisee shall also execute CBW's then-current ACH form attached as Exhibit L to the FDD. The ACH authorization shall remain in effect for the entire Term, and Franchisee shall promptly notify CBW of any changes to the information on the ACH form within three (3) days of any such change. Franchisee will submit all fees and payments due to CBW under this Agreement via automated clearing house ("ACH") or other similar means, using CBW's approved computer system, or otherwise pursuant to the Operations Manual. Franchisee must make the funds available for withdrawal no later than the due date for payment.

b. *Corrective Payments/Deposits*. Franchisee shall have three (3) days after a debit is initiated to dispute any amount debited for Royalty Fees, Advertising Fees, or any other fees owed by Franchisee to CBW under this Agreement, by providing an accurate Net Revenue report for the relevant period. Failure to do so will be deemed acceptance of the amount debited. If at any time CBW discovers that an amount debited was less than the actual amount due for the relevant period, CBW may immediately debit the

balance. If CBW debited more than was actually due to CBW for the relevant period, CBW will credit the excess to the next payment of Royalty Fees and Advertising Fund Fees due from Franchisee. Nothing in this Section 3.3(b) is intended to excuse Franchisee's obligation to timely and accurately report Net Revenue for any period.

c. *Late Payments*. If any payment is not received by CBW by the applicable due date, Franchisee will be in default of this Agreement and subject to termination under Section 14. Franchisee will pay, upon demand, interest of 18% per annum or the maximum amount permitted under applicable law, whichever is less, beginning from the date of non-payment or underpayment until the debt is paid in full. In addition, Franchisee must pay a late fee of \$100. CBW's right to collect interest and penalties are in addition to, and not in lieu of, any other remedies CBW may have.

d. *Partial Payments*. If Franchisee makes a partial payment on any amount Franchisee owes CBW under this Agreement or otherwise, CBW may accept and deposit or cash such check or payment without prejudice to CBW's right to recover the balance due or pursue any other remedy CBW may have under contract or law. No endorsement or statement on any partial payment will be construed as acknowledgement of payment in full or an accord and satisfaction, regardless of what the endorsement or statement says. No payments made to CBW by Franchisee may be reduced because of any tax, charge or assessment Franchisee is required to pay.

e. *Application of Payments*. If Franchisee makes a payment against any overdue amounts owed to CBW, CBW may apply such payment as CBW sees fit. CBW may also offset any amounts it owes Franchisee, if any, by the amount Franchisee owes CBW, or, at CBW's option, pay any of Franchisee's trade creditors out of any sum otherwise due to Franchisee.

f. *Withholding Payments*. Franchisee shall not withhold or set off any payment due to CBW on the premise of alleged non-performance by CBW.

4. ACCOUNTING, RECORDS, REPORTS, AND AUDITS

4.1. <u>Required Accounting System & Form</u>. Franchisee's accounting and recording system must reflect each operational aspect of the Camp. Franchisee shall use the accounting system required by CBW, if any, and otherwise agrees to present its data in a form and manner acceptable to CBW. Franchisee agrees to provide any uniform reports or statistics required by CBW, and to use the chart of accounts required by CBW, as updated from time to time.

4.2. <u>Books & Records</u>. Franchisee must keep its financial books and Camp Records as CBW may direct from time to time in the Manual or otherwise, including the retention of all invoices, order forms, payroll records, cash register tapes, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. Franchisee shall keep the books and Camp Records separate from the books and records of any unrelated business or personal activity, and shall maintain original, full, and complete records and backups.

4.3. <u>Financial Statements</u>. Franchisee shall prepare current, complete, and accurate records and financial statements concerning all financial, marketing and other operating aspects of Camp and shall submit them to CBW by the deadlines stated in the Operations Manual or otherwise communicated to

Franchisee, which may be updated from time to time. These records include but are not limited to: (i) tax returns; (ii) bank statements; (iii) bank reconciliations; (iv) profit and loss statements; (v) balance sheets; (vi) cash flow statements; and, (vii) any other reports reasonably requested by CBW to evaluate or compile research and performance data on any operational aspect of Camp. Each report must include the financial results for the immediately preceding reporting period, and cumulative information for the calendar year-to-date. Franchisee hereby certifies that the information it provides in any records or reports will be true and correct and that it will not omit any material fact that is necessary to make the information accurate and not misleading. If Franchisee fails to provide any of the required reports when due, Franchisee shall be in Default and CBW shall have the right to charge the Default Fee and/or the Daily Fee until the required reports are provided in the required format.

4.4. <u>Document Retention & Auditing</u>. Franchisee agrees to keep all records and reports for the greater of: (i) seven (7) years from the date the records are created, or (ii) as otherwise dictated by Federal or State law, regardless of whether this Agreement is then in effect. CBW or its authorized representative has the right to request, receive, inspect, copy, and audit any records arising from or relating to the Camp, whether referred to in this Section 4 or not, wherever they may be located, including, without limitation, to evaluate, remotely or on the Camp premises, Franchisee's compliance with its obligations regarding Customer Information. Franchisee must fully cooperate with CBW in connection with its exercise of the audit rights. If any inspection or audit uncovers a deficiency in any fees paid or owed to CBW under this Agreement, Franchisee shall immediately pay the deficiency. If the deficiency is 1% or more, Franchisee shall also reimburse CBW for the cost of the inspection or audit including travel, lodging, meals, salaries, and other expenses of the inspectors or auditors.

4.5. <u>CBW's Rights</u>. At all times during and after expiration, cancellation, or termination of this Agreement, CBW has the right to retrieve financial, customer, vendor, inventory and any other operational information for the Camp, and may use, transfer, copy, analyze, or publish the same as it deems necessary or appropriate. CBW may collect such information through CBW's required computer system or through other lawful methods at any time, in any manner, and Franchisee hereby grants CBW the authority to do so. Franchisee also authorizes CBW to make reasonable inquiries of Franchisee's bank, suppliers, and trade creditors concerning the Camp and hereby authorizes such businesses and persons to provide CBW the information and copies of documents requested. Franchisee will further comply with CBW's reasonable requests for additional information relating to the Camp not reflected in this Section.

5. SERVICES AND ASSISTANCE

5.1. <u>Pre-Opening Assistance</u>. CBW will offer the following services and assistance before Franchisee begins operations:

a. making a representative reasonably available to Franchisee via telephone or via e-mail during normal business hours;

b. designating the Authorized Territory;

c. providing general advice regarding the selection of a Camp Site and CBW's general prototype design and construction specifications;

d. reviewing Franchisee's Real Estate Documents prior to approving the Camp Site (Note: CBW's review is limited to ensuring there are no terms that would prevent Franchisee from performing its obligations under this Agreement. Franchisee is advised and encouraged to have its own counsel review and negotiate the terms of its Real Estate Documents);

e. providing Franchisee a list of required and approved suppliers and approved equipment, fixtures, furnishings, signs, products, materials, and supplies necessary to build out the Camp Site and begin operations;

f. conducting the Initial Camp Services Training program for Franchisee (all owners must attend) and Franchisee's Manager at a location designated by CBW. Unless CBW agrees otherwise in writing, Franchisee and its Manager must complete the Initial Camp Services Training Program to CBW's satisfaction prior to beginning operations. Franchisee shall be responsible for the cost of all travel, lodging, wages, meals and expenses it incurs in attending the Initial Camp Services Training Program.

g. conducting an on-site training program for Franchisee at the Camp Site immediately prior to the commencement of operations;

h. granting Franchisee access to the Operations Manual. Franchisee may provide the Operations Manual, or portions thereof, to Franchisee's employees who need access to perform their jobs, but only to the extent they need it, and only if they sign a non-disclosure agreement. Franchisee is responsible for its Personnel's use of the Operations Manual and for compliance with CBW's expected level of confidentiality for the same;

i. providing Franchisee with access to CBW's intranet and learning management systems (collectively the "Intranet Systems"). Franchisee is responsible for all activity on its account, and must promptly notify CBW if any access information is lost or stolen, or if any Personnel who has been granted access to the Intranet Systems leaves Franchisee's employ for any reason. Nothing in this section guarantees that CBW will maintain an intranet or learning management system, but if it does, CBW shall grant Franchisee access to it;

j. providing Franchisee with a website on CBW's domain. Franchisee shall be solely responsible for maintenance and updates to such website and will maintain and update the same at least in accordance with CBW's policies, specifications and standards. Franchisee's website may only be accessed through CBW's domain, and Franchisee agree not to link to, create a splash page for, or otherwise refer to the website without prior written approval from CBW.

5.2. <u>Ongoing Assistance</u>. CBW will offer the following services and assistance after Franchisee begins operations:

a. making a representative reasonably available to Franchisee via telephone or via e-mail during normal business hours;

b. furnishing general guidance through printed, filmed, or streamed material; via web, video, or telephone conference; via live meeting; through refresher training programs; or in any other manner deemed appropriate by CBW on (i) methods, specifications, standards, and operating procedures used in

Camp; (ii) new developments and techniques in advertising, management, and operations; and, (iii) developing and implementing local advertising and promotional programs.

c. testing, developing, and designing new Products, Services, operational methods, programs, or other items for use in the System, in CBW's sole discretion. Franchisee will pay any fees associated with training for new Products, Services, operational methods, programs, or other items, and must offer or sell the same per CBW's requirements, as updated from time to time.

d. maintaining the Advertising Fund, as set forth in Section 6.10 below; and,

e. conducting evaluations at Franchisee's Camp Site and providing feedback and guidance on operational standards and practices. Franchisee may reasonably request additional assistance at any time, and CBW will make reasonable efforts to provide such additional assistance, subject to the availability of its personnel. If CBW provides additional assistance, CBW may charge Franchisee a fee.

5.3. <u>Level of Assistance</u>. CBW is not obligated to provide any services or assistance to Franchisee's particular level of satisfaction. Unless material, CBW's failure to provide any particular service, either initial or continuing, will not excuse Franchisee from performing its obligations under this Agreement.

5.4. <u>Availability</u>. All training is subject to the availability of CBW or its agents. Training may not be provided in contiguous time periods, and additional training will be at Franchisee's cost. Any training provided to Franchisee's Personnel is limited to training regarding the delivery of approved Products and Services in a manner that reflects the standards of the System. Franchisee is, and will remain, the sole employer of its employees at all times, including during all training programs, and Franchisee is solely responsible for all employment decisions and actions related to its employees. Franchisee is solely responsible for ensuring that its employees receive adequate training.

6. FRANCHISEE'S DUTIES AND OBLIGATIONS. Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement are reasonable and necessary for the operation of the Camp and to maintain uniformity throughout the System. Franchisee shall strictly adhere to the standards and specifications set forth in this Agreement and any revisions or amendments to the same.

6.1. <u>Development of the Camp Site</u>: Franchisee shall diligently develop the Camp and use its best efforts to market, promote, and provide all of the Products and Services.

a. *Financing Deadline*. By the earlier of 6 months after the Effective Date or 15 days prior to executing the Real Estate Documents, Franchisee must provide proof of adequate financing (the **"Financing Deadline"**). If Franchisee will finance all or a portion of the costs necessary to begin operations, Franchisee must submit a description of the proposed financing and any other information and materials CBW may require for CBW's review and approval. CBW will approve or deny the proposed financing within 14 days of receipt of the information requested. If CBW does not respond within 14 days, the financing is deemed disapproved. If approved, Franchisee will promptly take the steps necessary to secure the financing. Franchisee will not grant any lender a security interest in the Marks, or any material or equipment incorporating the Intellectual Property, except as provided in Section 7. Franchisee will maintain sufficient working capital as may be required by the Operations Manuals to comply with its obligations under this Agreement. CBW reserves the right to verify that Franchisee's working capital meets

CBW's minimum requirement prior to approving Franchisee's opening. If Franchisee's working capital prior to opening is insufficient, CBW may require Franchisee to obtain additional funding to meet the minimum threshold prior to approving Franchisee's opening. If Franchisee fails to comply with the Financing Deadline, or loses financing prior to commencing operations, CBW may (i) require Franchisee to pay the Default Fee and Daily Fee or the Minimum Monthly Royalty until Franchisee satisfies the requirements of this Section 6.1(b), or (ii) terminate the Agreement pursuant to Section 14. In the event Franchisee's financing documents expire, or CBW grants Franchisee an extension to develop, CBW reserves the right to request proof of adequate financing prior to approving any such change.

b. *Premises Deadline*. No later than 12 months after the Effective Date (the **"Premises Deadline"**), Franchisee shall secure a Camp Site by executing appropriate Real Estate Documents pursuant to the following procedure: (i) Franchisee will identify a proposed Camp Site and provide CBW a description of the proposed site and any information or materials CBW may require for review; (ii) CBW will use reasonable best efforts to preliminarily approve or deny the proposed site within thirty (30) days of receipt of the information Franchisee provides. CBW may approve or disapprove a site based on such factors as it deems appropriate. If CBW does not respond within thirty (30) days, the site is deemed disapproved; (iii) if CBW preliminarily approves the Camp Site, Franchisee shall submit a copy of the proposed final version of the Real Estate Documents for review and approval; (iv) CBW will use reasonable best efforts to provide Franchisee final written approval or disapproval of the Real Estate Documents within thirty (30) days. If CBW does not respond within thirty (30) days, the reasonable best efforts as a proves the Real Estate Documents, Franchisee shall promptly enter the Real Estate Documents as approved and will not alter or amend them after that date without the written consent of CBW; (vi) Franchisee shall provide a copy of the fully executed Real Estate Documents to CBW within 5 days of execution.

i. Preliminary and final approval from CBW will be in writing. Franchisee will not rely on oral representations from CBW or its representatives. Approval of a Camp Site by CBW is subject to zoning approval and satisfaction of other state and local requirements. If CBW disapproves the Camp Site for any reason, Franchisee will locate an alternative Camp Site and will submit it for approval following the process identified above.

ii. If CBW disapproves the Real Estate Documents based on their terms, Franchisee may negotiate the terms of the same until CBW approves them, in its sole discretion. However, no opportunity to negotiate the terms of the documents will extend the Premises Deadline.

iii. If Franchisee fails to meet the Premises Deadline, CBW may, in its sole discretion: (i) extend the Premises Deadline; (ii) require Franchisee to pay the Default Fee and Daily Fee or the Minimum Monthly Royalty until Franchisee begins to provide Camp Services; (iii) modify the License by rescinding Franchisee's right to provide Camp Services; or (iv) terminate this Agreement pursuant to Section 14.

c. *Construction Deadline*. Within 120 days of executing the Real Estate Documents (the "**Construction Deadline**"), Franchisee must: (i) obtain architectural and working drawings from an approved architect and submit and receive approval for the same from CBW (and Franchisee's Landlord, if applicable); (ii) obtain all permits, licenses, and entitlements necessary to begin construction (with the exception of the certificate of occupancy which must be obtained on or before the Operations Deadline);

and (iii) start construction on the Camp Site using CBW's approved and required suppliers. During build out, Franchisee must comply with the directives provided in the Manuals and all applicable laws and ordinances, building codes, permit requirements, and the Americans with Disabilities Act. Franchisee must also follow CBW's then-current pre-opening process and participate in regularly scheduled calls with CBW's designated representatives, and provide any updates, documents, photos, plans, and schedules upon request. If Franchisee fails to attend its scheduled calls, fails to follow CBW's pre-opening process, or fails to provide information and documents as requested, Franchisee shall be in Default under this Agreement. If Franchisee does not start construction by the Construction Deadline, does not follow CBW's then-current pre-opening process, or does not complete build out to CBW's satisfaction, CBW may: (i) delay the opening date and/or require Franchisee to pay the Default Fee and Daily Fee or the Minimum Monthly Royalty until Franchisee satisfies the build out requirements and begins operations, regardless of whether CBW issues a formal notice of Default; (ii) extend the Operations Deadline; (iii) modify the License by rescinding Franchisee's right to provide Camp Services; or, (iv) terminate this Agreement pursuant to Section 14.

d. Operations Deadlines.

i. **Camp Services**. Franchisee shall begin providing Camp Services from the Camp Site by the date that Franchisee receives written approval from CBW to open, but in no event more than 18 months after the Effective Date (the "Operations Deadline"). Between 30 and 60 days prior to the Operations Deadline, Franchisee and Franchisee's Manager must complete the Initial Camp Services Training to CBW's satisfaction. Franchisee is prohibited from providing Camp Services until it has met all pre-opening requirements established by CBW as may be updated from time to time, and Franchisee has received written permission from CBW to begin. Franchisee shall begin providing Camp Services on the approved opening date designated by CBW, but may begin accepting deposits (with CBW's consent) prior to opening. If Franchisee fails to meet the Operations Deadline, either by failure to satisfy any pre-opening requirement or failure or refusal to open on the designated opening date, CBW may: (i) delay the opening date and require Franchisee to pay the Default Fee and Daily Fee or the Minimum Monthly Royalty until Franchisee satisfies the pre-opening requirements and begins operations; (ii) extend the Operations Deadline; (iii) modify the License by rescinding Franchisee's right to provide Camp Services; or, (iv) terminate the Agreement in accordance with Section 14. If Franchisee chooses not to open on the designated opening date, and CBW elects to exercise its option under 6.1(d)(i)(i) above, Franchisee understands and acknowledges that CBW will push Franchisee's opening date to the back of the opening queue, and Franchisee waives any claims of loss, harm, or damages due to the delay.

ii. **Dog Training Services**. Dog Training Services are optional. If Franchisee elects to offer them, Franchisee shall satisfy all conditions to providing Dog Training Services to CBW's satisfaction prior to offering them for sale. Franchisee is prohibited from providing Dog Training Services until it receives written permission from CBW to begin. If at any time during the Term Franchisee loses its certified dog trainer, for any reason, Franchisee must stop providing Dog Training Services until another qualified trainer completes the then-current required training program and CBW provides Franchisee with written permission to resume Dog Training Services.

e. *Minimum Monthly Royalties for Failure to Meet Deadlines*. CBW's decision to have Franchisee pay the Minimum Monthly Royalty in this Section 6.1 will not preclude CBW from exercising any of its other rights under this Agreement, including without limitation the right to charge the Default Fee or Daily Fee or terminate the Agreement.

6.2. <u>Compliance with Laws & Regulations</u>. Franchisee must comply with all applicable federal, state, and local laws, ordinances, rules, zoning regulations and other requirements including but not limited to: (i) laws and regulations applicable to the provision of Services and the sale of Products; (ii) all consumer protection laws and regulations; (iii) all employment laws; and, (iv) all data privacy and cybersecurity laws. Franchisee shall obtain and maintain all required business licenses and permits and shall comply with all zoning and state and local ordinances. Franchisee shall promptly pay all debts, assessments, charges, taxes and other obligations arising in connection with the Camp when due. Franchisee acknowledges and agrees that it is solely responsible for independently investigating all applicable laws and regulations to ensure compliance, and that it cannot rely on CBW to inform or advise Franchisee on the same.

Compliance with System Standards. CBW has the right to add to and otherwise modify the 6.3. Operations Manuals from time to time. Franchisee shall strictly comply with the Operations Manuals and all present and future standards, specifications, processes, policies, procedures and requirements of CBW, however communicated, including all directives, modifications, clarifications, and changes made regarding the operation of the Camp and use of the Marks, including but not limited to the following. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Manual as defined in Definition 20 or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect CBW's interests in the System and Marks, CBW reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

a. *Customer Service*. Franchisee will use its best efforts to ensure customer satisfaction. Franchisee and its Personnel shall use good faith in dealing with customers, potential customers, vendors, and creditors, and shall respond to conflicts professionally, promptly, and in a manner that promotes the values and the goodwill of the System. Franchisee agrees to take such actions as CBW may deem necessary, in CBW's sole discretion, to resolve customer disputes.

b. *Approved or Required Equipment Supplies*. Franchisee shall use only signs, furnishings, supplies, fixtures, equipment and inventory that comply with CBW's then-current standards and specifications which CBW establishes from time to time. If CBW changes its standards and specifications, Franchisee shall make any such change within 30 days of written notice to Franchisee, at Franchisee's expense.

c. Approved or Required Suppliers.

i. Franchisee acknowledges and agrees that preservation of the System and the goodwill associated therewith depends upon uniformity and consistency across locations. Franchisee agrees to purchase architectural and construction management services, inventory items and merchandise, marketing materials, displays, signage, furniture, fixtures, equipment, supplies, computer hardware and software, and other equipment only from CBW or CBW's required or approved suppliers as specified from time to time in the Operations Manuals and otherwise, even if similar items or services can be obtained elsewhere at a lower cost. All Products and Services purchased from approved suppliers must be used solely in connection with the Camp, and not for any competitive business purpose.

ii. If Franchisee wants to use an unapproved item or supplier, Franchisee shall submit a request for CBW to review the item or supplier in the manner and form then-required by CBW. CBW may require that Franchisee provide, at Franchisee's cost, a sample of the item, and/or information about the business and contact information of the supplier, if applicable, and the then-current review fee, which is currently \$500. If CBW incurs any costs while testing or reviewing the product or supplier, CBW may require Franchisee to reimburse it for such costs, regardless of whether the item or supplier is ultimately approved. CBW has absolute discretion to approve or deny any item or supplier for any reason. CBW may also revoke its approval for particular Products, Services, items or suppliers at any time, in its sole discretion. Upon receiving notice of the revocation, Franchisee shall stop using the Product, Service, item or supplier, as applicable.

iii. CBW or any of its Affiliate(s) may be one of several, or the only, approved supplier of any item or service, and they have the right to realize a profit on any items that they supply to Franchisee. CBW also has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts CBW receives without restriction (unless instructed otherwise by the supplier). CBW may require or allow Franchisee to use custom, private label, or proprietary goods or services, including but not limited to pet food, toys, and other Products.

iv. Franchisee recognizes that failure to pay System suppliers when due may interfere with the suppliers' willingness to do business with the System or to offer their goods or services on less favorable credit terms. Accordingly, Franchisee agrees to pay all undisputed amounts owed to System suppliers when due.

6.4. <u>Abiding by CBW's Product and Service Requirements</u>. Franchisee shall offer for sale all Products and Services that CBW prescribes, and only those Products and Services that CBW prescribes, in the manner and for the period specified by CBW. Franchisee shall not provide any Service or Product outside the Authorized Territory unless approved by CBW in writing in advance.

a. Offering All Services and Products. Franchisee must offer for sale on a continuing basis all required Services and Products, and any new Services or Products introduced into the System at the time and in the manner required by CBW. CBW will provide Franchisee with at least 30 days' prior written notice of any new required Service or Product. Franchisee must acquire, install, market and use all equipment, products, supplies, tools and other items necessary to offer for sale the Services or Products at the time and in the manner required by CBW.

b. *Offering Unapproved Services and Products*. Franchisee shall not offer or sell unapproved Products and Services. Franchisee may not offer any other products or services for sale, rent, or lease without having received CBW's prior written authorization.

c. *Inventory*. Franchisee will maintain sufficient levels of inventory to meet customer demand, or as otherwise specified in the Operations Manual.

d. *Quality Assurance*. CBW reserves the right to ensure the nature and quality of Products and Services offered by Franchisee conform to CBW's current standards. CBW may do the following at any time, with or without notice to Franchisee: (i) send someone to inspect Franchisee's Camp; (ii) monitor Franchisee's Camp via webcam; (iii) hire a mystery shopper to inspect the Camp or use the Products and Services and to record his or her experience and report back to CBW; or (iv) any other action deemed appropriate or necessary to protect the System, in CBW's sole discretion. Franchisee will cooperate with CBW's inspections, and hereby authorizes CBW and its representatives, at any time, with or without notice, to enter the Camp Site or other locations where Products are sold or Services are rendered and conduct an inspection of the Camp and Franchisee's operations to verify compliance, including but not limited to: inspecting the Camp Site, Camp Records, data stored on business computers and point-of-sale cash systems, files, and any other items reasonably deemed relevant to compliance, and to observe operations, take pictures, discuss policies and practices with Franchisee's Personnel, and discuss CBW's standards, policies, and requirements with Personnel. Franchisee, on behalf of itself and, as applicable, its directors, officers, managers, employees, consultants, representatives and agents, hereby waives any claim that inspections or recordings for purposes of this Section 6.4(d) violate any person's right of privacy. Evaluations and inspections are intended to ensure compliance, not to exercise control over Franchisee's day-to-day operations or to assume or relieve any of Franchisee's responsibilities under this Agreement.

e. *Pricing*. CBW may provide suggestions to Franchisee in determining prices, however, as of the Effective Date, Franchisee may establish its own prices to meet competition and adapt to market conditions. Franchisee agrees to offer all advertised specials, programs, or promotional events as required by CBW from time to time. CBW, however, reserves the right to establish prices, both minimum and maximum for the Services and Products you offer at or from the Camp. Any such modification will be in writing.

6.5. <u>Participation.</u>

a. *Operating the Camp*. Franchisee or its Manager must devote full time efforts to the management and operation of the Camp.

b. *Attending Conferences*. Franchisee must attend all mandatory conferences (up to a maximum of 2 per year) at Franchisee's cost. If Franchisee is an entity, the Majority Owner must attend in order for Franchisee to satisfy this requirement. If Franchisee has more than one franchise agreement with CBW, Franchisee will cause at least one person representing each franchise agreement (in addition to Franchisee or its Majority Owner, as applicable) to attend each mandatory conference. If Franchisee (or its Majority Owner, as applicable) fails to attend a mandatory conference, Franchisee may be required to make up the program, if possible, at a time and place designated by CBW, and may be charged the conference registration fee plus a penalty of up to \$3,000 USD.

c. *Trade Organizations*. Franchisee shall join any trade organizations or associations required by CBW, and shall bear all costs of membership.

6.6. <u>Technology</u>.

a. Franchisee shall acquire, maintain, and upgrade computer, information processing and communications systems, including all applicable hardware, software, and Internet and network access providers, webcams, and Website vendors as required in the Operations Manual and updated from time to

time. Franchisee shall enter and comply with any service-level agreements or software or license agreements in connection with the same.

b. Franchisee shall use CBW's required software, point-of-sale system, database management, and intranet system as the exclusive means for tracking and maintaining customer, vendor and lead information, and for such other uses as prescribed by CBW.

c. Franchisee acknowledges and understands that computer systems are vulnerable to, among other things, viruses, bugs, power disruptions, Internet access and content failures, and attacks by hackers and other unauthorized intruders. CBW does not guarantee that the information or communication systems supplied by CBW or its suppliers are immune from such problems or attacks. Franchisee is solely responsible for protecting itself from these problems, and agrees to take reasonable steps to secure its systems through, among other things, firewalls, encryption, access code protection, antivirus systems, cybersecurity insurance, and backup systems.

d. Franchisee is solely responsible for payment card industry ("PCI") compliance, and for compliance with all laws applicable to hardware, software, information processing, communication systems or other technology used in operation of the Camp Site, including all data protection, cybersecurity, security, abandoned property, and escheat laws. Franchisee shall take reasonable steps to verify that its Personnel, vendors, customers, and agents comply with the same and shall hold CBW harmless from any and all applicable claims and liabilities. Franchisee must also use CBW's required merchant services provider, payment processor, and must purchase an approved payment terminal that is compatible with CBW's required equipment and providers.

e. Franchisee will use its assigned Camp Bow Wow® email address for all business-related communications, including but not limited to communication with CBW. Franchisee shall check the email account at least once per day and agrees that CBW may communicate any mandatory System updates and changes to the Operations Manual, including changes to policies and standards, via e-mail.

6.7. Camp Site.

a. Franchisee shall use only approved equipment, tools, inventory, signage, supplies and uniforms and only in the manner and during the period specified by CBW.

b. Franchisee shall keep the Camp Site clean, neat and sanitary and everything related to the Camp in good condition.

c. Franchisee shall repair, refinish, repaint, replace, and otherwise remodel the Camp, including without limitation, the signs, furnishings, fixtures, decor, and any other tangible part or property of the Camp at Franchisee's sole expense as reasonably directed by CBW. If Franchisee fails or refuses to repair, replace, or maintain any such item according to the timeline established by CBW to accomplish the same, CBW has the right, in addition to all other remedies, to enter the Camp Site and complete the required repair, maintenance or corrective work or replace the non-conforming property with conforming property on Franchisee's behalf, at Franchisee's cost. CBW shall have no liability to Franchisee for the work performed, and Franchisee shall pay all of CBW's costs to supervise, perform and inspect the work,

including but not limited to all labor, materials, transportation, lodging, meals, contractor fees, and other direct expenses plus a 25% surcharge, all of which shall be due and payable upon receipt of invoice.

d. Franchisee shall not make any alterations to the Camp or Camp Site without prior written consent from CBW. All alterations must strictly conform to CBW's specifications and requirements.

e. From time to time as CBW requires, Franchisee shall modernize, refurbish, or replace the premises, equipment, signage, furnishings, finishes, vehicles, and other related items to conform to the thencurrent standards for new Camps. The maximum cumulative amount that Franchisee will be required to spend under this section during the Initial Term is \$100,000 (the "**Maximum Modernization Amount**"). The Maximum Modernization Amount does not include: (i) upgrades to any computer system or software; (ii) the cost to keep the Camp Site and all equipment, leasehold improvements, vehicles, and furnishings in good condition and repair; (iii) the cost of new equipment required to offer new or modified Products or Services under Section 6.4(a) (iv) changes Franchisee chooses or is required by a third party to make; or (v) upgrades CBW requires Franchisee to make at renewal, in accordance with Section 2.2(e), or as a condition to Transfer, in accordance with Section 2.2.b.ii.6.

6.8. <u>Personnel</u>. No employee of Franchisee will be deemed to be an employee of CBW for any purpose whatsoever, and nothing in any aspect of this Agreement, the Operations Manual, or the System in any way shifts any employee or employment responsibility from Franchisee to CBW. Franchisee alone is responsible for hiring, firing, training, maintaining working conditions, setting hours and for supervising all employees. Franchisee expressly agrees, and will never contend otherwise, that CBW's right to certify certain of Franchisee's employees, or to train or require re-training based on brand standards, does not directly or indirectly give CBW the power to hire, fire, or control any such employee.

a. All Personnel must wear CBW-approved uniforms and be clean and neat in appearance.

b. CBW strongly recommends that Franchisee perform a background check on each individual it hires. CBW also strongly recommends and that Franchisee ask managerial personnel to sign the thencurrent non-disclosure and non-competition agreement, and all non-management personnel be asked to execute the then-current non-disclosure agreement, in the form made available by CBW. Franchisee shall confirm that any individuals performing Dog Training Services are bonded and insured in the amount and manner required by CBW from time to time.

c. All Personnel that will have access to all or a portion of the Operations Manual must sign the then-current form of non-disclosure agreement prior to being granted access.

6.9. <u>Training</u>. References to training required of "Franchisee" below include *all* owners of the Franchisee, if Franchisee is a business entity, including but not limited to the Majority Owner. Any training provided by CBW to any of Franchisee's employees will be limited to training or guidance regarding the delivery of approved services to customers in a manner that reflects the customer standards of the System. Franchisee is, and will remain, the sole employer of its employees at all times, including during all training programs, and Franchisee is solely responsible for all employment decisions and actions related to its employees. Franchisee is solely responsible for ensuring that its employees receive adequate training.

a. *Initial Camp Services Training*. Unless CBW agrees otherwise in writing, Franchisee and its Manager must complete the Initial Camp Services Training Program to CBW's satisfaction, in its sole discretion, prior to beginning operations. Franchisee shall be responsible for the cost of all travel, lodging, wages, meals and expenses it incurs in attending the Initial Camp Services Training Program. Each subsequent owner or Manager must also successfully complete the Initial Camp Services Training Program to CBW's satisfaction, unless CBW agrees otherwise in writing.

b. *Dog Training Program*. Franchisee's designated Personnel must complete the then-current training requirement for dog trainers in order to qualify to provide Dog Training Services.

c. *Scout Training*. Training for one Camp Scout is included in the Initial Franchise Fee. Scout Training is currently conducted in Westminster, Colorado, but the location is subject to change at any time. Franchisee shall be responsible for the cost of all travel, lodging, wages, meals and expenses its Camp Scout incurs in attending the Scout training program. CBW reserves the right to alter or terminate the Scout training program at any time.

d. Ongoing Training. Every 5 years, and otherwise throughout the Term, Franchisee and/or its Personnel may be required to participate in ongoing, supplemental or repeat training programs, at any time as required by CBW, at Franchisee's cost. This includes but is not limited to the Initial Camp Services Training Program, the Dog Trainer Certificate Program, and additional or repeat training required in response to an inspection of Franchisee's Camp, whether in-person or remote.

e. *Additional Training*. At all times, Franchisee shall maintain sufficient technological skills to meet its obligations under this Agreement and the Operations Manual. If Franchisee does not have sufficient skills to meet any of its obligations, CBW may require that Franchisee attend appropriate, relevant third-party training, at Franchisee's expense. CBW may also require Franchisee to participate in training to provide new Products and Services.

6.10. <u>Marketing</u>. All marketing shall be performed in strict accordance with CBW's requirements and specifications.

a. Marketing Fees and Expenses.

i. **Marketing Platform Fee**. Beginning when the Real Estate Documents are signed, Franchisee shall pay the then-current Marketing Platform Fee to CBW or its designee each month.

ii. **Camp Launch Advertising**. Between the Effective Date and the grand opening event or, if you do not hold a grand opening event, the month you begin operations (the "**Camp Launch Period**"), Franchisee shall spend \$25,000 in public relations, advertising, marketing and promotion with the vendor(s) and in the manner directed by CBW (the "**Camp Launch Advertising**").

iii. Local Advertising Expense. Each month after Franchisee's grand opening event or, if you do not hold a grand opening event, the month you begin operations, Franchisee shall spend at least \$2,500 on advertising Camp Services in the Authorized Territory (the "Local Advertising Expense"). At any time, CBW may elect to collect the Local Advertising Expense in the same manner as the collection of Royalty Fees, for dispersal to local advertising or media placements. CBW may also request, and Franchisee

agrees to promptly furnish, an accounting of the previous month's Local Advertising Expense. CBW may also require Franchisee to allocate all or a portion of the Local Advertising Expense with vendors and in the manner required by CBW. As of the date of this Agreement, CBW requires that Franchisee allocate \$600 per month to pay-per-click advertising (not including vendor management fees), \$250 per month to social media advertising, and \$15 per month in customer engagement software, and CBW reserves the right to increase, modify, or change these required allocations at any time upon notice to Franchisee.

iv. Advertising Fund Fee. In addition to the Local Advertising Expense, Franchisee shall pay CBW a non-refundable monthly fee for an Advertising Fund (as defined below). Currently the fee is 1% of Net Revenue, but CBW reserves the right to increase the fee at any time during the current term to an amount not to exceed 3% of Net Revenue ("Advertising Fund Fee"). CBW may also increase the Advertising Fund Fee for any Renewal Term. Franchisee must remit the Advertising Fund Fee on the 10th and 25th of each month via ACH or any other method or schedule established by CBW.

b. *Camp Scout*. Franchisee must hire a Camp Scout when Franchisee begins construction on the Camp Site, and must retain a Camp Scout throughout the remainder of the Term. The Camp Scout must devote at least 40 hours per week to the Camp Scout functions until Franchisee's Net Revenue is greater than or equal to its losses ("Breakeven"). Once Franchisee achieves Breakeven, and for the remainder of the Term, the Camp Scout must devote at least 20 hours a week to such functions. If Franchisee is not at Breakeven at any time during the Term, CBW may require Franchisee to cause the Camp Scout to devote additional time to the Camp's marketing efforts.

c. Materials.

i. **Brand Standards**. Franchisee shall ensure that all marketing and promotional materials, signs, advertisements, web pages, social media presence and any other related materials shall meet the then-current brand standards and specifications, as updated from time to time. Franchisee shall maintain an adequate supply of marketing materials as required by CBW.

ii. Availability and Ordering. CBW may make certain approved materials available for ordering through an online store or through a third-party vendor. Franchisee agrees to order any such materials through the approved channel, and not to duplicate the materials or otherwise circumvent the approved method of ordering.

iii. **Approval**. Franchisee will only use CBW-approved advertising materials and placements. If CBW does not provide certain types of print or other advertising materials, Franchisee may develop such materials for its own use, at its own cost, but must first submit prototypes, examples, proofs or other such samples of these materials to CBW for approval before use. If Franchisee fails to obtain written approval, and the materials are later deemed unusable by CBW in its sole discretion, Franchisee is solely responsible for the cost of replacing the materials with an approved version, and will do so within three (3) business days of receipt of notice from CBW. CBW shall use reasonable best efforts to approve or disapprove Franchisee's self-generated advertising materials in writing within 14 days after Franchisee submits such requests and materials for review. If CBW does not respond within 14 days, the materials are denied.

d. *Territorial Restrictions*. Except as otherwise explained below, all of Franchisee's marketing shall be performed solely within the Authorized Territory.

i. If Franchisee wants to advertise or promote its Camp in a territory that is not thenowned by CBW or another Franchisee or licensee, Franchisee must seek prior written permission from CBW. If CBW believes such advertising or promotion will impact the broader local service area, Franchisee may be required to invite all neighboring franchisees to participate. CBW may deny any request to market outside the Authorized Territory for any reason, at any time.

ii. If Franchisee wants to use mass media marketing, such as radio, television, newspaper or other similar format that is distributed or broadcasted outside of the Authorized Territory, Franchisee shall notify all of the neighboring franchisees whose territories are in the distribution area at least two (2) weeks prior to the launch, and shall invite those franchisees to participate. All such notifications must be sent to CBW's marketing team as well. Franchisee may ask the other franchisees who participate to share an equal amount of the cost. The only exception to this rule is if Franchisee is using mass media to market an event that it is hosting within the Authorized Territory, in which case Franchisee must get prior written approval from CBW at least two (2) weeks prior to purchasing the campaign, but Franchisee does not have to invite other franchisees to participate. If CBW does not respond to Franchisee's request for approval within five (5) business days, it is denied.

e. *Regional Cooperative*. CBW may establish and require Franchisee to participate in a regional advertising cooperative ("**Regional Co-op**"). CBW will establish the geographic boundaries of the Regional Co-Op, and may adjust the same at any time upon notice to Franchisee. CBW may also merge, sub-divide, or dissolve Regional Co-Ops in its sole discretion. If established, Franchisee agrees to direct its Local Advertising Expense to the Regional Co-Op. If CBW or one of its Affiliates owns a Camp Bow Wow® location in a Regional Advertising Co-op's market, CBW or its Affiliate will contribute to the Regional Advertising Co-op at the same rate that the franchisees in the Regional Advertising Co-op contribute. CBW will provide standard governing rules that the members of the Regional Co-Op may modify (in part), with prior approval from CBW. Members of the Regional Co-Op must prepare and submit monthly and annual financial statements in a form and manner specified by CBW. All materials used or created by the Regional Co-Op are subject to the same restrictions and guidelines as any other advertisement, including the requirement for pre-approval, and the Regional Co-Op shall assign any rights in the materials it creates to CBW, without compensation, so CBW and other franchisees may use them.

f. *Customer Loyalty Program*. Subject to applicable state law, Franchisee shall participate in any customer loyalty program sponsored by CBW, at Franchisee's cost. Advertising to promote the loyalty program shall count toward Franchisee's Local Advertising Expense, but the cost of rewards given shall not. Franchisee agrees to advertise the program consistent with the stated terms and conditions, using only materials created by or approved by CBW in advance, and failure to do so shall constitute a Default under this Agreement. Franchisee shall indemnify and hold CBW harmless from any claims, debts, obligations, actions, or liabilities arising from Franchisee's improper advertisement of the program. CBW reserves the right to unilaterally and retroactively change or alter the loyalty program terms and conditions as they apply to Franchisee, or to cancel the program outright.

g. Advertising Fund. Advertising Fund Fees are placed into the "Advertising Fund." The Advertising Fund is intended to maximize general brand recognition, and CBW has sole discretion in determining how to spend the money in the Advertising Fund. CBW may use the Advertising Fund to develop, prepare, and place advertising in any medium for use by franchisees generally, on behalf of the entire System, or on behalf of a particular region which may or may not include Franchisee or Franchisee's Authorized Territory. CBW is not required to spend the Advertising Fund or the Advertising Fund Fees paid by Franchisee on Franchisee's behalf or for its benefit. The Advertising Fund will not be used principally for the solicitation of franchisees, but CBW may use it for public relations, general recognition of the brand, creation and maintenance of a website (a portion of which will be intended to solicit potential franchisees), and to include mention of the franchise opportunity in any advertisement placed or materials created with the Advertising Fund. The Advertising Fund will cover, among other things, advertising, public relations, website development and maintenance, creative development, market research, promotion, marketing incentive programs being offered by CBW to franchisees from time to time, customer loyalty programs, including but not limited to incentives for franchisees to participate in loyalty programs, marketing products and services provided by CBW, outside vendors, marketing agencies, and administration costs of the Advertising Fund, including but not limited to salaries, overhead, and administrative, accounting, auditing, collection and legal costs and expenses. Upon written request, Franchisee may review an unaudited annual financial statement of the Advertising Fund, which will be available annually no later than 120 days after the end of CBW's fiscal year. If any portion of the Advertising Fund is not used by the end of any given fiscal year, the unused portion will carry over into the Advertising Fund for the following fiscal year.

i. CBW may modify or terminate the Advertising Fund at any time. If CBW terminates it, any remaining balance in the fund will be spent as provided for above or returned to Franchisee on a prorata basis, in CBW's discretion.

ii. With the exception of CBW's gross negligence, CBW shall have no direct or indirect liability for the management, maintenance, direction, administration, or use of the Advertising Fund. The parties' rights and obligations with respect to the Advertising Fund are governed solely by this Agreement, and neither this Agreement or the Advertising Fund create a trust, fiduciary relationship, or similar arrangement.

h. *Participation*. Franchisee shall fully participate in all marketing and promotional campaigns, contests, special offers, customer loyalty programs, and other programs, whether national, regional, or local in nature (including the introduction of new Products or Services) prescribed by CBW from time to time, at Franchisee's cost. Franchisee may choose to honor discount or payment coupons, gift certificates, or other authorized promotional offers of CBW at Franchisee's sole cost, but honoring such promotions shall not decrease or serve as a credit toward Franchisee's Local Advertising Expense or Advertising Fund Fee.

i. *False or Misleading Advertisements*. Franchisee shall not use any advertising, labeling, packaging, or other materials that are false or misleading.

j. *Marketing a Relocation or Transfer*. In its sole discretion, CBW may require Franchisee to spend the Camp Re-Launch Advertising or a portion thereof during the Camp Launch Period, to market and promote the new location.

6.11. <u>Updating Information</u>. Franchisee shall inform CBW of any changes in ownership, corporate governance, legal structure, notice address, succession planning, and any other changes that may affect or alter the nature of the parties' relationship or obligations under this Agreement. Upon request by CBW, Franchisee agrees to promptly provide a list of all legal and beneficial owners of Franchisee, including their names, ownership percentages, and current contact information for each. CBW reserves the right to require any owners being added after mutual execution of this Agreement, no matter how small their proposed ownership percentage, to go through the same verification and approval process as then-required of all new franchisee candidates, and to deny the addition of any such owner in CBW's sole discretion.

6.12 <u>Customer Information</u>. Franchisee may only use Customer Information (as defined below) for the purpose of operating the Camp to the extent permitted under this Agreement, including the Operations Manuals, during the term hereof and subject to such restrictions as CBW may from time to time impose, and in compliance with all data privacy, security and other applicable laws. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any customer, including any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. As used in this Agreement, the term "customer" refers to any person or entity (i) included on any marketing or customer lists Franchisee develops or uses; (ii) who has purchased or purchases Services or Products at the Camp; or (iii) whom you have solicited to purchase any Services or Products at or from the Camp. CBW owns all Customer Information and may use the Consumer Information as CBW deems appropriate, including sharing it with CBW's affiliates.

Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with Franchisee's collection, storage and Franchisee's use and CBW's use of such Customer Information, including, if required under applicable law, obtaining consents from customers to CBW's and its affiliates' use of the Customer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements CBW may periodically establish. Franchisee must notify CBW immediately of any suspected data breach at or in connection with the Camp. Franchisee must fully cooperate with CBW and its counsel in determining the most effective way to meet CBW's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to Customer Information in Franchisee's control or possession.

If any federal or state Privacy Law, including the California Consumer Privacy Act ("CCPA"), or as revised and when in effect, the California Consumer Privacy Rights Act ("CPRA"), Cal. Civ. Code § 1798.100, *et seq.*, applies to the operation of the Camp, whenever and to the extent Franchisee operates as a "Service Provider" under the CCPA, a "Contractor" under the CPRA, a data processor, or in a similar capacity under any federal or state privacy law, Franchisee represents, warrants, and covenants that:

- (1) Except for the purpose of operating the Camp and in accordance with the Operations Manuals, Franchisee will not retain, use, combine or disclose any Customer Information;
- (2) Franchisee will not sell, make available or otherwise disclose any Customer Information to any third

party for valuable consideration or for the purpose of performing cross-context behavioral advertising;

- (3) Franchisee will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and CBW;
- (4) Franchisee will delete any Customer Information upon CBW's request unless Franchisee can prove that such request is subject to an exception under applicable law; and
- (5) If Franchisee receives a Customer Information data request (e.g., a request to delete Customer Information) directly from a consumer (e.g., a California resident under the CCPA or CPRA or a resident of another jurisdiction under other applicable Privacy Law), Franchisee shall inform CBW of that request within one business day and cooperate with CBW to ensure that the consumer receives an appropriate and timely acknowledgement and response. As an example, currently under the CCPA, an acknowledgement is typically required within 10 business days and a final response is required within 45 calendar days.

Franchisee certifies that it understands the restrictions in Paragraphs (1)-(5) of this section and will comply with them. Franchisee also acknowledges and agrees that CBW may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other state or federal privacy laws. Franchisee also agrees to execute any addenda that CBW may determine are required to conform this Agreement to new or changed Privacy Laws.

To the extent that Franchisee engages a third party to collect, use, sell, store, disclose, analyze, delete, modify, or to otherwise perform any processing of Customer Information for the purpose of operating the Camp (a "Subporcessor"), Franchisee will notify CBW of such engagement, which shall be governed by a written contract that includes the same restrictions as in Paragraphs (1) - (5) of this section and imposes reasonable confidentiality obligations on the Subprocessor.

6.13. <u>Ethical Business Conduct</u>. Franchisee agrees to adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct and good faith in all business dealings with customers, vendors, its employees, CBW's corporate employees, and all other Camp Bow Wow® franchisees. Franchisee must not engage in deceptive, misleading or unethical practices or conduct that may have a negative impact on the reputation and goodwill associated with the Marks.

7. SECURITY INTEREST. To secure Franchisee's performance under this Agreement, Franchisee hereby grants to CBW a security interest in and to all of the furniture, fixtures, assets, equipment, signage, and realty (including all of Franchisee's interests under any real property and personal property leases) used to operate the Camp, together with all similar property now owned or hereafter acquired. If Franchisee defaults under this Agreement, CBW may exercise its right as a secured creditor in addition to CBW's other rights under this Agreement and the law. This Agreement shall be deemed a Security Agreement and Financing Statement and may be filed in any county and/or state to protect CBW's interest. Franchisee agrees to execute such other documents as CBW may reasonably request in order to document, perfect and record the same. Except with CBW's prior written consent, which it shall not unreasonably withhold, Franchisee will not grant any person or business entity a security interest in Franchisee's tangible or intangible assets of the Camp. CBW agrees to subordinate its security interest if requested by a third-party

lender providing financing to Franchisee, provided CBW and the lender sign a mutually agreeable subordination agreement. Franchisee agrees to execute such other documents as CBW may reasonably request in order to document, perfect, and record this security interest.

8. INTELLECTUAL PROPERTY. Franchisee acknowledges and agrees that:

8.1. <u>Ownership</u>. Franchisee acknowledges that CBW (or its Affiliate) is the exclusive owner of all right, title and interest, together with all the goodwill of the Intellectual Property, and that Franchisee has no interest in the Intellectual Property beyond the non-exclusive License granted herein. Franchisee further acknowledges that the Intellectual Property is a valuable asset of CBW, and that CBW has the right to use the Intellectual Property will inure to the exclusive benefit of CBW. Franchisee will not, during or after the Term, dispute, contest or challenge, directly or indirectly, the validity or enforceability of the Intellectual Property of the same, nor will it represent that it has any right, title or interest in the Intellectual Property by, for example, executing and delivering such documents as CBW reasonably requests for any such purpose, or providing any other assistance deemed necessary by CBW. CBW MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE INTELLECTUAL PROPERTY.

8.2. <u>Use</u>. Franchisee's right to use the Intellectual Property is derived solely from this Agreement. Franchisee may only use the Intellectual Property in its operation of the Camp and only in compliance with this Agreement, the then-current brand standards guide, and the Operations Manual, as updated from time to time. Any unauthorized use of the Intellectual Property by Franchisee will constitute a breach of this Agreement and an infringement of CBW's (or its Affiliate's) rights in and to the Intellectual Property.

8.3. <u>Limitations on Use</u>. Without limiting the generality of any other Section in this Agreement, Franchisee shall not:

a. transfer or otherwise pledge, encumber or attempt to dispose of the Intellectual Property;

b. use any Marks, portion of any Marks, derivatives, or similar marks as part of a corporate or trade name. Franchisee will obtain such fictitious or assumed name registrations as may be required by CBW or under applicable law;

c. make any changes or amendments to the Marks, nor use them with any prefix, suffix or other modifying words, terms, designs or symbols;

d. use any Marks or portions of any Marks online or on social media (including social networking sites, blogs, image sharing sites and any other form of Internet-based communication) or as part of a domain name or any other similar electronic address maintained on the Internet or otherwise without prior written consent from CBW, and if consent is granted, only in compliance with CBW's guidelines;

e. use any Marks, portion of any Marks, or derivatives or modified versions of any Marks on any employment or human resources forms, hiring paperwork, payroll checks, or any other document relating thereto;

f. use any Marks or any derivatives or similar marks in connection with the sale of any unauthorized Products or Services or in any manner not explicitly authorized in writing by CBW;

g. during the Term or after, register or apply to register any trademarks, service marks, copyrighted works, patents, or other form of intellectual property derivative of or confusingly similar to the Intellectual Property, anywhere in the world; or,

h. do anything that would dilute, tarnish, or harm the reputation of the System or the goodwill associated with the Intellectual Property, nor counsel, procure or assist anyone else to do the same.

8.4. <u>Franchisee's Covenants</u>. Franchisee shall:

a. safeguard and maintain the reputation and prestige of the System and the Intellectual Property, and adopt and implement all reasonable procedures, safeguards, or training programs CBW may require from time to time to prevent unauthorized use or disclosure of any Intellectual Property;

b. use the Intellectual Property only in lettering, logos, print styles, forms and formats which have been pre-approved by CBW pursuant to this Agreement;

c. promptly follow instructions regarding the Intellectual Property in the Operations Manual and otherwise given by CBW from time to time;

d. notify CBW immediately, but in no case in more than 3 days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person or business entity to use the Intellectual Property or any colorable imitation thereof. Upon receipt of timely notice, CBW will have the sole right, but not the duty, to defend or settle any such action;

e. cooperate with CBW, execute all documents, and take all actions as may be desirable or necessary in the opinion of CBW's counsel, to carry out any defense or prosecution undertaken by CBW relating to the Intellectual Property; and,

f. If CBW determines that use of the Intellectual Property will infringe or potentially infringe upon the rights of a third party, or CBW decides to modify or discontinue use of the Intellectual Property or any portion of it, for any reason, then upon notice from CBW, Franchisee shall immediately terminate or modify its use of the Intellectual Property in the manner prescribed by CBW. CBW may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. If the change is due to CBW's determination of a third party's superior rights, then CBW shall reimburse Franchisee for the tangible cost of compliance with this requirement (such as the cost of new signage, printing new letterhead and business cards), but Franchisee will have no rights of damages, offset, or termination, and CBW will have no further liability or obligation whatsoever.

8.5. Legal Actions Relating to the Intellectual Property.

a. CBW has the sole right to contest or bring action against any third party regarding the third party's use of any of the Intellectual Property. CBW will control all actions but not be obligated to take any action.

b. CBW may apply to register or register any trademarks, patents, or copyrights with respect to the Services, Products, Copyrighted Materials, and any other products or services. Failure by CBW to obtain or maintain any such application or registration is solely CBW's decision, and not a breach of this Agreement.

8.6. <u>Copyrighted Materials</u>. All Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are property of CBW, who is entitled to use and license others to use the same unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights to the same do not automatically accrue to CBW, Franchisee hereby represents and warrants that Franchisee or the author of such Copyrighted Materials is the sole creator and owner of the same, and irrevocably assigns the entire right, title and interest in perpetuity throughout the world to CBW. To the extent such assignment is impermissible under applicable law, Franchisee grants CBW an exclusive, perpetual, royalty-free license to use, modify, distribute, derive and sublicense the same. If necessary, Franchisee shall obtain and provide any other assignments necessary to ensure CBW's rights under this Section.

8.7. <u>Improvements</u>. During or after the Term, if Franchisee or Franchisee's Personnel conceive of or develop any improvements to the Intellectual Property, System, Products, Services, or any portion of the same, or any new trade names, methods of operation, trade or service marks, logos, symbols, advertising or promotional ideas, inventions, or know-how related to the System (collectively "**Improvements**" and each an "**Improvement**"), Franchisee will fully disclose the Improvement(s) exclusively to CBW. Franchisee hereby assigns to CBW, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. To the extent that such assignment is not permissible under applicable law, Franchisee hereby provides a worldwide, exclusive, perpetual and royalty-free right to use, and sub-license the use of the Improvements. CBW has full discretion and no obligation to use the Improvements. Even if CBW elects not to use them, the Improvements constitute Confidential Information and Franchisee agrees to protect them as such in perpetuity.

8.8. <u>Crisis Situations</u>. In the interest of protecting the Camp Bow Wow® brand, Marks and the System, CBW has the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and Franchisee agrees to comply with and implement CBW's directions in response to a Crisis. "**Crisis**" means an event or development that negatively impacts the Camp Bow Wow® brand in such a way that CBW determines may cause substantial harm or injury to the Marks, System, reputation or image.

9. INSURANCE AND INDEMNITY.

9.1. <u>Insurance</u>. As soon as Franchisee has secured a Camp Site, and prior to beginning construction, Franchisee shall purchase and at all times maintain insurance policies in at least such amounts and on such

terms as required by the Operations Manual, by Franchisee's landlord or mortgage company, as applicable, and by state and federal law, from an insurance company acceptable to CBW. Coverage must include, at a minimum, comprehensive general liability, business interruption, combined single limit, automobile (if a vehicle will be used for business purposes), unemployment, workers compensation, bodily injury, all-risk property damage, cybersecurity, coverage against any other claims of any person, employee, independent contractor, customer, agent, and any additional coverage required by Franchisee's landlord or mortgage company, as applicable, and by state and federal law. CBW may change the insurance requirements at any time, and Franchisee agrees to comply with the changes within 30 days. CBW does not represent or warrant that the minimum insurance coverage it requires is sufficient for all of Franchisee's needs. Franchisee is solely responsible for staying abreast of state and federal law requirements.

a. All insurance policies must insure CBW and its officers, directors, shareholders, employees, independent contractors, agents, members, Affiliates and all other parties designated by CBW as additional insureds. The policies must also stipulate that CBW will receive 30-day prior written notice of any change or cancellation, and must contain a waiver of subrogation in CBW's favor. Within 10 days of the policy being issued, Franchisee must provide CBW with copies of the policy, a certificate of insurance showing the additional insureds as required, or other proof of insurance acceptable to CBW. The same must also be provided after any of these events: (i) policy renewal; (ii) upon any change or addition to, or replacement of coverage. Certificates of insurance must be signed by a person authorized to bind the insurer, and all certificates and endorsements are subject to CBW's approval. CBW may require Franchisee to provide complete, certified copies of all insurance policies at any time.

b. All insurance policies must also require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits, or claims brought against Franchisee and any of the additional insureds.

c. If Franchisee fails to obtain or maintain the required insurance, CBW may, but is not required to, purchase insurance on Franchisee's behalf, and Franchisee agrees to reimburse CBW for the full cost of the insurance plus a, 18% service charge within 5 days of receipt of an invoice for the same.

d. Obtaining and maintaining the required insurance policies shall not relieve Franchisee of its indemnification obligations under this Agreement or otherwise.

9.2. <u>Indemnity</u>. During the Term and after the termination or expiration of the Term, Franchisee shall indemnify CBW and its Affiliates and their respective officers, directors, shareholders, employees, agents, members, and independent contractors, and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by Franchisee or any of its property) (collectively, "**Damages**") for which they are held liable, or which they incur (including attorney and client costs, travel, investigation, and living expenses of employees and witness fees) in any litigation, proceeding, or enforcement action as a result of or arising out of:

a. Franchisee's operation of the Camp, including the use, condition, construction, equipping, decorating, or maintenance of the Camp Site and other Camp facilities, and the provision of Products and Services;

b. Franchisee's breach of this Agreement, or any other Agreement between Franchisee or any of its officers, directors, shareholders, employees, agents, members, Affiliates, owners or Principals and CBW, or any breach of any Real Estate Documents or other instrument by which Franchisee holds the right to occupy the Camp Site;

c. any injury to or loss of property of any person at the Camp Site or on the premises;

d. Franchisee's taxes, liabilities, costs and expenses;

e. any negligent or willful act or omission of Franchisee, its Personnel, agents, servants, contractors or others for whom it is, in law, responsible;

f. any advertising or promotional material distributed, broadcasted or in any way disseminated by Franchisee or on its behalf, unless such material has been produced, or approved in writing, by CBW;

g. libel, slander or any other form of defamation by Franchisee or by any of Franchisee's Principals against CBW, the System or any franchisee; and

h. any claims brought in connection with Franchisee's operation of the Camp, including without limitation any claims of Franchisee's Personnel, clients or governmental authority.

Notwithstanding the requirements above, as between Franchisee and CBW, Franchisee is solely responsible for the safety and well-being of its Personnel and customers. CBW shall not be deemed a joint employer with Franchisee for any reason. However, if CBW incurs any cost, liability, loss or damage resulting from any actions or omissions of Franchisee or its Personnel, including any that relate to any party making a finding of joint employer status, Franchisee will fully indemnify CBW for its costs, liability, loss and damage.

10. RELATIONSHIP. Franchisee is an independent contractor and is not an agent, legal representative, subsidiary, servant, partner, joint venturer, or employee of CBW for any purpose. CBW is not a fiduciary to Franchisee. In all dealings with third parties, including without limitation, employees, governmental entities, suppliers, customers, and the public, Franchisee will conspicuously identify the Camp as an independently owned and operated franchise location, and will place any notices that CBW may require in the Camp Site and on all forms, advertisements, materials, communications, and filings as directed. Each party shall file its own taxes, maintain its own insurance, comply with its own regulatory requirements, and maintain its own employment records and payroll reports, and neither party is liable for the debts or obligations of the other. CBW has no liability for any taxes levied upon Franchisee, Franchisee's property, the Camp Site, or the Camp. Franchisee has no authority to create or assume any contracts, agreements, warranties, representations or obligations in CBW's name or on behalf of CBW, and Franchisee shall not hold itself out as an agent, employee, subsidiary, servant, partner or joint venturer of CBW.

11. RESTRICTIVE COVENANTS.

11.1. <u>Acknowledgements</u>. Franchisee acknowledges and agrees that:

a. CBW has invested significant time and resources in the development and promotion of the System and the Intellectual Property, and that it would take a substantial amount of time, capital, and human resources to develop a similar system.

b. CBW would not enter into this Agreement with Franchisee or provide Franchisee with any information regarding the System, operational know-how, or Confidential Information unless Franchisee agreed to strictly comply with the terms of this Agreement, including the restrictive covenants set forth below and in Attachment E to this Agreement.

c. Franchisee's entire knowledge of the operation of the Camp, the System, and the concepts and methods of promotion franchised hereunder, that it has now or obtains in the future, is derived from CBW's Confidential Information and Intellectual Property.

d. Franchisee's breach of this Section 11 or Attachment E would threaten immediate and substantial irreparably injury to CBW. Consequently, notwithstanding anything to the contrary in this Agreement, CBW has the right to, without prior notice to Franchisee, obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

e. The parties have attempted in this Section 11 to restrict Franchisee and all other Restricted Parties (as defined below) only the extent necessary to protect CBW from unfair competition. The covenants in this Section 11 are independent of the other covenants and provisions of this Agreement. If any provision in this Section 11 is void or unenforceable under Colorado law, but would be enforceable as written or as modified under the laws of the state where the Camp Site is located, the parties agree that such state law shall govern any dispute concerning or involving the construction, interpretation, validity or enforcement of the provisions of this Section 11, but only with respect to those subjects. The parties agree that CBW may modify the scope of any void or unenforceable covenant in this Section 11 to conform it to applicable state law. Franchisee agrees to be bound by any modified covenant as if originally stated in this Agreement.

f. THE LICENSE GRANTED UNDER THIS AGREEMENT WILL PROVIDE FRANCHISEE WITH ACCESS TO CBW'S CONFIDENTIAL INFORMATION AND TRADE SECRETS. FRANCHISEE'S ACCESS TO THE SAME CONSTITUTES VAUABLE CONSIDERATION FOR THIS SECTION 11. FRANCHISEE FURTHER ACKNOWLEDGES AND AGREES THAT EXPIRATION, TERMINATION, NON-RENEWAL OR TRANSFER OF THE CAMP SHALL BE DEEMED A SALE OF THE BUSINESS FOR PURPOSES OF ENFORCEMENT OF THE COVENANTS CONTAINED IN THIS SECTION 11. FRANCHISEE REPRESENTS THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT THOSE SKILLS DURING THE PERIOD IT IS RESTRICTED FROM COMPETING PURSUANT TO THIS SECTION 11.

11.2. <u>Non-Disclosure</u>. During the Term and in perpetuity after termination, expiration, non-renewal or Transfer of this Agreement, neither Franchisee, Franchisee's Affiliates, Franchisee's Managers, or, if Franchisee is an entity, Franchisee's guarantors, officers, directors, owners, partners, managers, trustees, members, beneficiaries, or Principals; nor any immediate family member if any such individuals have access to the Confidential Information and Trade Secrets (collectively the "**Restricted Parties**") shall: (i) use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; or (ii) make unauthorized copies or derivatives of any portion of the Confidential Information or Trade

Secrets. The Restricted Parties shall: (iii) maintain the absolute confidentiality of the Confidential Information and Trade Secrets; and (iv) adopt and implement all reasonable procedures CBW periodically requires to prevent unauthorized use or disclosure of the Confidential Information or Trade Secrets, which may include but is not limited to requiring Personnel, Managers, training class attendees, Franchisee's spouses and family members who have access to the Confidential Information and Trade Secrets to execute and submit nondisclosure agreements (in a form acceptable to CBW) to CBW. Franchisee may disclose the Confidential Information in judicial or administrative proceedings to the extent Franchisee is legally compelled to do so, but only if Franchisee has notified CBW prior to disclosure and afforded CBW the opportunity to obtain a protective order or other satisfactory assurance of confidential treatment for the Confidential Information in CBW's sole discretion. Franchisee shall use its best efforts to limit disclosure to the extent necessary to comply with the judicial or administrative order.

11.3. <u>Non-Competition</u>.

a. *Definition*. For purposes of this Section 11.3, **"Competing Business"** means any business that offers the same or similar Products or Services as the Camp, or any other products or services authorized by CBW or offered for sale by System franchisees during the Initial Term or any Renewal Term(s) of this Agreement.

b. *During the Term*. During the Term, Franchisee, its guarantors, shareholders, members, partners and other owners, officers and directors, and each of their immediate family members ("Franchisee Parties"), shall not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or business entity, own; maintain; engage in; be employed by; act as an officer, director, or principal of; consult for; advise; lend money to; lease real estate, assets, or equipment to; extend credit to; take a security interest in; grant a promissory note to; guarantee the debts or obligations of; or have any other interest in any Competing Business or business that grants franchises or licenses to operate Competing Businesses; Prior to or at the same time of Franchisee's association with all Franchisee Parties, Franchisee shall cause all Franchisee Parties to execute and provide CBW with the then-current Non-Disclosure and Non-Competition Agreement (current from is attached hereto as Attachment E).

c. *After the Term.* Upon expiration, termination, non-renewal, or Transfer, regardless of the cause, and for a period of 2 years after the effective date of the same, the Franchisee Parties shall not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or business entity:

i. own; maintain; engage in; be employed by; act as an officer, director, or principal of; consult for; advise; lend money to; lease real estate, assets, or equipment to; extend credit to; take a security interest in; grant a promissory note to; guarantee the debts or obligations of; or have any other interest in any Competing Business or business that grants franchises or licenses to operate Competing Businesses: (i) within the Authorized Territory; (ii) within a 50-mile radius of the Authorized Territory; (iii) within 50 miles of any CBW or Affiliate-owned territories; or (iv) within 50 miles of any other franchisee's authorized territory; or

ii. solicit business from customers of Franchisee's former Camp or any other Camp in the System or contact any of CBW's suppliers, vendors or customers for any competitive purpose.

Notwithstanding the foregoing, in the event one of the Franchisee Parties sells, Transfers, relinquishes, or otherwise has its respective interest in and to Franchisee and/or the Franchised Business terminated, canceled, or removed by the other Franchisee Parties for any reason prior to the end of the Term, then the noncompete obligations set forth above apply to that specific separating Franchisee Party and the two year noncompete period begins to run at the time the separating Franchisee Party begins to comply with its noncompete obligations.

d. *Failure to Comply*. If any of the Franchisee Parties refuses to voluntarily comply with his or her obligations, the 2-year period described above will begin upon entry of a court order enforcing this Section 11 and will be tolled for any period of noncompliance. Franchisee agrees that the existence of any claim it may have against CBW, whether or not arising from this Agreement, will not constitute a defense to Franchisor's enforcement of these covenants.

e. *Spouses and Significant Others*. Franchisee's spouse or significant other, or if Franchisee is an entity, each owner's spouse or significant other, shall be required to sign the then-current Non-Disclosure and Non-Competition Agreement, regardless of whether such individual is a signatory to this Agreement.

f. *Exceptions*. Nothing in this Section 11 is intended to prevent Franchisee or a member of Franchisee's family from owning 5% or less of the stock of a Competing Business that is subject to the U.S. Securities and Exchange Act of 1934, provided that neither Franchisee nor any member of Franchisee's family is involved in the management or operation of the Competing Business and does not serve that business in any capacity other than as a shareholder.

12. ASSIGNMENT AND TRANSFER.

12.1. <u>By CBW</u>. CBW may freely assign or Transfer all or any part of its assets, including without limitation the Intellectual Property, without liability to Franchisee. CBW may also freely assign or Transfer all or a part of CBW's interest in, and rights and obligations under, this Agreement. Franchisee expressly waives any claims, demands, or damages against CBW arising from or related to any such Transfer.

12.2. <u>By Franchisee</u>. Franchisee acknowledges that the License is personal to Franchisee (or its owners, if Franchisee is a Business Entity) and that CBW has entered into this Agreement in reliance upon CBW's perception of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee (or its owners, if Franchisee is a Business Entity). Accordingly, neither Franchisee nor any partner, member, or shareholder thereof shall voluntarily or involuntarily, directly or indirectly: sell, pledge, assign, Transfer, gift, convey, mortgage, share, subdivide, sub-franchise, or encumber any interest in (including, without limitation, in the event of the death of Franchisee or one of its Principals): (i) this Agreement or any portion of it; (ii) the Camp or Camp Site; (iii) the assets, equipment, and inventory used in operation of the Camp; or (iv) any stock, member, equity or voting interest in Franchisee, in whole or in part, without the prior written approval of CBW and compliance with this Section 12. Any unauthorized Transfer, by operation of law or otherwise, including any assignment by a trustee in bankruptcy, or any attempt to do so, will be deemed null and void and will constitute a material default under this Agreement and provide CBW the right to terminate this Agreement immediately, CBW's sole discretion, in addition to any other remedies that may be available to CBW.

a. *Transfer to an Affiliated Entity*. Notwithstanding anything to the contrary in this agreement, if Franchisee is an individual, CBW will consent to a Transfer of Franchisee's right, title, and interest in and to this Agreement to a business entity which is at least 70% owned and controlled by Franchisee (provided that such Transfer shall in no way release Franchisee from any liability under this Agreement), subject to franchisee's compliance with the following conditions and any other conditions which may be prescribed by CBW from time to time:

i. Franchisee must be in full compliance with this Agreement;

ii. Franchisee and the assignee must provide CBW with an executed copy of the assignment document in a form satisfactory to CBW, pursuant to which the assignee assumes all of Franchisee's obligations under and right, title and interest in and to this Agreement, and specifies the exact ownership percentages under the assignee entity;

iii. No shares or interest in the assignee shall be issued to any individuals not currently party to this Agreement, either directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, without CBW's prior written consent. If Franchisee wants to add any new owners in conjunction with this Transfer, all new owners must meet and comply with CBW's then-current requirements for similarly situated franchisees, to CBW's satisfaction;

iv. Contemporaneously with the Transfer, the assignee must provide an updated personal guarantee on CBW's then-current form of guarantee (similar to Attachment B to this Agreement) and each owner of the assignee entity must sign the then-current Nondisclosure and Noncompetition Agreement (similar to Attachment E) and Acknowledgement Addendum (Similar to Attachment C to this Agreement).

v. The articles of incorporation, partnership agreement, operating agreement, shareholder agreement, or bylaws of the assignee shall provide that its business is confined exclusively to the operation of the Camp pursuant to this Agreement, and that the issuance and Transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement. They shall also provide that upon dissolution of the entity or transfer or change of any interest for any reason whatsoever, CBW shall be notified of the same and shall have the opportunity to approve the form and content of any such changes before they occur. Copies of the governing documents must be furnished to CBW upon request.

b. Transfer to a Third Party.

i. **Right of First Negotiation**. If at any time Franchisee decides to Transfer the Camp to any party that is not an Affiliate of Franchisee, then prior to offering it to any third parties, Franchisee shall grant CBW a right of first negotiation to purchase the Camp. CBW shall have 30 days after receipt of notice from Franchisee to submit a letter of intent ("LOI"). If CBW submits an LOI, Franchisee agrees to negotiate with CBW exclusively and in good faith for sixty (60) days following its receipt of the LOI. If the parties are unable to agree on the terms of the sale in that 60-day window, or if CBW declines to submit an LOI, Franchisee shall be free to offer the Camp for sale to qualified third parties, subject to the terms and conditions of Transfer in this Agreement and CBW's Right of First Refusal (defined below). ii. **Requirements of Transfer**. If (i) CBW declines to exercise its right of first negotiation; or (ii) CBW exercises its right of first negotiation but the parties are unable to agree upon the terms of the sale after negotiating in good faith for 60 days; then subject to Franchisor's Right of First Refusal (defined below), Franchisee may sell the Camp to a qualified third party (the "**Transferee**"), subject to CBW's approval and Franchisee and Transferee's strict compliance with the following conditions:

12.2.b.ii.1. Franchisee, Franchisee's Affiliates, Franchisee's Personnel or Managers, and, if Franchisee is an entity, Franchisee's officers, directors, owners, partners, managers, trustees, members, beneficiaries, and Principals must be in full compliance with this Agreement and any other agreement with CBW and must be current on all payments to CBW and any third-party creditors;

12.2.b.ii.2. Transferee must attend CBW's then-current form of "Join the Pack Days" or "Discovery Days," and must demonstrate to CBW's satisfaction, in its sole discretion, that it, he or she: (i) meets all of CBW's then-current requirements for becoming a franchisee regarding experience, personal reputation, and financial health; (ii) is willing and able devote full time and best efforts to operate the Camp pursuant to the Operations Manual; (iii) aligns with CBW's values for the System; (iii) is not a competitor of CBW, directly or indirectly, or subject to any non-competition agreement that would prohibit the transferee from becoming a franchisee; and (iv) meets any other conditions that CBW may reasonably require of similarly situated franchisees;

12.2.b.ii.3. Prior to signing, Franchisee must submit to CBW a final and negotiated copy of the binding purchase agreement (or similar document of Transfer) for CBW's review and written approval. CBW may require the parties to make changes to the documents in its sole discretion to: (i) protect CBW's interest in this Agreement; (ii) to ensure that Franchisee's and Transferee's obligations under this Agreement are met; (iii) to ensure the terms are not so burdensome as to prevent Transferee from successfully operating the Camp after the Transfer; and, (iv) to protect customer relationships and the goodwill associated with the Intellectual Property;

12.2.b.ii.4. If the Transferee is to finance any part of the sale price, Transferee shall provide CBW with any reasonably requested information regarding the proposed financing, and such financing must be approved by CBW in its sole discretion;

12.2.b.ii.5. Franchisee or, if Franchisee is an entity, Franchisee's officers, directors, owners, partners, managers, trustees, members, beneficiaries, or Principals and Franchisee's Affiliates must execute a mutual termination agreement and general release of CBW and its officers, directors, agents, employees and Affiliates in a form acceptable to CBW;

12.2.b.ii.6. Franchisee or Transferee must upgrade the Camp Site and any vehicles or equipment used to provide any other Products or Services to CBW's then-current standards, which will not count toward Franchisee's Maximum Modernization Amount or any similar cap in Transferee's franchise agreement;

12.2.b.ii.7. Transferee must execute the then-current form of franchise agreement, including all exhibits and attachments thereto, which will supersede this Agreement and may contain provisions substantially different from those in this Agreement, including without limitation higher fees and expenses. Transferee's franchise agreement will be for a full initial term, not for the remainder of

Franchisee's Term. Transferee must also execute all other documents then-used by CBW to grant franchises or as may be reasonably requested by CBW;

12.2.b.ii.8. Transferee (and if it is an entity, all of its owners) and transferee's Manager must complete the next available Initial Camp Services Training and pay any related training fees;

12.2.b.ii.9. Franchisee or Transferee shall pay CBW \$20,000 as compensation for CBW's time and expense in reviewing, approving, and facilitating the Transfer (the "**Transfer Fee**"). If Transferee is a Majority Owner, child, parent, sibling or spouse of Franchisee, no Transfer Fee or sales commission shall be owed. However, all other conditions of Transfer apply;

12.2.b.ii.10. CBW, in its sole discretion, may require Transferee to spend \$8,000 - \$10,000 to conduct a re-grand opening event and/or to advertise, market and promote the new ownership, even if the Camp remains in full operation pending the Transfer; and,

12.2.b.ii.11. Franchisee must comply with all post-termination obligations and restrictions, and Franchisee and Transferee must satisfy any other conditions reasonably imposed on the Transfer by CBW, given the circumstances.

c. Transfer due to Death or Incapacity.

i. If a Transfer occurs due to the death or Incapacity of Franchisee, or if Franchisee is a business entity, any person owning enough interest to result in a Change of Control, the spouse, heirs, executor or personal representative of the deceased or incapacitated person, or the Franchisee's remaining shareholders, members, partners or owners, as applicable (collectively, "**Successor**") shall have 90 days from the date of death or Incapacity to: (i) qualify to become a franchisee apart from the deceased or incapacitated person; (ii) Transfer the deceased or incapacitated person's interest to a qualified third-party pursuant to the Transfer requirements set forth in Section 12; or (iii) provide valid legal proof that the deceased or incapacitated person's interest will be Transferred to heirs or legatees who are members of the deceased or incapacitated person's interest will be Transfer in Section 12. In any event, the Successor must satisfy all conditions to Transfer and obtain CBW's consent. If Successor is unable to meet these requirements within 90 days, CBW may terminate this Agreement. Successor must also complete the following intermediate steps according to the timelines indicated below. Failure to complete any step by the given deadlines in Sections 12.2(c)(ii) and (c)(iii) below shall allow CBW to terminate this Agreement immediately, even if the 90-day period contemplated by this Section has not yet expired.

ii. Successor shall notify CBW of the death or Incapacity within two (2) business days of the same, and shall provide, no later than five (5) business days after death or Incapacity: (1) name and contact information that CBW may use for Successor during business hours, (2) Successor's interim operating plan, including but not limited to any plans relating to hours of operation, services being offered, staffing, accounts payable, etc. that may affect the Camp's ability to remain open and in good standing under this Agreement, (3) a copy of the death certificate or official documentation confirming Franchisee's Incapacity, and, (4) in the event of Franchisee's death, a copy of any applicable will, trust, or other estate documents. In the event no such documents have been located, Successor may submit a written statement

representing that no such documents have yet been located accompanied by a timeline and plan to pursue probate.

iii. Beginning on the date Successor notifies CBW of the death or Incapacity, Successor shall participate in scheduled weekly status update calls with a representative of CBW. On such calls, Successor shall provide CBW with information regarding its business operations, its current efforts to meet the 90-day deadline established in Section 12.2(c)(i), and provide any relevant documentation requested by CBW, including but not limited to copies of probate filings, documents establishing Successor's right, title and interest in and to the business, and any other documents reasonably requested by CBW. At any time, CBW may require that Successor complete training and/or participate in additional calls.

iv. If Successor requests access to any Franchisee accounts, including but not limited to Franchisee's CBW email, Data Dawg, webcam, vendor, financial, or other records or accounts, CBW may grant or deny access in its sole discretion. If access is granted, CBW may require Successor to first agree to a non-disclosure and/or a non-competition agreement, a Data Dawg software subscription services agreement, and any other agreements necessary to protect CBW's System and Intellectual Property, in CBW's discretion.

d. *Operation of the Camp Pending Transfer*. Franchisee or Successor, as applicable, shall keep the Camp fully operational and compliant pending the consummation of any Transfer. If Franchisee or Successor is unwilling or unable to do so, CBW may, but is not obligated to, temporarily operate the Camp for its sole benefit until such time as the Transfer is finalized and Transferee has taken over operations or require that Franchisee or Successor enter a management agreement with CBW's designee, at Franchisee or Successor's sole cost, as applicable.

e. *Sale to a Competitor*. Notwithstanding anything to the contrary in this Agreement, if Franchisee or Successor, as applicable, attempts to sell the Camp or any assets used in operation of the Camp to a third-party who will not use them as a franchisee or licensee for a Camp operating under the System, CBW's Right of First Refusal (defined below) shall endure indefinitely, and CBW shall have the right to match any related Purchase Offer less any amounts allocated to goodwill, the customer list, any assets explicitly owned or assigned to CBW under this Agreement, or the value of the business as a going concern. CBW shall also have the right to seek a third-party valuation and/or appraisal. If CBW's valuation or appraisal differs from the amounts allocated in the Purchase Offer by 10% or more, the parties agree to follow the purchase price procedures outlined in Section 13.1(a), below.

f. *CBW's Assets*. Nothing in this Agreement grants Franchisee or Successor the right to sell, or purport to sell, assets that are considered CBW's property, including but not limited to the Intellectual Property, the customer list, the Operations Manual, or the Confidential Information.

g. *No Waiver*. CBW's consent to any Transfer under this Section shall not constitute a waiver of any claims it may have against Franchisee or Successor.

13. RIGHT OF FIRST REFUSAL AND OPTION. Immediately upon expiration, termination, or nonrenewal of this Agreement, for any reason, or upon Franchisee's receipt of a Purchase Offer (defined below), CBW shall have the option (the "**Option**") or Right of First Refusal, as applicable, to purchase all of Franchisee's rights, title and interest in and to the Camp (together with and including all real or personal property, leasehold improvements and other assets used by the Franchisee in the Camp and at the Camp Site) pursuant to the following terms and conditions (the "**Right of First Refusal**").

Upon Expiration, Termination, or Non-Renewal. CBW will issue an LOI to exercise its 13.1. Option as soon as practicable following the effective date of expiration, termination, or non-renewal of the Agreement, but in no event more than 60 days following the effective date of the same. The purchase price shall be the amount a willing buyer would pay and a willing seller would accept for the purchase and sale of comparable property, both having reasonable knowledge of the relevant facts and being free from duress and coercion (the "Fair Market Value"), less: (i) all amounts due to CBW under this Agreement or any other agreement between CBW and Franchisee (and, if Franchisee is an entity, any agreements between CBW and any of Franchisee's officers, directors, shareholders, agents, members, Affiliates, owners or Principals); and (ii) the value of the business as a going concern. If the parties cannot agree on the Fair Market Value within 60 days of Franchisee's receipt of CBW's LOI, the parties shall each select an independent third-party MAI appraiser, each of whom must have at least 5 years of relevant experience in the area where the Camp Site is located. The two appraisers shall submit their appraisals to Franchisee and CBW simultaneously. If the appraisals differ by 10% or less, the average of the two appraisals shall be the Fair Market Value. If the appraisals differ by 11% or more, the two appraisers shall appoint a third independent third-party MAI appraiser with at least 5 years of relevant experience. If the third appraiser's value is between the other two appraisers' respective values, the third appraiser's value shall be the Fair Market Value. If the third appraiser's value is less than the lower or more than the higher of the first two appraisers' values, then the closest two of the three values shall be averaged to establish the Fair Market Value. Each party shall pay the costs of its own appraiser and, if appointed, half of the cost of the third appraiser.

Upon Receipt of a Purchase Offer. If at any time Franchisee obtains a bona fide, arm's 13.2. length, executed, written offer to purchase some or all of the Camp (together with and including all real or personal property, leasehold improvements, or other assets used in the Camp) (a "Purchase Offer"), Franchisee shall submit an exact copy of the Purchase Offer to CBW, fully disclosing the purchaser, within 5 days of receipt. All Purchase Offers must be expressly subject to CBW's Right of First Refusal. CBW will notify Franchisee of its intent to exercise its Right of First Refusal within 30 days of CBW's receipt of the Purchase Offer. Franchisee shall immediately notify the party that presented the Purchase Offer that CBW has decided to exercise its Right of First Refusal, and shall thereafter exclusively negotiate with CBW in good faith. The purchase price shall be the price specified in the Purchase Offer, less: (i) all amounts due to CBW under this Agreement or any other agreement between CBW and Franchisee (and, if Franchisee is an entity, any agreements between CBW and any of Franchisee's officers, directors, shareholders, agents, members. Affiliates, owners or Principals); (ii) the cost of a business valuation and an appraisal on the Camp, if any; and, (iii) any amounts intended to inflate the Purchase Offer to obtain a higher purchase price from CBW, with no verifiable, legitimate justification for the same. Franchisee shall bear the burden of proving the legitimacy of all amounts in the Purchase Offer. CBW may substitute cash for any other form of consideration specified in the Purchase Offer or pay the full purchase price at closing, even if the Purchase Offer contained different terms. In no event shall CBW be required to perform any obligations of the proposed transferee which are merely incidental to the transfer, such as employment agreements in favor of certain individuals, broker or finders' fees to be paid by the proposed transferee to Franchisee, etc. If at any time prior to consummating the transaction CBW determines, for any reason in its sole discretion, that it no longer wishes to exercise its Right of First Refusal, Franchisee may sell the Camp to the party that initially presented the Purchase Offer (but not at a lower price or upon more favorable terms than in the

Purchase Offer), so long as the conditions to Transfer in Section 12.1(b)(ii) are satisfied; or to any approved third party, subject to CBW's Right of First Refusal and so long as the conditions to Transfer in Section 12.2(b)(ii) are satisfied.

13.3. <u>Attorney Fees; Documentation</u>. Except as otherwise mutually agreed upon in writing, for purposes of this Section 13 each party will bear its own attorneys' fees, if any, and fees of other advisors or consultants. If CBW elects to exercise its Option or Right of First Refusal under this Section 13, CBW will prepare the definitive agreement(s) documenting the transaction, which will be on terms customary for this type of transaction (including representations and warranties, covenants, conditions, and indemnification).

13.4. <u>Operation of the Camp Pending Transfer</u>. Immediately upon delivery of CBW's intent to exercise its Right of First Refusal, or at any time thereafter pending the consummation of the transaction, CBW or its designee may take possession of the Camp and operate and develop it for the exclusive benefit of CBW or its designee.

14. DEFAULT. Upon occurrence of any of the following events (each a "Default"), immediately upon written notice to Franchisee, CBW has the right to: (i) limit Franchisee's License, (ii) suspend performance of some or all of CBW'S obligations under this Agreement, (iii) charge Franchisee the then-current Default Fee, (iv) charge Franchisee the then-current Daily Fee, and/or (v) subject to applicable State law, terminate this Agreement. CBW may choose to enforce one or more of the above-listed remedies simultaneously or consecutively, and all such remedies are in addition to and not in lieu of any other rights and remedies afforded to CBW by this Agreement or by law.

14.1. Franchisee, or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors:

a. becomes insolvent, makes an assignment for the benefit of creditors, or voluntarily files a petition for bankruptcy, insolvency or reorganization;

b. attempts to sell, Transfer, or otherwise dispose of any interest in Franchisee or the Camp in violation of Section 12;

c. violates any Section of this Agreement or the Operations Manual(s) relating to the Intellectual Property, Confidential Information, or Trade Secrets, or discloses the contents or any part of the Operations Manual(s), Confidential Information, or Trade Secrets to an unauthorized party;

d. violates the non-competition covenants in this Agreement or Attachment E to this Agreement;

e. misuses, misappropriates, or makes unauthorized use of CBW's proprietary software;

f. "abandons" the Camp, which for purposes of this Agreement means any conduct that indicates a desire or intent to cease development of the Camp as required pursuant to Section 6.1, close the Camp or discontinue providing any material Product or Service for a period of 2 or more consecutive days without CBW's prior approval;

g. is convicted of a felony or a crime involving moral turpitude, pleads no contest to a felony charge, or engages in any criminal conduct or misconduct in operation of the Camp or otherwise;

h. conducts itself in a manner that, although not criminal, has the potential to impair the goodwill or reputation of the System or the Intellectual Property, in CBW's sole discretion;

i. receives 2 or more notices of default from CBW during any consecutive 12-month period (whether or not the notices relate to the same or different defaults and whether or not any such default is cured);

j. understates Net Revenue by 1% or more on 3 or more occasions, unless Franchisee demonstrates that the understatement was an error;

k. contests the validity of, or CBW's ownership of, the Intellectual Property;

1. fails to meet the Financing Deadline, Premises Deadline, Construction Deadline, Operations Deadline or any incremental deadline imposed by CBW to ensure that Franchisee will meet any of the above deadlines;

m. defaults under any other agreement with CBW or any of CBW's Affiliates, or threatens material breach of any such agreement, and fails to cure the same within the cure period specified by the applicable agreement;

n. violates any law, ordinance, or regulation applicable to the Camp and fails to comply within the timeframe identified by the issuing authority (within 1 day if the violation involves a threat to health or safety) or, if no formal notice of violation was issued, within 3 days of when Franchisee should have reasonably been on notice that it was in violation (within 1 day if the violation involves a threat to health or safety);

o. operates the Camp in a manner that presents a health or safety hazard to customers, their pets, Personnel, or the public, in CBW's sole discretion;

p. defaults under any lease, mortgage, loan, deed, Real Estate Documents or any other agreement with CBW, its Affiliates, or any third party related to the Camp, and fails to cure such default within any applicable cure period;

q. takes any assets or property of the Camp, or any employee tax withholdings, FICA, insurance or benefits for personal use, or fails or refuses to timely pay its Personnel pursuant to applicable laws;

r. fails or refuses to timely submit any report, financial statement, tax return, incident report or other information required by this Agreement or the Operations Manual(s) on 2 or more occasions during any 12-month period regardless of whether CBW provides Franchisee with a warning or notice of default for each late report;

s. sells or offers any unauthorized product or service, or engages in any unauthorized business or practice under the Marks or under a name that is similar to the Marks;

t. fails, refuses, or neglects to obtain CBW's consent or approval as required by this Agreement;

u. is required to pay the Minimum Monthly Royalty defined in Section 3.2(b) for 4 or more months in any consecutive 12-month period;

v. breaches any other provision of this Agreement or the Operations Manual(s) and fails to cure the default within the applicable cure period identified by CBW (if any). If Franchisee believes that a reasonable person acting diligently could not cure the default within the prescribed cure period, Franchisee may request additional time. CBW may require Franchisee to show good faith effort to cure within the prescribed cure period when considering an extension at Franchisee's request;

w. A trustee or receiver is appointed for Franchisee and the appointment is not vacated within 60 days;

x. An involuntary petition in bankruptcy, insolvency, or reorganization is filed against Franchisee and is not dismissed within 60 days;

y. CBW discovers that Franchisee or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors: (i) made a material misrepresentation or omission or committed fraud in the franchise application or during the franchise sales process; or (ii) makes, or has made, any fraudulent or material misrepresentation or omission in connection with this Agreement or the Camp;

z. CBW discovers material facts or information about Franchisee or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors relating to that respective party's character, business acumen, professional reputation, or values that was not known by or disclosed to CBW prior to signing the Franchise Agreement, and that, if known, would have prevented CBW from selling Franchisee a license to develop and operate a Camp;

aa. A material judgment or series of judgments which together are material are entered against Franchisee or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors and remains unsatisfied for 30 days or more, or execution is levied against the Camp or any property used in operation of the Camp and is not discharged within 5 days;

bb. An animal is injured or killed as a result of Franchisee's or its Principals', officers', directors', shareholders', members', managers', general partners,' Personnel's or guarantors' negligent or willful violation of any System policy, standard, practice, or directive, provided that a default shall not be issued under this paragraph if the injury or death is caused by Personnel who knowingly violate policies or procedures established and enforced by Franchisee to prevent such occurrences;

cc. Any government action is taken against Franchisee that imposes an obligation on CBW that, in CBW's sole judgment, is uneconomical, not in the CBW's best interest, or would result in CBW having an unintended relationship or obligation; or,

dd. Franchisee receives three (3) or more Defaults, which, by their very nature are incurable, during the Term.

14.2. Upon occurrence of any of the following events (each a "**Default**"), immediately uponnotice to Franchisee and expiration of a 15-day cure period, CBW has the right to: (i) limit Franchisee's License, (ii) suspend performance of some or all of CBW'S obligations under this Agreement, (iii) charge Franchisee the then-current Default Fee, (iv) charge Franchisee the then-current Daily Fee, and/or or, (v) subject to applicable State law, terminate this Agreement. CBW may choose to enforce one or more of the above-listed remedies simultaneously or consecutively, and all such remedies are in addition to and not in lieu of any other rights and remedies afforded to CBW by this Agreement or by law. This Section shall apply if Franchisee, or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors:

a. fails to strictly comply with the then-current Operations Manual(s) or any System standard, procedure, practice, rule, process, directive, or requirement as may be communicated by CBW from time to time;

b. fails to adhere to the insurance requirements in this Agreement and the Operations Manual(s);

c. fails or refuses to pay, or has insufficient funds to pay, any amounts owed to CBW on the date payment is due;

d. fails to obtain or maintain any licenses, variances, certifications, or permits necessary to operate the Camp from the Camp Site; or,

e. a guarantor fails or refuses to deliver current financial statements to CBW within 10 days of being requested.

14.3. Upon occurrence of any of the following events (each a "**Default**"), immediately upon notice to Franchisee and expiration of a 30-day cure period, CBW has the right to: (i) limit Franchisee's License, (ii) suspend performance of some or all of CBW'S obligations under this Agreement, (iii) charge Franchisee the then-current Default Fee, (iv) charge Franchisee the then-current Daily Fee, and/or, (v) subject to applicable State law, terminate this Agreement. CBW may choose to enforce one or more of the above-listed remedies simultaneously or consecutively, and all such remedies are in addition to and not in lieu of any other rights and remedies afforded to CBW by this Agreement or by law. This Section shall apply if Franchisee, or any of its Principals, officers, directors, shareholders, members, managers, general partners or guarantors:

a. fails to satisfy any training requirement imposed by CBW;

b. uses an unapproved vendor or supplier when CBW has designated an approved or required vendor or supplier for the same;

c. makes an unauthorized change to the Camp Site or other equipment or materials used in the operation of the Camp; or,

d. fails to staff the Camp sufficiently or fails, in CBW's sole discretion, to adequately supervise the day-to-day operations of the Camp.

If Franchisee is in Default, CBW has no obligation to perform or comply with its obligations under this Agreement or any other agreement between the parties until Franchisee cures the Default to CBW's satisfaction. CBW has the right but not the obligation to undertake and perform any of Franchisee's obligations under this Agreement and to be reimbursed upon demand for its costs and expenses of doing so, plus interest. CBW shall have the right, but not the obligation, to enter the Camp Site and exercise complete authority over Camp operations and all Products and Services offered through Camp until CBW determines, in its sole discretion, that Franchisee has cured the Default(s) and is capable of compliance with this Agreement and the Operations Manual(s). If CBW exercise this right, Franchisee shall reimburse CBW for all reasonable costs and expenses of doing business, including but not limited to costs associated with payroll, insurance, utilities, advertising, marketing, rent, mortgage payments, supplies, the cost of CBW's personnel and their travel, food, and lodging, and pay us the then-current daily management fee. During any such period, Franchisee's Personnel will remain solely Franchisee's employees, and Franchisee's insurance shall be the sole applicable insurance policy. Franchisee shall also indemnify and hold CBW and CBW's employees and representatives harmless from and against any fines, claims, suits, or proceedings that arise out of the period of CBW's operation of the Camp. CBW has the right to retain all profit realized during CBW's operation of the Camp.

15. TERMINATION OR EXPIRATION.

15.1. <u>Termination by CBW</u>.

a. *Effect of Termination*. Upon termination, Franchisee shall not be relieved of any of its obligations, debts, or liabilities under this Agreement. CBW's right to terminate this Agreement is in addition to, and not in lieu of, any other rights and remedies available to CBW at law, in equity, or otherwise, all of which are cumulative.

b. *Cross-Default and Termination*. If Franchisee, or if Franchisee is an entity, any of its officers, directors, Principals, managers, shareholders, members, owners, or partners (for purposes of this Section 15.1, **"Cross-Defaulting Parties"**) is party to another agreement with CBW, a default under this Agreement shall constitute a default under that agreement and vice versa. If this Agreement is terminated or cancelled for any reason, CBW may, at its option, terminate any or all such other agreements that exist between CBW and the Cross-Defaulting Parties. Likewise, should any other agreement between CBW and the Cross-Defaulting Parties be terminated or cancelled for any reason, CBW may, at its option, terminate this Agreement. If there is more than one Franchisee, all Franchisees' liability is joint and several, and a breach by one Franchisee shall be deemed a breach by all. Notwithstanding the foregoing, CBW's right to terminate under Section 14 of this Agreement is hereby limited to instances where at least 2 defaults have been issued at a single franchised location.

15.2. <u>Termination by Franchisee</u>. Provided Franchisee is in compliance with this Agreement, Franchisee may terminate this Agreement only for "Good Cause" (defined below), by providing CBW with written notice specifying the alleged default with particularity and providing CBW with a minimum of 60 days to cure the default. If the default cannot reasonably be cured within 60 days, Franchisee must provide CBW with additional time as is reasonable under the circumstances. Failure to give timely notice of default shall constitute a waiver of the alleged default. For purposes of this Section 15.2, "Good Cause" means that CBW has committed a material and substantial breach of this Agreement and it has not cured the breach within the time period allowed by this Agreement. Franchisee's written notice of termination under this Section shall not excuse Franchisee from performing its obligations under this Agreement during the cure period, or entitle Franchisee to any refund of amounts paid to CBW or its Affiliates. Any attempt by Franchisee to terminate this Agreement without good cause or without following the procedures outlined above is a Default under this Agreement and such termination shall be void.

16. POST-EXPIRATION, POST-TERMINATION, AND POST-TRANSFER OBLIGATIONS. Upon expiration, termination, non-renewal, or Transfer of this Agreement, for any reason, Franchisee shall fully and completely comply with all of the following obligations, to CBW's satisfaction.

- 16.1. Immediately:
 - a. stop operating the Camp and offering any Products or Services;
 - b. pay all unpaid amounts owed to CBW or any of its Affiliates;

c. remove all Marks or other System-identifying items from the Camp Site and any other locations where Services are provided. If Franchisee fails to do this to CBW's satisfaction, CBW or its designee may enter the Camp Site or other applicable location and remove such items without being guilty of trespass and without paying for any such items of personal property.

d. amend or terminate any application or registration of any d/b/a, fictitious name, business name, or any other filing containing any of the Marks, so as to delete the Marks and all references to the System. If franchisee has not completed this within 30 days of expiration or termination, Franchisee irrevocably appoints CBW as Franchisee's attorney-in-fact to execute such directions and authorizations as may be necessary to accomplish it, acknowledging that CBW has a valid legal interest in protecting the System;

e. refrain from identifying itself or any business, directly or indirectly, as a current franchisee or licensee of CBW or its Affiliates, or from stating that Franchisee or any business is approved, endorsed or trained by CBW;

f. refrain from using any Mark, any colorable imitation thereof, or any indicia of Camp in any manner for any reason, or using any trade name, trademark, service mark, or other commercial symbol that suggests a connection or association with CBW or its Affiliates;

g. stop using all signs, structures, advertisements, brochures, social media pages, telephone listings, fax numbers, email addresses, website listings, and any other forms of promotion and return all of these materials and any Products or Services associated with the System to CBW or its designee;

h. return the Manual(s), the Customer List, all records, files, instructions, agreements, Confidential Information, Trade Secrets and any other materials provided by or made available by CBW or created by a third party for Franchisee relating to the Camp (all of which Franchisee acknowledge to be CBW's property and not subject to any purchase options under Section 13) Franchisee shall not, under any circumstances, keep a copy of any portion of the Manual, Confidential Information, or any Trade Secrets;

i. cancel or assign all telephone numbers, fax numbers, websites, URL's, domain names, social media pages, review site listings, telephone listings, and title to any other online or virtual business directory listing and notify all service providers and listing agencies of the transfer;

j. provide CBW with the Option or Right of First Refusal to purchase set forth in Section 13;

k. comply with the restrictive covenants in this Agreement and in Attachment E;

1. comply with all indemnification covenants in this Agreement;

m. comply with the inspection rights granted to CBW in Section 4 (for a period of 6 years after termination or expiration);

n. terminate any vendor relationship established through Franchisee's association with CBW; and,

o. comply with any other obligations reasonably imposed by CBW to protect its interest in the System and the Intellectual Property.

16.2. Within 5 calendar days:

a. pay all unpaid amounts owed to Franchisee's landlord(s) (if applicable), any System suppliers, and any other creditors; and,

b. refund all outstanding customer credits, services, and packages.

16.3. If, at the time of expiration, termination, non-renewal, or Transfer, CBW is the lender under any loan agreement with Franchisee or the holder of any promissory note or security interest relating to the Camp, such loan, note, or security interest will accelerate and become immediately fully due and payable upon the effective date of expiration, termination, non-renewal, or Transfer. If the terms of the applicable loan agreement, promissory note, or security interest agreement conflict with the terms of this Agreement, the terms of this Agreement will control.

16.4. Termination, expiration, non-renewal, or Transfer of this Agreement will not affect, modify, or discharge any claims, rights, causes of action or remedies which CBW may have against Franchisee, whether they arise before or after termination, expiration, or Transfer. In any proceeding where the validity

of termination, expiration, or non-renewal is at issue, CBW is not limited to the reasons listed in any notice of expiration, non-renewal, or termination given to Franchisee. CBW's rights are cumulative, and exercising or enforcing any right or remedy hereunder shall not preclude CBW from exercising or enforcing any other rights or remedies granted by this Agreement or by law.

16.5. All obligations of either party which expressly or by their nature survive expiration, termination, non-renewal, or Transfer of this Agreement will continue in full force and effect notwithstanding expiration, termination, non-renewal, or Transfer. The sections that survive expiration, termination, non-renewal, and Transfer include, but are not limited to, Sections 2, 4, 8, 9, 11, 12, 13, 16, 18, 19, 20, and 21.

16.6. IN THE EVENT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION, EXPIRATION, OR NON-RENEWAL ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN FRANCHISEE'S RIGHTS REGARDING TERMINATION, EXPIRATION, OR NON-RENEWAL OF THIS AGREEMENT.

17. CONDEMNATION AND CASUALTY.

17.1. Franchisee shall immediately give CBW notice of any lease default or termination, mortgage default or foreclosure, condemnation of any part of the Camp Site, or proposed taking of any portion of the Camp Site through eminent domain.

17.2. If any portion of the Camp Site is to be condemned or taken through eminent domain, Franchisee may relocate the Camp Site within the Authorized Territory or elsewhere with CBW's prior written approval, so long as CBW approves the new site and Franchisee follows CBW's then-current relocation and buildout procedures. If Franchisee opens at the new location within 1 year of closing the old Camp Site, the new Camp Site will be deemed to be the Camp Site under this Agreement. If, for any reason, Franchisee does not open at the new Camp Site within 1 year of closing the old Camp Site, Agreement immediately upon notice to Franchisee.

17.3. If the Camp Site is damaged, Franchisee will ensure that the damage is promptly repaired to CBW's then-current standards and specifications. If the damage or repair requires Franchisee to close the Camp, stop offering any Service or Product, or relocate the Camp Site, Franchisee will immediately notify CBW in writing and will re-open or resume offering the suspended Product or Service as soon as practicable (but in any event less than 1 year after closing the Camp Site), giving CBW 30 days' advance notice of the re-opening date. If Franchisee does not re-open (either from the old Camp Site or the new Camp Site, as applicable) within 1 year, CBW may, in its sole discretion, limit the License or terminate this Agreement immediately upon written notice to Franchisee.

17.4. Neither the Initial Term nor the Term will be extended by any period of closure or business interruption under this Section 17 unless due to force majeure, in which case Section 20.9 shall apply.

18. NOTICES. Except as otherwise stated below, notices under this Agreement shall be delivered: (a) personally; (b) via reputable courier services, charges pre-paid; or (c) via first-class registered or certified mail, postage pre-paid, using the contact information below. CBW may also deliver any notice to Franchisee via email. Either party may update its contact information below by giving notice in writing to the other party.

| To CBW: | To Franchisee: | | |
|--|----------------|--|--|
| Camp Bow Wow Franchising, Inc. | | | |
| Attn: Legal Department | Attn: | | |
| 7577 W. 103 rd Ave. Suite 209 | | | |
| Westminster, CO 80021 | | | |
| | Email: | | |
| | | | |
| | | | |

Notices under this Section will be effective: (a) on the date of hand delivery, if applicable; or, upon the earlier of (b) the other party's receipt, (c) if mailed, 3 business days after dispatch, or (d) if sent via overnight courier, 1 business day after dispatch. Notices sent by CBW via email will be effective as of the date and time stamp recorded on the sent email.

19. DISPUTE RESOLUTION. Subject to the exceptions contained in Section 19.3, this dispute resolution provision is mandatory and applies to, governs and provides the exclusive method for resolving any and all disputes and claims by and against CBW, Franchisee and their respective Affiliates, successors, owners, managers, officers, directors, employees, Personnel, agents, Person(s) in Privity (defined below), and representatives. The scope of this mandatory dispute resolution provision consists of all claims arising out of or relating to this Agreement, its terms, the parties' dealings with one another under this Agreement, the parties' dealings with one another under this Agreement, the parties' dealings with one another generally, or of alleged violation of any applicable law or regulation (a "**Dispute**"). This dispute resolution provision will survive the termination or expiration of this Agreement. For purposes of this Section, "**Person(s) in Privity**" include but are not limited to, Franchisee's spouses and other family members, heirs, executors, representatives, successors and assigns.

19.1. Mediation. All parties involved in a Dispute shall first submit the Dispute to mediation to be administered by the American Arbitration Association under its mediation rules then in effect. The mediation shall be conducted at the offices of the American Arbitration Association in Denver, Colorado, or such other location agreed on by all parties. Any party to this Agreement may initiate mediation by written request to all other parties. Each party that receives a written request for mediation must respond, in writing, within three (3) business days of receipt of the request and state unequivocally whether that party will participate in mediation. Failure to respond constitutes a waiver of the right to mediate and permits the requesting party to proceed as set forth herein. Absent rare, exceptional circumstances, the mediation shall be conducted and completed within forty-five (45) days of the written request for mediation. The parties shall participate in good faith in the entire mediation, including the mediation conference, with the intention of resolving the dispute. The parties shall each send at least one representative to the mediation conference who has authority to enter into a binding contract on that party's behalf and on behalf of all principals of that party who are required by the terms of the parties' settlement to be personally bound by it. The parties recognize and agree, however, that the mediator's recommendations shall not be binding on the parties. Notwithstanding the foregoing agreement to mediate, CBW shall have the right, at its election, to seek, in arbitration or a court of competent jurisdiction, the issuance of injunctive and other equitable relief to protect and enforce its rights under this Agreement without waiting for completion of mediation and without waiving mediation. Completion of mediation shall be a condition precedent to initiation of an arbitration proceeding.

19.2. <u>Arbitration</u>. If the parties are unable to reach resolution of any Dispute through mediation as provided in Section 19.1 above, any Dispute shall be governed and exclusively resolved by final and binding arbitration administered by the American Arbitration Association. Subject to this Section 19.2, the right and duty of the parties to this Agreement to resolve any disputes by arbitration will be governed exclusively by the Federal Arbitration Act, and arbitration will take place according to the Commercial Arbitration Rules of the American Arbitration in effect as of the date the demand for arbitration is filed.

19.3. <u>Exceptions to Mandatory Arbitration Requirement</u>. CBW, in its sole discretion, is permitted to pursue claims in a court of competent jurisdiction located in the State of Colorado that involve (a) Franchisee's misuse of any of the Intellectual Property or the System, business concept or any issue involving injunctive relief against Franchisee or any issues related to disclosure or misuse of Confidential Information, Trade Secrets or patents; and (b) CBW's enforcement of its rights under this Agreement and any agreement attached hereto.

19.4. Arbitration Procedures.

a. *Hearing locale*. The arbitration hearing will be held at the offices of the American Arbitration Association in Denver, Colorado, or such other location as the parties agree. Absent extraordinary circumstances or agreement of the parties, the hearing on the merits shall be commenced within 180 days of the date the demand for arbitration (or other initiating document) is submitted to the American Arbitration Association.

b. *Arbitrator*. The arbitration hearing will be conducted by a single arbitrator who has a minimum of five (5) years of experience in franchise law. The fees of the arbitrator and the American Arbitration Association will be divided equally between the parties. The arbitrator will have no authority to amend or modify the terms of this Agreement.

c. *Award*. The arbitrator shall issue a reasoned award. The award of the arbitrator will be final and binding on the parties and may be enforced by judgment or order of the state and federal courts located in Denver, Colorado.

d. *Discovery*. The parties' written discovery rights in arbitration shall be limited to requests for production of documents (including electronically-stored information). The parties' deposition rights in arbitration shall be limited to (1) depositions of two representatives of each party not to exceed 4 hours per deposition, and (2) depositions of experts, if any, limited to 4 hours per deposition. Whether depositions of non-parties will be allowed will be decided by the arbitrator in his or her sole discretion. The arbitrator has the discretion to modify these discovery rights upon a showing of good cause. All discovery activities in arbitration including, but not limited to, production of documents and depositions, shall be conducted and maintained at all times as strictly confidential. Discovery information and documentation shall not be used for any purpose other than the pending arbitration action and shall not be disclosed – directly or indirectly – to any person or entity. At the conclusion of the action, a party that has produced documents may request the return of all documents previously produced, and the recipient of such request shall return all produced documents, including copies, and provide written verification that all documents have been returned to the requesting party within 30 days of receipt of the request.

e. *Prevailing Party Rights*. The prevailing party in any arbitration or action in court to confirm or enforce an arbitration award shall be entitled to collect from the other party or parties all costs, expenses, and reasonable attorneys' fees incurred in connection with or relating to the action (including, but not limited to such costs, expenses, and attorneys' fees on appeal and in an effort to collect or enforce a judgment or decree) in addition to any other relief to which it is entitled.

19.5. To the extent permitted by applicable law, no issue of fact or law will be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between CBW and Franchisee or any Person in Privity with or claiming through, in the right of or on behalf of Franchisee or CBW.

19.6. The parties agree that all proceedings, whether in mediation, arbitration, or litigation, will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee, its Principals or guarantors, and CBW, its Affiliates or Personnel may not be consolidated with any other proceeding between CBW and any other person or Business Entity.

19.7. NEITHER CBW NOR ITS AFFILIATES, SUPPLIERS, VENDORS, LICENSORS OR AGENTS WILL BE LIABLE TO FRANCHISEE OR ANY THIRD PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR SIMILAR DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

19.8. CBW's officers, directors, shareholders, agents and employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 19, each having authority to specifically enforce the right to mediate or arbitrate claims asserted against such person(s) by Franchisee.

19.9. If CBW makes a decision based upon its reasonable business judgment, neither a mediator, arbitrator nor a judge shall substitute his or her judgment for the judgment so exercised by CBW. The fact that a mediator or judge might reach a different decision than the one made by CBW is not a basis for finding that CBW made its decision without the exercise of reasonable business judgment. CBW's duty to exercise reasonable business judgment in making certain decisions does not restrict or limit CBW's right under this Agreement to make other decisions based entirely on CBW's sole discretion as permitted by this Agreement. CBW's sole discretion means that CBW may consider any set of facts or circumstances that it deems relevant in rendering a decision.

19.10. In the event of termination or cancellation of this Agreement prior to the end of the Initial Term, for any reason (other than a lawful termination by Franchisee), the parties agree that CBW is entitled to collect damages for lost future profits and contributions to the Advertising Fund, in addition to all other remedies and damages available to CBW at law or in equity, and the arbitrator shall have the authority to award the same in addition to any other relief, damages, costs, and fees. For the avoidance of doubt, the parties agree that this provision shall apply in the event of termination precipitated by Franchisee's Default under this Agreement. Lost future profits shall be calculated by taking the greater of the Minimum Monthly Royalty (as defined in Section 3.2, above) that Franchisee would owe to CBW for the remainder of the Term, if the Agreement had not been terminated; or, the average of the Royalty Fees actually paid by Franchisee for the 12 months immediately preceding the effective date of termination, multiplied by the

months that would have remained in the Term, had the Agreement not been terminated. The parties agree that this calculation is reasonable and reflects the actual lost profits CBW is likely to suffer in the event of early termination.

20. MISCELLANEOUS.

20.1. <u>Choice of Law and Venue</u>. Subject to CBW's federal trademark rights under the Lanham Act and the parties' rights under the Federal Arbitration Act, the parties expressly consent to personal jurisdiction and venue in the State of Colorado and agree that such courts will have exclusive jurisdiction and venue over any issues not subject to arbitration, and that Colorado law will apply.

20.2. <u>Scope of Rights</u>. Where this Agreement grants CBW a certain right, that right is absolute, and CBW may exercise that right without limitation or review. CBW has the right to, among other things, operate, administer, develop, manage, and change the System in any manner that is not specifically and expressly precluded by this Agreement.

20.3. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which when executed shall be deemed an original, and all of which when taken together shall constitute one full and complete document. Any signature hereon may be transmitted by facsimile, email, or electronic signature, and such signature shall be valid and accepted for all purposes.

20.4. <u>Severability</u>. If any term of this Agreement is held to any extent to be illegal, otherwise invalid, or unenforceable, such term shall be excluded to the extent of such invalidity or unenforceability and all other terms of this Agreement shall remain in full force and effect

20.5. <u>Failure to Act; Customs; Waiver</u>. CBW's failure, neglect, or delay in enforcing or exercising any of its rights under this Agreement shall not affect or diminish CBW's right to strictly enforce each provision of this Agreement at any time, whether at law, in equity, for injunctive relief or specific performance, or otherwise. None of CBW's customs, usage, or practices with regard to this Agreement or to its agreements with other franchisees or licensees precludes the strict enforcement of this Agreement according to its terms. CBW's waiver of performance of any provision of this Agreement shall not constitute a waiver of CBW's right to enforce that provision in the future. CBW's acceptance of payment from Franchisee after an event of Default shall not constitute a waiver of the Default or of CBW's rights relating to the Default. No waiver shall be binding unless in writing and signed by the party waiving.

20.6. <u>Entire Agreement</u>. This Agreement, together with all exhibits, attachments, and addenda, constitutes the entire understanding and agreement between the parties and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, the License, the System, or Camp. Nothing in this Agreement or any related agreement is intended to disclaim the representations made by CBW in the Franchise Disclosure Document (including its exhibits).

20.7. <u>Headings</u>. The headings in this Agreement are for reference only, and do not define or limit the contents of the section or subsection.

20.8. Time is of the Essence. Time is of the essence with respect to every provision of this Agreement.

20.9. <u>Force Majeure</u>. Except as provided below, neither party is liable for any loss or damage due to delay in performance caused by strike, lockout, or other labor relations issue; fire; riot; war; embargo; civil commotion; government ordered shutdown that covers our Camp Services; or act of God. In any such event, performance will be delayed only so long as the event is in progress. Unless CBW agrees otherwise in writing, a force majeure event will not affect or change Franchisee's obligation to pay Royalty Fees, Advertising Fund Fees, and, if applicable, the Local Advertising Expense when due. CBW, in its sole discretion, may elect but is not required to waive any such fees or expenses for the period of delay or any shorter period CBW deems appropriate.

20.10. <u>Further Actions</u>. Franchisee will execute and deliver such further instruments, contracts, forms and other documents, and perform such further acts, as may be necessary or desirable to carry out, complete and perform all terms, covenants, and obligations under this Agreement. With regard to the Marks, Franchisee hereby irrevocably appoints CBW as its attorney-in-fact and empowers it to execute such instruments for and in Franchisee's name, even during Franchisee's Incapacity, to give full effect to Sections 8.1, 8.4, and 8.7 of this Agreement.

20.11. <u>Binding Effect</u>. This Agreement is binding upon, and shall inure to the benefit of, the successors, assigns, heirs and personal representatives of the parties.

20.12. <u>Personal Liability</u>. Fulfillment of CBW's obligations is CBW's sole responsibility, and none of CBW's agents, representatives, employees, or individuals associated with CBW will be personally liable to Franchisee for any reason.

20.13. <u>Modifications</u>. This Agreement can only be modified or amended by written agreement signed by both parties. No oral representation made to Franchisee is binding unless it is memorialized in a writing signed by both parties. Notwithstanding, Franchisee acknowledges and agrees that CBW may modify the System, the Manual(s), System standards and specifications, and any marketing or operating techniques unilaterally under any conditions and to the extent CBW deems appropriate to protect, promote, or improve the Marks or System. Franchisee covenants to accept and implement any such modifications at its own cost. CBW may also unilaterally reduce the scope of Franchisee's covenants under this Agreement upon notice to Franchisee. Upon receipt of notice, Franchisee will comply with the covenants as modified.

20.14. <u>Delegation</u>. CBW has the right to delegate performance of any or all of its obligations under this Agreement to third parties, agents, independent contractors or Affiliates. Franchisee hereby agrees to any such delegation and acknowledges that it is not a third-party beneficiary of any agreement between CBW and the party to whom any obligations or duties are delegated.

20.15. <u>Jointly Drafted</u>. This Agreement shall be construed as if drafted jointly by all parties, and no presumptions or burdens of proof will arise in favor of any party by virtue of the fact that it was authored primarily by an attorney for CBW, it being recognized that both parties have been advised to seek legal counsel prior to entering this Agreement and have had the opportunity to contribute to the terms and conditions in this Agreement.

20.16. <u>Attorneys' Fees</u>. The prevailing party in any action at law or in equity to enforce this Agreement or any rights under this Agreement shall be entitled to collect from the other party or parties all costs, expenses, and reasonable attorneys' fees incurred in connection with or relating to the action (including,

but not limited to such costs, expenses, and attorneys' fees on appeal and in an effort to collect or enforce a judgment or decree) in addition to any other relief to which it is entitled.

20.17. <u>Disclaimer</u>. THE SYSTEM, PRODUCTS, SERVICES, INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION, OPERATIONS MANUAL(S), SUPPORT SERVICES, AND ANY RELATED PRODUCTS OR SERVICES ARE PROVIDED "AS IS" AND "AS-AVAILABLE," WITH ALL FAULTS, AND WITHOUT WARRANTIES OF ANY KIND. CBW DISCLAIMS ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, QUALITY OF INFORMATION, AND TITLE/NON-INFRINGEMENT. ALL PRODUCTS AND SERVICES OF THIRD-PARTY PROVIDERS ARE PROVIDED AS-IS, WITHOUT WARRANTIES OF ANY KIND. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY CBW OR ITS AUTHORIZED REPRESENTATIVES SHALL CREATE ANY OTHER WARRANTIES OR IN ANY WAY INCREASE THE SCOPE OF CBW'S OBLIGATIONS UNDER THIS AGREEMENT.

21. ACKNOWLEDGEMENTS, REPRESENTATIONS, AND WARRANTIES.

21.1. <u>Franchisee's Acknowledgements</u>. Franchisee acknowledges that:

a. it has been advised to seek legal counsel and accounting advice with respect to this Agreement and all related or resulting transactions;

b. it has had an adequate opportunity to obtain legal, accounting, and other professional advice of its own choosing regarding this Agreement, the Camp, and CBW;

c. the System may evolve or change over time and CBW may impose changes to the System. CBW cannot predict the nature or extent of future changes or the amount of Franchisee's future investment to adopt future changes;

d. CBW does not warrant or guarantee that Franchisee will be able to secure the financing required to develop and operate a Camp or that Franchisee will be able to locate an approved Camp Site within the Authorized Territory;

e. the License is being granted in reliance upon the information supplied by Franchisee to CBW;

f. other franchisees may operate under different forms of franchise agreements, and consequently, CBW's rights and obligations with respect to other franchisees may differ materially;

g. franchisee is not signing in reliance on any parent, shareholder, owner, director, officer, agent or employee of CBW remaining with CBW in that capacity;

h. the submission of this Agreement to Franchisee does not constitute an offer;

i. this Agreement and any corrections, changes, amendments, attachments, or modifications will only become binding on CBW when executed or initialed by CBW's authorized representative; and,

j. if Franchisee is an entity, it is a material obligation that it remain duly organized and in good standing for the Term.

21.2. <u>Franchisee's Representations and Warranties</u>. Franchisee represents and warrants that:

a. Franchisee is financially and otherwise able to accept the risks and obligations associated with operating the Camp;

b. the statements Franchisee made in connection with its application for this franchise were, to the best of its knowledge, true when made and true as of the date of this Agreement, with no material omission of information or fact that would make the information disclosed misleading;

c. it was not induced or coerced to enter into this Agreement in reliance on or as a result of any written or oral statements, representations, warranties, conditions, covenants, promises or inducements, directly or indirectly, made by CBW, its officers, directors, agents, employees, or contractors except as provided herein or the Franchise Disclosure Document;

d. Franchisee has not received or relied on any promises, representations, guarantees, warranties, or statements, express or implied, about the potential volume, revenue, profit or success of the Camp or the System other than those disclosed in the Franchise Disclosure Document; and,

e. no assets, property, or interest owned by Franchisee or any individual who is an owner of Franchisee or a guarantor of Franchisee's obligations are now, or are subject to being, "blocked" under any anti-terrorism laws, and neither Franchisee nor any guarantor of Franchisee's obligations is otherwise in violation of any laws, including but not limited to anti-terrorism laws. Franchisee shall cooperate and assist with CBW's efforts to comply with anti-terrorism laws. Any violation of, or blocking of assets under, anti-terrorism laws is a material breach of this Agreement, and grounds for immediate termination.

21.3. <u>Mutual Representations and Warranties</u>. Each party represents and warrants that it has full authority to sign and execute this Agreement and that the person signing has obtained all consents necessary from any applicable partners, officers, managers, members or shareholders.

IN WITNESS, WHEREOF, the parties have executed this Agreement as of the Effective Date.

| <u>FRANCHISEE</u> : , a | <u>CBW</u> : CAMP BOW WOW FRANCHISING, INC., _ a Delaware corporation | | |
|-------------------------------|--|--|--|
| Signed: | Signed: | | |
| Printed Name: | Printed Name: | | |
| np Bow Wow – 2022 FDD | | | |

| Title: | Title: | | |
|--------|--------|--|--|
| Date: | Date: | | |

[Signature Page to Franchise Agreement]

ATTACHMENT A TO FRANCHISE AGREEMENT

CAMP SITE AND AUTHORIZED TERRITORY ADDENDUM

CBW and Franchisee have entered into a "Franchise Agreement" for the development and operation of a Camp, and hereby supplement its terms via this "Addendum" as follows:

1. Authorized Territory. The "Authorized Territory" shall be known as ______, as defined by the following zip codes: ______.

2. Acknowledgement. Franchisee acknowledges and understands that CBW's approval of the Authorized Territory does not constitute a guarantee, recommendation or endorsement of the Authorized Territory, Franchisee's eventual Camp Site, or the viability or success of the Camp, all of which is dependent on Franchisee's abilities as an independent business operator. CBW makes no representation or warranty that Franchisee will be able to locate a Camp Site within the Authorized Territory or obtain zoning approval or any other entitlements necessary to open and operate a Camp within the Authorized Territory. Franchisee agrees that CBW has complied with its obligation to provide Franchisee with the criteria for a Camp Site.

3. Initial Franchise Fee. The Initial Franchise Fee is \$_____.

4. Miscellaneous. Except as amended in this Addendum, the terms of the Franchise Agreement are ratified and confirmed. All capitalized terms that are not defined in this Addendum have the meaning assigned to them in the Franchise Agreement. In the event of a conflict between the Franchise Agreement and this Addendum, the terms of this Addendum shall control.

IN WITNESS, WHEREOF, the parties have executed this Addendum as of the date the last party signs below.

| <u>FRANCHISEE</u> : , a, | <u>CBW</u> : CAMP BOW WOW FRANCHISING, INC., a Delaware corporation | | | |
|--------------------------------|--|--|--|--|
| Signed: | Signed: | | | |
| Printed Name: | Printed Name: | | | |
| Title: | Title: | | | |
| Date: | Date: | | | |

ATTACHMENT B TO FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

Camp Bow Wow Franchising, Inc., a Delaware corporation ("**CBW**") and ______ ("**Franchisee**"), have entered into a "Franchise Agreement" (the "**Agreement**") for the development and operation of a Camp Bow Wow® franchised business ("**Camp**"). CBW requires a personal guarantee of Franchisee's obligations under the Agreement, and the parties hereby supplement the Agreement's terms via this "**Guarantee**:"

AGREEMENT

In consideration of, and as an inducement to, CBW's execution of the Agreement, each of the undersigned hereby personally and unconditionally, jointly and severally:

1. Guarantees to CBW and its successors and assigns that Franchisee will punctually pay and perform each and every undertaking, agreement, covenant, and obligation set forth in the Agreement, whether now existing or hereafter incurred;

2. Agrees to be personally bound by, and liable for Franchisee's breach of, each and every provision in the Agreement;

3. Waives (a) notice of acceptance of this guarantee; (b) notice of any demand for payment, performance, or indebtedness delivered to Franchisee; (c) protest and notice of default or termination delivered to Franchisee; (d) any right to require that action first be brought against Franchisee or any other person in order to trigger the undersigned's liability under this Guarantee, or to require that CBW resort to any security interest or to balance of any account or credit in favor of Franchisee or any other person; and (e) all other notices and legal or equitable defenses to which the undersigned might be entitled. This Guarantee shall remain effective regardless of the insolvency of Franchisee by operation or law, reorganization, merger, or consolidation, or any other change in ownership of Franchisee.

4. Agrees to render payment or performance required under the Agreement upon demand, if Franchisee fails or refuses to do so in compliance with the Agreement;

5. Agrees that the undersigned's liability is not contingent upon CBW's pursuit of its remedies against Franchisee, and is not diminished, relieved, or otherwise affected by any extension of time or credit CBW may grant to Franchisee or any other person, including without limitation acceptance of any partial payment or performance or the compromise or release of any claims, none of which will modify or amend this Guarantee;

6. Agrees to be bound by the restrictive covenants, confidentiality, and indemnification provisions in the Agreement, which are hereby incorporated into this Guarantee by reference, in their entirety;

7. Agrees that within 10 days of receipt of CBW's written request, it shall: (a) furnish evidence of execution of this Guarantee; or, (b) provide CBW with current financial statements as may be requested

from time to time. Failure to comply with this Section will constitute a default by Franchisee under the Agreement;

8. Represents and warrants that Franchisee is a(n) *(please check which applies)*, and the following individuals or entities have a direct or indirect, legal, and/or beneficial interest in the Agreement:

- Individual
- Partnership
- Limited Liability Company
 Other (please explain):
- Corporation

| Name | Address | Phone | Date of Birth MM/DD/YY | % Ownership |
|------|---------|-------|------------------------------|----------------|
| | | | | |
| | | | | |

9. If Franchisee is an entity, the undersigned represents and warrants that Franchisee was formed under the laws of the State of _______. If none of the individuals has a majority ownership percentage, _______ shall act as Majority Owner as that term is defined in the Agreement (write n/a if one of the individuals has a numerical majority).

10. Represents and warrants that it has carefully read the Agreement and this Guarantee and all related documents to be executed in conjunction with this Guarantee, has obtained the advice of counsel before executing this Guarantee, understands the nature of this Guarantee, and intends to comply with and be bound by this Guarantee.

11. Miscellaneous:

a. All capitalized terms that are not defined in this Guarantee have the meaning assigned to them in the Agreement.

b. This Guarantee is continuing and irrevocable during the Term shall remain in full force and effect during any period of time post-expiration, termination, non-renewal, or Transfer of the Agreement with respect to provisions of the Agreement which expressly or by their nature survive expiration or termination of the same, and irrespective of any interruptions in business.

c. CBW's failure, neglect, or delay in enforcing or exercising any of its rights under this Guarantee shall not affect or diminish CBW's right to strictly enforce each provision of this Guarantee at any time, whether at law, in equity, for injunctive relief or specific performance, or otherwise. CBW's waiver of performance of any provision of this Guarantee shall not constitute a waiver of CBW's right to enforce that provision in the future. No waiver shall be binding unless in writing and signed by CBW.

d. This Guarantee is governed by the choice of law and venue provision in the Agreement.

IN WITNESS, WHEREOF, the undersigned, intending to be legally bound by this Guarantee, has duly executed and delivered this Guarantee on the date Guarantor(s) signs below.

<u>GUARANTOR</u>:

Signed:

Printed Name:

Date:

[Signature Page of Guarantee and Assumption of Franchisee's Obligations]

ATTACHMENT C TO FRANCHISE AGREEMENT

ACKNOWLEDGEMENT ADDENDUM

Franchisee and CBW (as each is defined in the Franchise Agreement) are entering a Franchise Agreement for the operation of a Camp Bow Wow® franchise. This Acknowledgement Addendum is to determine whether any unauthorized, untrue, inaccurate or misleading statements or promises were made to Franchisee during the offer or sale of the franchise, and to make sure Franchisee understands the limitations on claims that may be made to Franchisee prior to Franchisee's purchase of a franchise. Please review each question carefully. By initialing each section and signing below, Franchisee attests that all of the acknowledgements and representations are true and correct statements.

| | Acknowledgements and Representations* | <u>Initial</u> <u>s</u> |
|----|---|----------------------------|
| 1. | I have received a copy of the Franchise Disclosure Document and all exhibits and attachments (the "FDD") at least (a) 14 calendar days prior to signing the Franchise Agreement and all attachments and addenda (the "Franchise Agreement"); or (b) if Franchisee is a resident of New York , at the earlier of the first personal meeting or 10 business days before executing the franchise or other agreement or paying any consideration; or (c) if Franchisee is a resident of Michigan , at the earlier of 10 business days before executing any binding agreement or paying any consideration. | |
| 2. | I have studied and carefully reviewed the FDD and Franchise Agreement. | |
| | If CBW made any unilateral changes to the Franchise Agreement, I received a copy of the complete, revised agreement at least 7 calendar days prior to the date the Franchise Agreement was signed. | |
| 4. | I understand all of the information in the FDD and Franchise Agreement. | |
| 5. | I did not receive any oral, written or visual claim or representation that contradicts the disclosures in the FDD. | |
| 6. | Except as stated in Item 19 of the FDD, no employee or other person on behalf of CBW made any oral, written or visual claim, statement, promise or representation that stated, suggested, predicted, or projected sales, revenue, earnings, income, or profit levels at any Camp Bow Wow® location or business, or the likelihood of success at my franchised business. | |
| 7. | Except as stated in Items 6, 7, and 19 of the FDD, no employee or other person speaking on behalf of CBW made any statement or promise regarding the costs or expenses involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD. | |
| 8. | I understand that the franchise granted is for the right to operate a Camp at the Camp Site and for the Authorized Territory only, and includes no exclusive area or protected territory outside | |

the Authorized Territory, and that CBW and its Affiliates have the right to issue franchises or operate competing businesses, as CBW determines, near or adjacent to my Camp.

- 9. I understand that the Franchise Agreement contains the entire agreement between myself and CBW concerning the Camp, meaning any prior oral or written statements not set out in the Franchise Agreement are not binding although nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the FDD. I have not received or relied on any side agreements, options, rights of first refusal, or otherwise with respect to any matter (including but not limited to advertising, marketing, Camp Site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected franchise territory or otherwise).
- 10. I understand that the success or failure of my Camp will depend in large part upon my skills and experience, my business acumen, my location, the local market for services under the Marks, interest rates, the economy, inflation, the number of employees I hire and their compensation, competition and other economic and business factors. Further, I understand that the economic and business factors that exist at the time I open my Camp may change.
- 11. I have conducted my own independent investigation of the Camp Bow Wow® franchise, including assessing market conditions and the brand's reputation in my geographic area, and have not relied solely upon any oral or written representation about the franchise made by CBW.
- 12. I understand that training, support, guidance, and tools provided to me as part of the franchise are for the purpose of protecting the System and Marks and to assist me in operation of my Camp, and not for the purpose of controlling or in any way exercising control over my decisions or day-to-day operations of my business, including my sole responsibility for the hiring, wages, training, supervision, and termination of my employees and all other employment and employee-related matters.
- 13. I understand that I am bound by the non-compete covenants (both during and after the Term) listed in Section 11 and Attachment E and that an injunction is appropriate to protect the System and the Marks if I violate the covenants. Any violation of the covenants by anyone with an interest in the franchise may result in default or termination of the Franchise Agreement or an injunction.
- 14. I understand that the Franchise Agreement is between CBW and I, and that neither CBW nor its Affiliate(s) guarantee the performance of my obligations.
- 15. Other than the franchise sellers listed in the FDD, no one was involved in selling the franchise to me.
- 16. If you were unable to agree to any of the foregoing statements, please indicate which statement and explain why you were not able to agree. If none, please write "none":

BY SIGNING THIS ADDENDUM, I REPRESENT THAT I HAVE CONSIDERED EACH ACKNOWLEDGEMENT AND REPRESENTATION CAREFULLY, AND THEY ARE TRUE AND CORRECT STATEMENTS.

| Signed: |
|--|
| Printed Name: |
| Date: |
| Approved on Behalf of Camp Bow Wow Franchising, Inc. |
| Зу: |
| Fitle: |
| |

* These representations do not act as a release, estoppel, or waiver of any liability incurred under the Illinois Franchise Disclosure Act, the Maryland Franchise Registration and Disclosure Law or any other applicable law that prohibits releases, estoppels or waivers of liability under such law. This Acknowledgment Addendum does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder. Except to the extent CBW has negotiated changes to the Franchise Agreement that differ from the FDD, nothing in this Acknowledgement Addendum or any related agreement is intended to disclaim representations made in the FDD that was furnished to Franchisee. Should one or more clauses of this Acknowledgement Addendum be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Acknowledgement Addendum shall be valid and in full force and effect.

[Signature Page of Acknowledgement Addendum]

ATTACHMENT D TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS, INTERNET ADDRESSES, AND SOCIAL MEDIA PAGES

Upon expiration, termination, or non-renewal of that certain "Franchise Agreement" executed by and between Camp Bow Wow Franchising, Inc., a Delaware corporation ("**CBW**") and ,a_______("**Franchisee**") and for value received, Franchisee hereby assigns the following to CBW: (1) all telephone numbers and regular, classified, or other telephone directory listings; (2) all Internet addresses, URLs, websites, domain names; (3) all social media pages, including but not limited to Facebook, Instagram, YouTube, Pinterest, Twitter, Tumblr, Snapchat, LinkedIn, Yelp, Google+, image-sharing sites, blogs, and any other information-sharing site or page on the Internet; and, (4) all email addresses, text messages or other form of wireless or computer-generated communication or messaging; wherever located, associated with CBW's trade and service marks and used from time to time in connection with the operation of the Camp (collectively, the "**Assigned Items**").

This assignment is for collateral purposes only. Unless CBW notifies the telephone company, social media sites, listing agencies, Internet service provider, etc. that it intends to effectuate this Assignment, CBW has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment. If CBW exercises its right to assume any or all of the Assigned Items, Franchisee shall have no further right, title or interest in and to the Assigned Items, but shall remain liable to all providers for past due amounts or all other amounts owed through the effective date of the assignment.

Franchisee acknowledges and agrees that as between Franchisee and CBW, upon expiration or termination of the Franchise Agreement, CBW shall have the sole right to and interest in the Assigned Items. Franchisee hereby appoints CBW as its attorney-in-fact to direct all applicable providers (including but not limited to telephone providers, Internet Service Providers, social media providers, etc.) to assign the Assigned Items to CBW, and execute any documents and take any actions necessary to effectuate the Assignment.

Immediately upon expiration, termination, or non-renewal of the Franchise Agreement, Franchisee shall notify the applicable providers to assign the Assigned Items to CBW. If Franchisee fails to do so within 3 business days of the effective date of expiration or termination, CBW has the right to direct the providers to effectuate this Assignment. THE PARTIES EXPRESSLY AGREE THAT PROVIDERS MAY ACCEPT THIS ASSIGNMENT, THE FRANCHISE AGREEMENT, AND/OR CBW'S WRITTEN DIRECTION AS CONCLUSIVE PROOF OF CBW'S EXCLUSIVE RIGHTS IN AND TO THE ASSIGNED ITEMS AND THAT THE ASSIGNMENT SHALL BE EFFECTIVE IMMEDIATELY UPON THE PROVIDER'S RECEIPT OF SUCH NOTICE FROM CBW OR FRANCHISEE. If any provider requires the parties execute such provider's assignment form or other documentation necessary for the provider to assign the Assigned Items, CBW's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the Assignment.

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Franchisee agrees to perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the Assignment described in this Addendum.

| FRANCHISEE (ASSIGNOR): | | <u>CBW (ASSIGNEE)</u> : CAMP BOW WOW FRANCHISING | | | |
|--|--------|---|--|----------|--------------|
| a' | | INC., | | poration | FRANCHISHNG, |
| Signed: | | Signed: | | | |
| Printed | Name: | Printed | | | Name |
| Title: | | Title: | | | |
| Date: | | Date: | | | |
| ACCEPTED AND AGREED TO B BEHALF OF PROVIDER): | SY (ON | | | | |
| (Company Authorized Representative): | | | | | |
| Printed Name of Representative | | | | | |
| Printed Name of Company | | | | | |

Date

[Signature Page to Collateral Assignment of Telephone Numbers, Telephone Listings, Internet Addresses, and Social Media Pages]

ATTACHMENT E TO FRANCHISE AGREEMENT

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement ("Agreement") is by and among Camp Bow Wow Franchising, Inc., a Delaware corporation with a principal place of business at 7577 W. 103rd Ave., Suite 209, Westminster, Colorado 80021 ("CBW"); ______ ("Franchisee"); and ______, who resides at ______ ("Associate"), and is effective as of the date the last party signs below.

RECITALS

A. CBW is engaged in the business of selling franchises for the operation of a business offering a variety of pet care services and products, including but not limited to dog daycare, boarding, grooming, training, retail sales, and in-home pet care (a "**Camp**") under CBW's trademarks, service marks, logos, trade dress, designs, and other commercial symbols (the "**Marks**").

B. CBW has developed methods for establishing, operating and promoting Camps pursuant to CBW's distinctive business formats, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of CBW ("Confidential Information," as further defined below) and Trade Secrets (defined below) as may be further developed from time to time by CBW (the "System").

C. CBW and its Affiliates have established substantial goodwill and an excellent reputation with respect to the quality of services and products available, which is and will continue to be valuable and substantially beneficial to CBW.

D. Associate is or will become involved with the System in the capacity of a franchisee, or a guarantor, shareholder, member, partner or other owner, director or officer, or an immediate family member of any such person, all of whom are associated with a Camp pursuant to a "**Franchise Agreement**" between CBW and Franchisee, and will have access to certain Confidential Information and Trade Secrets (defined below).

E. The parties have reached an agreement with regard to Associate's non-disclosure of Confidential Information and Trade Secrets and non-competition with CBW, pursuant to the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, the promises contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Associate and CBW, intending to be legally bound, agree as follows:

1. **DEFINITIONS.**

a. **"Competing Business"** means any business that offers the same or similar products or services as the Camp, or any other products or services authorized by CBW or offered for sale by System franchisees during the Term or any Renewal Terms of the Franchise Agreement, except for other Camps or businesses operating under separate active agreements in good standing between Franchisee and CBW. Notwithstanding, Associate may own up to 5% of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934, provided that neither Franchisee nor any member of Franchisee's family is involved in the management or operation of the competitor and does not serve that business in any capacity other than as a shareholder.

b. "Confidential Information" – in addition to the items identified in Recital B above, Confidential Information means, without limitation, all information, knowledge, know-how, techniques, standards, formulas, methods, specifications, and procedures related to the establishment and operation of the Camp and offering, selling, and providing the Services and Products, and includes but is not limited to: (a) all records pertaining to customers, suppliers and other service providers of the Camp; (b) all databases (whether in print, electronic or other form); (c) all customer lists, including but not limited to all customer names, addresses, phone numbers, email addresses, and purchase records; (d) all manuals; (e) promotional and marketing materials; (f) marketing strategies; (g) interior design plans; (h) operational standards; (i) marketing techniques and Internet advertising strategies; and (j) any other data and information which CBW or its Affiliates designates as confidential, including all information contained in CBW's Operations Manual (which may be provided as one or more separate manuals), written instructional guides, CD Rom or other communications from CBW or its Affiliates, which may be changed or supplemented from time to time.

c. "Camp Manager" means the person designated to direct the day-to-day operations of Franchisee's Camp.

d. **"Trade Secrets"** means information, including a formula, pattern, compilation, program, device, method, technique or process related to the Camp that derives actual or potential independent economic value from its secrecy and unattainability by proper means from those who would benefit financially from its disclosure or use, and which CBW makes a reasonable effort to protect as secret.

2. ACKNOWLEDGEMENTS. Franchisee and Associate acknowledge and agree that: (a) the Confidential Information an Trade Secrets are the unique and exclusive property of CBW and/or its Affiliates; (b) any unauthorized use or disclosure of the Confidential Information or Trade Secrets would be wrongful and would cause irreparable injury and harm to CBW and its Affiliates; (c) CBW and/or its Affiliates have spent a great amount of effort and money obtaining and developing the Confidential Information and Trade Secrets; (d) CBW and/or its Affiliates have taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and it would be very expensive for competitors to acquire or duplicate the same; and (e) CBW would not divulge the Confidential Information and Trade Secrets to Franchisee or Associate absent Franchisee's and Associate's agreement to strictly comply with this Agreement.

3. NONDISCLOSURE. During the Term of the Franchise Agreement and after the expiration, termination, Transfer, or non-renewal of the Franchise Agreement or upon the earlier cessation of

Associate's relationship with Franchisee or CBW, neither Franchisee nor Associate will publish, disclose, divulge or communicate any of the Confidential Information or Trade Secrets in any manner to any person, firm, corporation, association, partnership or any other entity whatsoever or use the Confidential Information or Trade Secret(s) for its own benefit, directly or indirectly, or for the benefit of any other person, firm, corporation, association, partnership or any other entity other than for the use of CBW or the Camp.

4. **EXCEPTIONS TO DISCLOSING CONFIDENTIAL INFORMATION.** Notwithstanding the foregoing, the nondisclosure restrictions in Section 3 will not apply to Confidential Information that: (a) was in the public domain before being communicated to Franchisee or Associate, through no fault of Franchisee or Associate; (b) entered the public domain after being communicated to Franchisee or Associate, through no fault of Franchisee or Associate; (c) was in Franchisee's or Associate's possession free of any confidentiality requirement at the time it was communicated to Franchisee or Associate; or (d) is disclosed in judicial or administrative proceedings to the extent Franchisee or Associate is legally compelled to disclose it, so long as Franchisee or Associate has notified CBW before disclosure and has used its best efforts, and afforded CBW the opportunity, to secure a protective order or other assurance satisfactory to CBW of confidential treatment for the Confidential Information to be disclosed.

5. **IN-TERM NON-COMPETITION AND NON-SOLICITATION.** Other than the Camp licensed under the Franchise Agreement, Franchisee and Associate agree that during the Term (including any Renewal Terms) of the Franchise Agreement, they will not, jointly or independently: (a) have or take any direct or indirect interest as a disclosed or beneficial owner, investor, principal, partner, member, lender, landlord, payee, or holder of a Competing Business; (b) act as a Camp Manager, other manager, employee, officer, director, consultant, representative, agent or in any other capacity for a Competing Business; or (c) directly or indirectly divert or attempt to divert business, customers, vendors, contractors or employees of the Camp, CBW, CBW's Affiliates, or any other franchisee to a Competing Business.

6. **POST-TERMINATION OR POST-EXPIRATION NONCOMPETITION.** Upon the earlier of expiration, termination, non-renewal, or Transfer of the Franchise Agreement, for any reason; or Associate's termination, non-renewal, or Transfer, neither Franchisee nor Associate will have or take any direct or indirect interest (through an immediate family member, beneficial owner, or otherwise) as a disclosed or beneficial owner, investor, principal, partner, member, lender, landlord, payee, or holder of a Competing Business, or act as a Camp Manager, other manager, employee, officer, director, consultant, representative, agent or in any other capacity for a Competing Business located or operating: (a) in Franchisee's Authorized Territory or within 50 miles of Franchisee's Authorized Territory; (b) within 50 miles of any other franchisee's Camp; or, (c) within 50 miles of any camp owned by CBW or its Affiliates. If Franchisee or Associate fails or refuses to voluntarily comply with these obligations, the 2-year period will commence upon entry of any court order enforcing this Section 6 and will be tolled for any period of non-compliance. Associate expressly acknowledges that it possesses skills and abilities of a general nature and has other opportunities to exploit such skills. Consequently, enforcement of this covenant will not deprive Associate of its ability to earn a living.

7. **INJUNCTION.** In the event of a breach or threatened breach of this Agreement, CBW shall be entitled to seek, from any court of competent jurisdiction, preliminary or permanent injunctive relief in addition to any other rights and remedies to which it may be entitled. Franchisee and Associate agree that

CBW may obtain such an injunction without posting a bond. Franchisee and Associate's sole remedy, upon entry of an injunction under this Section 7, shall be a hearing and, if ordered, dissolution of the injunction. Associate expressly waives all claims for damages due to wrongful issuance of an injunction.

8. MISCELLANEOUS.

a. <u>Right to Modify</u>. In the event of a dispute arising from or relating to the enforcement of this Agreement, a court or arbitrator may modify Sections 5 and 6 to the extent it deems necessary to make such provisions enforceable under applicable law.

b. <u>Effect of Waiver</u>. Waiver by Franchisee, Associate, or CBW of a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach of the Agreement.

c. <u>Binding Effect</u>. This Agreement is binding and shall inure to the benefit of each party and their respective heirs, executors, representatives, successors, and assigns.

d. <u>Entire Agreement</u>. This Agreement contains the entire Agreement among the parties relating to the subject matter set forth herein. It may only be changed by a written agreement, signed by the party against whom enforcement is sought.

e. <u>Governing Law</u>. Subject to CBW's rights under applicable trademark and copyright laws, this Agreement shall be governed by, construed under, and enforced in accordance with the laws of the State of Colorado, regardless of its conflicts of law principles.

f. <u>Jurisdiction and Venue</u>. The parties expressly consent to personal jurisdiction and venue in the State of Colorado and agree that such courts will have exclusive jurisdiction over any issues not subject to arbitration, and that Colorado law will apply.

g. <u>Severability</u>. If any term of this Agreement is held to any extent to be illegal, otherwise invalid, or unenforceable, such term shall be excluded to the extent of such invalidity or unenforceability and all other terms of this Agreement shall remain in full force and effect.

h. <u>Attorneys' Fees</u>. The prevailing party in any action at law or in equity to enforce this Agreement or any rights under this Agreement shall be entitled to collect from the other party or parties all costs, expenses, and reasonable attorneys' fees incurred in connection with or relating to the action (including, but not limited to such costs, expenses, and attorneys' fees on appeal and in an effort to collect or enforce a judgment or decree) in addition to any other relief to which it is entitled.

i. <u>Capitalized Terms</u>. All capitalized terms not otherwise defined in this Agreement will have the same meaning provided in the Franchise Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have entered this Agreement as of the date the last party signs below.

| <u>FRANCHISEE</u> : , a, | | <u>CBW</u>: CAMP BOW WOW INC., a Delaware corporation | FRANCHISING, |
|--------------------------------|---------------------------------------|---|--------------|
| Signed: | | Signed: | |
| Printed | Name: | Printed | Name: |
| Title: | | Title: | |
| Date: | | Date: | |
| ASSOCIATE: | | | |
| individually, | | | |
| Signed: | | | |
| Printed | Name: | | |
| Date: | - | | |
| | · · · · · · · · · · · · · · · · · · · | | |

[Signature Page to Non-Disclosure and Non-Competition Agreement]

ATTACHMENT F TO CAMP FRANCHISE AGREEMENT STATE-SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, the Franchise Agreement is amended as follows:

- 1. The Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.
- 2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).
- 3. The Franchise Agreement requires application of the laws of the State of Colorado. This may not be enforceable in the State of California.
- 4. The Franchise Agreement requires you to sign a general release of claims if Franchisee 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 3100 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).
- 5. California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, 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.
- 6. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

This Addendumpertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Section 2 of the Franchise Agreement is amended by adding the following:

2.2 <u>Illinois Law</u>. Your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

2. Section 15 of the Franchise Agreement is amended by adding the following:

15.1 <u>Illinois Law</u>. The conditions under which your franchise can be terminated may be affected by Illinois law, 815 ILCS 7051/19 and rule 200.608.

3. Section 20.1 of the Franchise Agreement is deleted in its entirety, and in its place is added: 20.1 This Agreement shall be interpreted under the laws of the State of Illinois except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 *et seq.*). Litigation governed by the Illinois Franchise Disclosure Act will take place in the State of Illinois. Any provision in the Franchise Agreement that designates jurisdiction, limitation on actions, or venue in a forum outside the State of Illinois is amended to state that Illinois law governs the franchise relationship.

The governing law clause contained in the Franchise Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms. Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF INDIANA

This Addendum applies to Indiana residents and to franchises to be located in the State of Indiana and is for the purpose of complying with Indiana statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. The parties expressly agree that to the extent any provision in the Franchise Agreement that conflicts with the Indiana Deceptive Practices Act (the "Indiana Act"), the parties hereby amend the Franchise Agreement to the extent necessary to cause the Franchise Agreement to conform to the Act.

2. The parties expressly agree that (i) no general release given by Franchisee under any the Franchise Agreement shall operate to release, assign, waive or extinguish any liability arising under the Indiana Act; (ii) no provision in the Franchise Agreement shall limit Franchisee's right to sue in court for violations of the Indiana Act; (iii) no provision in the Franchise Agreement which is intended to prevent Franchisee from relying on any statement or representation made before Franchisee signs the Franchise Agreement shall be applied or extend to statements contained in the Disclosure Document delivered to Franchisee before Franchisee's execution of the Franchise Agreement; and (iv) no provision which is found to be a liquidated damages provision under Indiana law shall be enforceable against Franchisee.

3. Notwithstanding anything to the contrary contained in the Franchise Agreement, Franchisee shall have no duty to indemnify Franchisor for any liability that Franchisor may sustain as a result of Franchisee's proper reliance on or use of any of the procedures or materials furnished by Company or for liability solely attributable to Franchisor's negligence.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

This Addendum applies to Maryland residents and to franchises to be located in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Any provision in the Franchise Agreement, including Sections 2, 14 and 15, or in the Statement of Franchisee, that constitutes a general release of claims is amended to provide that, pursuant to COMAR 02.02.08.161, 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 Franchise Agreement is amended to provide that Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The Franchise Agreement is amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the date of the Franchise Agreement.

4. Section 3.2(a) of the Franchise Agreement is amended to add the following: The Maryland Securities Commissioner has required a financial assurance. Therefore, we have posted a surety bond, which is on file with the Maryland Securities Division. A copy of the bond is attached as Exhibit F-1.

5. Section 21 of the Franchise Agreement is amended to provide that these representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

6. 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.).

7. The Statement of Franchisee is amended to provide that all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Franchisor will undertake the defense of any claim of infringement by third parties involving the CAMP BOW WOW® Mark and Franchisee will cooperate with the defense in any reasonable manner prescribed by Franchisor with any direct cost of such cooperation to be borne by Franchisor.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

3. Nothing in the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, Minn. Stat. § 80C.21 and Minn. rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota.

4. Minnesota Rule 2860.4400D prohibits Franchisors from requiring franchisees to assent to a general release. The Franchise Agreement is modified accordingly, to the extent required by Minnesota law.

5. If the Franchise Agreement requires that Franchisee must consent to Franchisor obtaining injunctive relief, the Franchise Agreement shall be amended to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing shall prevent Franchisor from applying to a forum for injunctive relief.

6. If the Franchise Agreement contains a limitations period for bringing claims against Franchisor which is shorter than the limitations period provided under the Minnesota Act, the Franchise Agreement shall be modified to conform to the Minnesota Act.

7. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. The Sections of the Franchise Agreement requiring that Franchisee sign a general release, as a condition of renewal and or assignment, may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

2. The Franchise Agreement and Nondisclosure and Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law.

3. The section of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

4. The sections of the Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

5. The section of the Franchise Agreement requiring franchisees to consent to a waiver of trial by jury, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

6. Section 18.7 of the Franchise Agreement that requires Franchisee to consent to a waiver of exemplary and punitive damages shall not be enforceable in North Dakota.

7. The sections of the Franchise Agreement requiring Franchisee to agree to the mediation or arbitration of disputes at a location that is remote from the site of Franchisee's business are not enforceable. The parties shall mutually agree upon a site in North Dakota for any mediation required by the Franchise Agreement.

Except as amended herein, the Franchise Agreement will be construed and enforced pursuant to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF RHODE ISLAND

This Addendum pertains to franchises sold in the State of Rhode Island and is for the purpose of complying with Rhode Island statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. The sections of the Franchise Agreement restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Section 19-28.1-14 of the Rhode Island Franchise Investment Act. This provision shall not change the parties' agreement as to the location of mediation as required by the Franchise Agreement.

2. Except as amended herein, the Franchise Agreement will be construed and enforced pursuant to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF SOUTH DAKOTA

This Addendum pertains to franchises sold in the State of South Dakota and is for the purpose of complying with South Dakota statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Notwithstanding anything to the contrary in the Franchise Agreement, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern shall be governed by the laws of the State of South Dakota.

2. Franchisee shall not be required to submit to venue or forum outside the State of South Dakota for any claims that Franchisee may have under the South Dakota Franchises for Brand-Name Goods and Services Law.

3. Except as amended herein, the Franchise Agreement will be construed and enforced pursuant to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ADDENDUM TO CAMP BOW WOW® FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. The following paragraphs are added to the end of the Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Franchise Agreement of Synergistic International LLC shall be modified as follows:

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable by a franchisor against an employee of the franchisee unless the employee's earnings from the party seeking enforcement, when annualized, exceed one hundred thousand dollars per year (an amount that will be adjusted annually for inflation). Pursuant to RCW 49.62.030, a noncompetition covenant is void and unenforceable by a franchisor against an independent contractor of the franchisee unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed two hundred fifty thousand dollars per year (an amount that will be adjusted annually for inflation). As a result, the franchisor will not require franchisee to have its employees and independent contractors sign any agreement that contains noncompetition covenants that would violate RCW 49.62.020 by binding an employee of franchisee making less than one hundred thousand dollars per year (an amount that will be adjusted annually for inflation) or an independent contractor of franchisee making less than two hundred fifty thousand dollars per year on an annual basis (an amount that will be adjusted annually for inflation).

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting the franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or a franchisee or (ii) soliciting or hiring any employee of the franchisor. As a result, the franchisor will not require the franchisee to sign any non-solicitation agreement that would violate RCW 49.62.060 by restricting, restraining or prohibiting the franchisee from (i) soliciting or hiring any employee of a franchisee from (i) soliciting or hiring any employee of a franchisee from (i) soliciting or hiring any employee of a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or a franchisee or (ii) soliciting or hiring any employee of the franchise.

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There also might be court decisions which supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, to the extent required by the Act (unless preempted by the Federal Arbitration Act), the arbitration site shall be in the State of Washington, or in a place mutually agreed upon by the parties at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

To the extent required by the Act, a release or waiver of rights executed by a franchisee shall not include rights under the Act 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, rights or remedies under the Act, such as a right to a jury trial, might not be enforceable; however, we and you agree to enforce them to the maximum extent the law allows.

To the extent required by the Act, transfer fees are collectable only to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.

2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials

ATTACHMENT G SOFTWARE SUBSCRIPTION SERVICES AGREEMENT

This Software Subscription Services Agreement ("**Agreement**") is entered as of the Effective Date below by and between Camp Bow Wow Franchising, Inc., a Delaware corporation ("**CBW**"), and the entity listed below ("**Subscriber**").

| Effective Date: | The date that CBW executes this Agreement, provided below. |
|--------------------------------|---|
| End Date: | Termination or expiration without renewal of the Franchise Agreement. |
| Subscriber Name: | |
| Subscriber Address: | |
| Subscriber Primary Contact: | Name: Phone: Email: |

CBW provides computer database management service and software for data collection, tracking and administration purposes that include, without limitation: point of sale; customer and pet reservations and information; CRM; vendor information; inventory management; invoicing; marketing and promotions; customer donations; employee administration; financial and general business reporting; data storage; as well as general business administration, accounting, and reporting relating to the operation of a Camp Bow Wow® franchised business (the "**Services**") through the web site located at https://www.cbwsoft.com (the "**Site**"). Subscriber is required to enter into this Agreement in accordance with a franchise agreement between CBW and Subscriber, through which Subscriber has been granted the right to operate a Camp Bow Wow® franchised business (the "**Franchise Agreement**").

This Agreement consists of the following, all of which are incorporated in and made a part of this Agreement: (1) this cover page; (2) the following Terms and Conditions; and (3) all other documents referenced in the Terms and Conditions. Unless otherwise amended as provided herein, this Agreement will exclusively govern all access by Subscriber to and use of the Services and the Site. This Agreement is the complete and exclusive understanding and agreement between the parties, and supersedes any oral or written proposal, agreement or other communication between the parties and any other agreement Subscriber may have with any third party, regarding access to and use of the Services or Site. Except as provided in this Agreement, this Agreement may be amended or modified at any time by CBW upon written notice to Subscriber. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

This Agreement may be executed in one or more counterparts, duplicate originals, or facsimile versions, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Any signature hereon may be transmitted by facsimile, email, or electronic signature, and such signature will be valid and accepted for all purposes hereof.

The parties have read and agree to be bound by this Agreement as of the Effective Date.

| FOR CBW: Camp Bow Wow Franchising, Inc., a Delaware corporation | FOR SUBSCRIBER: |
|---|-----------------|
| By: | By: |
| Printed Name: | Printed Name: |
| Title: | Title: |
| Date: | Date: |

Signature Page to Software Subscription Services Agreement

Terms and Conditions

These Terms of Service ("**TOS**") set forth the terms and conditions under which you are authorized to use Data Dawg, the information technology system owned by Camp Bow Wow Franchising, Inc. ("**CBW**," "**we**," or "**us**"). By accessing or using Data Dawg, you agree to these TOS. If you do not agree to these TOS, you should immediately cease all usage of Data Dawg.

Subject to these TOS, during the term of the Franchise Agreement governing the Camp Bow Wow® location that you own, in which you work, CBW will provide you with a limited right to access and use Data Dawg, solely in connection with your operation of, employment by the Camp Bow Wow® franchised business licensed under the applicable Franchise Agreement. Your rights are personal, non-exclusive, non-transferable and non-sublicensable. You understand that CBW may from time to time update, change or revise the TOS or Data Dawg, and that all such updates, changes and revisions will be deemed part of the TOS and Data Dawg for all purposes of these TOS. The TOS (i) exist to protect our interests in the Camp Bow Wow® System and Trademarks and not for establishing any control or duty to take control over those matters that are reserved to you, and (ii) do not in any way shift any employee or employment related responsibility from you to us or create any type of joint employment relationship with you or any of your employees.

Your Representations

As a condition of your right to use Data Dawg, you represent that you are of legal age to enter a binding contract and that you are not barred from accessing Data Dawg under the laws of the United States or any other country.

Access to and Registration on Data Dawg

You are solely responsible, at your own expense, for acquiring, installing and maintaining all hardware, software and other equipment that is necessary for you to connect to, access, and use Data Dawg.

The rights granted to you under these TOS entitle you to access Data Dawg through a single on-line login account ("Account"). Each Account ID is personal in nature and may be used only by the single designated individual to which it is assigned (each such individual is hereinafter referred to as a "User"). Account IDs may only be issued to Users who have a legitimate business need to access Data Dawg, and by accessing and/or using Data Dawg, you represent and warrant to CBW that you have a legitimate business need for the same. Your Account may provide you with full access to all features of Data Dawg, or it may only provide you with limited access to certain parts of Data Dawg, due to pre-set levels of security access established by CBW or the franchise owner. You should only be able access the specific areas of the Account and Data Dawg that you must access to perform your job.

You agree to provide accurate information about yourself when your Account is created, and you further agree that you will update such information to keep it accurate, current and complete. We reserve the right to suspend or terminate your use of Data Dawg if we discover, or if we have a reasonable basis to believe, that any of the data you have provided is inaccurate, or if you violate these TOS. You may not share your log-in details (e.g., username and password) with any other person or authorize any other person to log-in with your Account. You are responsible for maintaining the confidentiality of your log-in details and you Camp Bow Wow – 2022 FDD

are fully responsible for all activities that occur under your Account. You agree to notify us immediately of any known or suspected unauthorized use of your Account. We will not be liable for any loss or damage arising from your failure to protect the confidentiality of your log-in data.

Additional Policies and Agreements

To the extent additional rules or guidelines govern your use of Data Dawg, those rules and guidelines (including our Privacy Policy) are hereby incorporated by reference into these TOS. Our Privacy Policy describes to consumers who use our website how we process personal information they submit to us through that website ("Consumer PII"). We may subsequently share Consumer PII with you. Your processing of Consumer PII must comply with our Privacy Policy. As between you and us, we own all Consumer PII and you merely have permission to use it for business purposes during the term of the Franchise Agreement.

Third Party and Affiliate Digital Services

Certain areas of Data Dawg and some payment processing functions may be operated by third parties, and Data Dawg may include links to third party sites or services which may be subject to the TOS and/or Privacy Policies of those parties. CBW is not responsible for any aspect of these third-party service providers or websites. Please review any terms and conditions that may apply when you visit any third-party sites or use any third-party services available through Data Dawg.

Information about Third-Party Cookies

In addition to the cookies CBW delivers to your computer or mobile device through this Site, certain third parties may deliver cookies to you for a variety of reasons. For example, we use Google Analytics, a web analytics tool that helps us understand how visitors engage with our Sites. To learn more about Google Analytics, <u>click here</u>.

Other third parties may deliver cookies to your computer or mobile device for the purpose of tracking your online behaviors across non-affiliated websites and delivering targeted advertisements either on this Site or on other websites.

You have choices about the collection of information by third parties on our Sites. For example, if you don't want information about your visit to this Site sent to Google Analytics, you may download an Opt-out Browser Add-on by <u>clicking here</u>. Please note that the Add-on does not prevent information from being sent to CBW. In addition, if you would like to opt out of having participating entities collect your online behavior for advertising purposes when you are browsing our websites, <u>click here</u> for a "Website Opt Out." You will be directed to an industry-developed website that allows you to choose whether each listed entity may collect and use data for interest-based advertising purposes. It may be that some of the third parties that collect interest-based information on this Site do not participate in the Website Opt Out, in which case the best way to avoid third party tracking of your online behaviors may be through your browser settings and deletion of cookies.

The Website Opt Out described above works only on websites. To opt out of having participating entities track your behaviors for advertising purposes when you are using our mobile apps, download and use the Digital Advertising Alliance's "App Choices" app. As with the Website Opt Out, the "Mobile App Opt Out" prevents tracking only by participating entities.

Please note that the Website Opt Out and Mobile App Opt Out are device specific. If you wish to opt-out from having interest-based information collected by participating entities across all devices, you need take the steps outlined above from each device.

Modifications and Interruption to Data Dawg

We reserve the right to modify or discontinue all or any portion of Data Dawg with or without notice to you. We will not be liable if we choose to exercise this right. You acknowledge and accept that we do not guarantee continuous, uninterrupted or secure access to Data Dawg, or that operation of Data Dawg will be uninterrupted or error free. You understand that usage of Data Dawg may be interfered with or adversely affected by numerous factors or circumstances outside of our control.

Disclaimer of Warranties and Limitation of Liability

TO THE FULLEST EXTENT PERMITTED BY LAW, CBW, ITS RELATED ENTITIES, ITS SERVICE PROVIDERS, ITS LICENSORS, AND ITS OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS (COLLECTIVELY THE "CBW PARTIES") EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT. YOU UNDERSTAND AND AGREE THAT YOUR USE OF DATA DAWG IS AT YOUR SOLE RISK. DATA DAWG AND ALL CONTENT, PRODUCTS AND SERVICES OFFERED THROUGH IT ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. THE CBW PARTIES ARE NOT RESPONSIBLE FOR THE TIMELINESS OF DELIVERY OF CONTENT, ANY FAILURES OF DELIVERY, ERRONEOUS DELETION OR FAILURE TO STORE ANY OF YOUR PERSONAL SETTINGS OR COMMUNICATIONS, OR ANY LOSS OR DAMAGE OF ANY KIND YOU CLAIM WAS INCURRED AS A RESULT OF THE USE OF DATA DAWG. UNDER NO CIRCUMSTANCES, WILL ANY OF THE CBW PARTIES BE LIABLE TO YOU OR TO ANY PERSON OR ENTITY CLAIMING THROUGH YOU FOR ANY LOSS, INJURY, LIABILITY OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH YOUR ACCESS TO, USE OF, INABILITY TO USE, OR RELIANCE ON DATA DAWG OR ANY CONTENT, PRODUCT OR SERVICE PROVIDED TO YOU THROUGH OR IN CONNECTION WITH DATA DAWG. THIS IS A COMPREHENSIVE LIMITATION OF LIABILITY THAT APPLIES TO ALL LOSSES AND DAMAGES OF ANY KIND WHATSOEVER, WHETHER DIRECT OR INDIRECT, GENERAL, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR OTHERWISE, INCLUDING WITHOUT LIMITATION, LOSS OR DELETION OF DATA, GOODWILL, REVENUE OR PROFITS. THIS LIMITATION OF LIABILITY APPLIES WHETHER THE ALLEGED LIABILITY IS BASED ON CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR ANY OTHER BASIS; EVEN IF ANY CBW PARTY HAS BEEN ADVISED OF OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; AND WITHOUT REGARD TO THE SUCCESS OR EFFECTIVENESS OF OTHER REMEDIES. IF ANY PART OF THIS LIMITATION OF LIABILITY IS FOUND TO BE INVALID, ILLEGAL OR UNENFORCEABLE FOR ANY REASON, THEN THE AGGREGATE LIABILITY OF THE CBW PARTIES UNDER SUCH CIRCUMSTANCES TO YOU OR ANY PERSON OR ENTITY CLAIMING THROUGH YOU FOR LIABILITIES THAT OTHERWISE WOULD HAVE BEEN LIMITED WILL NOT EXCEED ONE HUNDRED U.S. DOLLARS. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE LIMITATION OR EXCLUSION OF LIABILITY FOR CERTAIN TYPES OF DAMAGES. ACCORDINGLY, SOME OF THE ABOVE DISCLAIMERS OF WARRANTIES AND LIMITATIONS OF LIABILITY MAY NOT APPLY TO YOU. IN

JURISDICTIONS WHERE LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES IS NOT PERMITTED, CBW'S LIABILITY IS LIMITED TO THE MAXIMUM EXTENT PERMITTED BY LAW.

Indemnification

You remain solely and entirely responsible for your compliance with all laws, regulations and ordinances regarding your use of and access to Data Dawg. You agree to indemnify andhold the CBW Parties harmless from any claim or demand, including reasonable attorney's fees and costs, made by any third party due to or arising out of your use, collection of, protection of, or dissemination of, personally identifiable information, financial information, or any other information in Data Dawg, or other use of a Data Dawg in a manner not permitted by CBW, including without limitation your actual or alleged violation of these TOS, or infringement of a third party's intellectual property or other rights by you or another user of Data Dawg using your computer, mobile device or Account.

CBW will, at its expense, defend you against any claims brought against you by a third party that claims your use of Data Dawg infringes any copyright, trade secret or trademark right. In addition, CBW will pay any damages that a court finally awards against you in a litigation based on any such claim. The foregoing obligation of CBW under this Section is conditioned upon you providing CBW with: (1) notice of any such claim within 3 days after you receive written notice thereof; (2) sole control over the defense and settlement of such claim; and (3) reasonable assistance (at CBW's expense) in the defense and settlement of such claim. If you are, or CBW reasonably believes you may be, enjoined from using Data Dawg, CBW, at CBW's option and expense, may procure the right for you to continue using Data Dawg, replace or modify Data Dawg so that it becomes non-infringing, or provide you or the franchise owner, as applicable, a refund of all pre-paid amounts applicable to Data Dawg (if any). Notwithstanding the foregoing, this Section will not extend to any claim arising out of or in connection with any: (i) portion of Data Dawg or any other service or product of any third-party not provided by CBW as part of Data Dawg; (ii) your information; or (iii) use of Data Dawg other than as permitted by these TOU. THIS SECTION STATES CBW'S ENTIRE LIABILITY FOR INFRINGEMENT OR MISAPPROPRIATION CLAIMS RELATING TO DATA DAWG.

User Feedback

All communications, feedback, questions, comments, suggestions, proposed features, and the like (collectively "**Feedback**") will be considered non-confidential and non-proprietary with regard to you, but we reserve the right to treat any such Feedback as the confidential information of CBW. By submitting Feedback to CBW, you assign to CBW, free of charge, a perpetual, irrevocable, worldwide license to create derivative works, distribute, reproduce, perform, display, and otherwise use, any intellectual property rights or proprietary information and ideas contained within any such Feedback, including without limitation the right to sublicense or assign any of the foregoing. We will be entitled to use any Feedback you submit to us, and any ideas, concepts, know-how or techniques contained in any such Feedback, for any purpose whatsoever, including but not limited to developing and marketing products and services using such Feedback without restriction and without notifying or compensating you in any way. Please do not send us any information or materials for which you do not wish to grant us such rights, including, without limitation, any confidential information or any original creative materials such as product ideas, written materials, photographs, original artwork, or computer code.

User-Submitted Content and User Conduct

Any content, whether uploaded, posted, submitted, or otherwise made available on Data Dawg or to CBW that does not originate with a CBW Party ("User Content"), is the sole responsibility of the person who made such User Content available. Under no circumstances will any CBW Party be liable in any way for any User Content made available through Data Dawg. We cannot and do not warrant and/or guarantee the truthfulness, integrity, suitability, or quality of any User Content.

You agree that you will not use Data Dawg to transmit or make available any content that:

- violates any laws, contains any threats, is abusive, harassing, vulgar, obscene, indecent, violates any person's rights of privacy or publicity, is defamatory, libelous, hateful, contains any disparaging statements or opinions regarding racial, gender or ethnic background, or is otherwise tortious or objectionable;
- infringes any intellectual property rights or other rights of any party, including, but not limited to any patent, trademark, trade secret, copyright or other proprietary rights;
- contains any private information about an identifiable person without that person's permission, or any content soliciting any personal or private information from any individual;
- you know or have reason to know is false, misleading, or fraudulent;
- you do not have a right to make available under any law or under contractual or fiduciary relationships;
- employs any techniques to disguise the origin of the content submitted;
- contains any unsolicited or unauthorized advertising or promotional materials;
- incorporates within it any software viruses or any other malicious code;
- contains links to any websites containing content violating any of the foregoing requirements, the law, or other provisions of these TOU.

You further agree not to use Data Dawg to:

- engage in any conduct which might be harmful to any individual;
- impersonate or misrepresent your affiliation with any person or entity;
- engage in or facilitate any conduct that is deemed, or found by any court or similar agency, to constitute "stalking" or otherwise harassing conduct aimed at another person or entity;
- download, collect, or otherwise obtain a customer list, personally identifiable information, or other customer information for improper, illegal, or otherwise unapproved use in violation of any law, regulation, ordinance, or franchise agreement or other agreement regarding the franchise;

• engage in or transmit any material that encourages conduct that could constitute a criminal offense, give rise to civil liability or otherwise violate any applicable local, state, national, or international law or regulation.

In addition, you are prohibited from interfering with, creating an excessive burden on, or otherwise disrupting Data Dawg, servers or networks connected thereto. We reserve the right (but have no obligation) in our sole discretion to pre-screen, edit, refuse, move or remove any User Content that is posted on Data Dawg or prohibit your access to Data Dawg in the event of a violation of these TOS.

Removal of Content

In general. You can seek removal of objectionable User Content by contacting us using the information provided below. We will endeavor to review all such requests and will remove User Content that we determine should be removed, in our sole discretion and in accordance with these TOS and applicable law. Please be aware, however, that if the User Content has already been distributed to other websites or published in other media, we will not be able to recapture and delete it. Also, a back-up or residual copy of the User Content we remove from Data Dawg may remain on back-up servers.

Violation of copyrights. We do not knowingly violate or permit others to violate the copyrights of others. We will promptly remove or disable access to material that we know is infringing or if we become aware of circumstances from which infringing activity is apparent.

If you are requesting removal of content because of a violation of your copyrights, please note that the Digital Millennium Copyright Act of 1998 (the "DMCA") provides recourse for copyright owners who believe that material appearing on the Internet infringes their rights under U.S. copyright law. If you believe that your own work, or the work of a third party for which you are authorized to act, is featured on Data Dawg or has been otherwise copied and made available on Data Dawg in a manner that constitute copyright infringement, please notify us immediately. Your notice must be in writing and must include

- an electronic or physical signature of the copyright owner or of the person authorized to act on behalf of the owner of the copyright interest;
- a description of the copyrighted work that you claim has been infringed;
- a description of where the material that you claim is infringing is located on Data Dawg (including the URL, title and/or item number if applicable, or other identifying characteristics);
- your name, address, telephone number, and email address, and, if you are not the owner of the copyright, the name of the owner; and
- a written statement by you that you have a good-faith belief that the disputed use is not authorized by the copyright owner, its agent, or the law; and
- a statement by you, made under penalty of perjury, that the above information in your notice is accurate and that you are the copyright owner or authorized to act on the copyright owner's behalf.

Your statement must be addressed as follows:

Copyright Agent Camp Bow Wow Franchising, Inc. 7577 W. 103rd Avenue Unit 209 Westminster, CO 80021 E-mail: copyright@cbwcorp.com Camp Bow Wow - 2022 FDD Exhibit B - Franchise Agreem ent Any notification by a copyright owner or a person authorized to act on its behalf that fails to comply with requirements of the Digital Millennium Copyright Act shall not be considered sufficient notice and shall not be deemed to confer upon us actual knowledge of facts or circumstances from which infringing material or acts are evident.

Ownership

All copyrights, trademarks, patent, and other intellectual property rights in Data Dawg, including without limitation the design, text, graphics, interfaces, and the selection and arrangements thereof, are owned by CBW, with all rights reserved. CBW retains all right, title and interest in and to Data Dawg, the underlying technology and code, the customer lists and information contained in Data Dawg, and any additions, improvements, updates, and modifications thereto. You acknowledge that you are not receiving any ownership interest in or to any of the foregoing, and no right or license is granted to you to use the same apart from your right to access it under these TOS.

Children Under the Age of Thirteen

We are proud of this Site and we strive to ensure that it doesn't offend people of any age. However, this Site is not intended for children or minors under the age of thirteen years without the permission of a parent or guardian. If you believe that a child has submitted personal information on or through this Site without the consent and supervision of a parent or guardian, please contact us using the information provided below so that we can take appropriate action.

Confidentiality

For purposes of these TOS, "**Confidential Information**" means all proprietary knowledge, data, trade secrets, know how, marketing methodologies, operations manuals, methods of operations, design plans and requirements, pricing information, copyrights, trademarks, patents and patent applications, operational systems, information relating to CBW's franchisees, customers and vendors, methods of franchise sales, business information, and all other information disclosed or made available through Data Dawg that relates to the franchised business, or that is designated by CBW as confidential whether disclosed or made available verbally or in writing. You shall protect the Confidential Information with the degree of care that you use to protect your own confidential information of like nature, but in no case, less than reasonable care.

You agree that you will not, at any time: (1) disclose any Confidential Information to any third party; (2) permit any third party to examine and/or make copies of any reports, documents or electronic data containing any Confidential Information; or (3) use any of the Confidential Information for any reason other than for the purposes set forth in these TOS. If you are required to disclose Confidential Information pursuant to any statute, regulation, order, subpoena or document discovery request, you will furnish written notice of such disclosure to CBW as soon as practicable to afford CBW the opportunity to seek a protective order and you will reasonably cooperate in such efforts.

CBW reserves the right at all times to disclose any information as necessary to satisfy any applicable law, regulation, legal process or governmental request, or to edit, refuse to post or to remove any information or materials, in whole or in part, in CBW's sole discretion.

Data and Information

Subject to these TOS, you may access, store, display and print the information in Data Dawg (without modification) solely for the purpose of operating the business (if you are a franchise owner) of, or performing your job (if you are an employee) in, the applicable Camp Bow Wow® franchised business. Except as expressly provided in these TOS, you will not, and will not permit any other User to: (i) alter, modify, reproduce, create derivative works of the information; (ii) distribute, sell, resell, lend, lease, license, sublicense or transfer the information, including, without limitation, providing outsourcing, service bureau, commercial hosting, application service provider or on-line services to third parties; or (iii) alter, obscure or remove any copyright, trademark or any other notices that are provided on or in connection with the information.

You will use commercially reasonable measures to ensure that the information you put into Data Dawg is reliable. You are solely responsible for the accuracy of all data, information and other content entered through your Account, including, without limitation, all personally identifiable information of customers. CBW will not be responsible or liable for any deletion, correction, destruction, damage, loss or failure to store or back-up any information. You warrant to CBW that you have all necessary right, title, interest and consent to enter the information into Data Dawg and to transfer such interest to CBW for any purposes whatsoever including, without limitation, the delivery of emails and other communications to customers.

To the extent you provide personal information about yourself through Data Dawg, you understand and agree that we may use that information for any purpose consistent with the Privacy Policy posted on our website. To the extent you provide personal information about your employees through Data Dawg or to the extent you ask your employees to provide personal information about themselves through Data Dawg, you are responsible for making all necessary disclosures to and obtaining all necessary consents from those employees so that we can use their personal information for any purpose consistent with the Privacy Policy posted on our website.

Trade Secrets

You acknowledge that Data Dawg and all associated databases, software, hardware and other technology used by or on behalf of CBW to provide and operate Data Dawg (the "**Technology**") and their structure, organization, and underlying data, information and source code constitute valuable trade secrets and Confidential Information of CBW. You will not, and will not permit any User or third party to: (1) access or use Data Dawg, in whole or in part, except as expressly provided in these TOS; (2) alter, modify, reproduce, create derivative works of Data Dawg or the Technology; (3) distribute, sell, resell, lend, lease, license, sublicense or transfer any of your rights to access or use Data Dawg, including, without limitation, providing outsourcing, service bureau, hosting, application service provider or on-line services to third parties, or otherwise make Data Dawg, or access thereto, available to any third party; (4) reverse engineer, disassemble, decompile, or otherwise attempt to derive the source code or method of operation of or any trade secrets embodied in Data Dawg or the Technology (except to the extent the restriction of any of the foregoing is prohibited by applicable law); (5) attempt to circumvent or overcome any technological protection measures intended to restrict access to any portion of Data Dawg or the Technology; or (6) interfere in any manner with the operation or hosting of Data Dawg or the Technology, or attempt to gain unauthorized access to Data Dawg.

Fees and Payment

If you are a franchise owner, you agree to pay CBW or its designee the current subscription fees ("Fees"). You grant CBW the right to directly withdraw all payments of Fees due to CBW through ACH from your bank account as further authorized in the Franchise Agreement, or exhibit thereto. Fees will be withdrawn in halves, twice monthly or such other period as required by CBW. Except as specified herein, all Fees are non-refundable once paid to CBW. Until paid in full, all past due amounts will bear an additional charge of the lesser of one and one-half percent (1½%) per month or the maximum amount permitted under applicable law. CBW may change the Fees due annually, effective January 1st of each year or at any time CBW provides new services or functionality through the Account or Data Dawg, by posting the changes to the site or otherwise notifying you through Data Dawg or e-mail communication. All Fee changes will take effect on the first day of the month immediately following the month in which notice of the Fee change was communicated. If CBW requires use of collection agencies, attorneys or courts of law for collection on any Account, you will be responsible for those expenses.

Termination

Your Account and access to Data Dawg will immediately terminate without notice to you upon the termination or expiration without renewal of the franchise agreement applicable to the Camp Bow Wow® business which you own, in which you work, or upon notification to CBW that your employment with the franchise owner has ended. CBW may also terminate your Account upon your breach or reasonable suspicion of your breach of any section of these TOS or any other agreement between you and CBW. Without limiting CBW's right to terminate your Account, CBW may also immediately suspend your access to Data Dawg, with or without notice to you, upon any actual, threatened or suspected breach of the TOS or any agreement between you and CBW, or any applicable law. Upon termination or expiration of your Account for any reason: (a) all rights and subscriptions granted to you under these TOS will terminate; (b) you will immediately cease all use of and access to Data Dawg; (c) all Fees then owed will become immediately due and payable; and (d) you will immediately return to CBW all Account IDs, Confidential Information, and all other information related to the business or Data Dawg in your possession or control.

Data Privacy

To the extent you maintain, acquire, disclose, use, or have access to any customer Personally Identifiable Information ("**PII**"), as defined by state breach notification laws, you shall maintain reasonable security procedures and practices appropriate to the nature of the PII, and protect the PII from unauthorized access, destruction, use, modification, or disclosure. You shall not store, sell, transmit, or use the PII for any illegal, unintended, immoral, or any other unapproved purpose not expressly set forth herein. You are further obligated to comply with all relevant and applicable state, federal, and international data privacy laws and standards ("**Data Privacy Standards**"). You represent and warrant that so long as you maintain, acquire, disclose, use, or have access to PII, you shall follow Data Privacy Standards and you shall notify CBW in writing immediately if you are no longer in compliance with the same.

If you suspect, discover, or are notified of a data security incident or potential breach of security and/or privacy relating to PII, you shall immediately, but in no event later than forty-eight (48) hours from suspicion, discovery, or notification, notify CBW of such incident or potential breach. You shall, upon CBW's request, investigate such incident or potential breach, inform CBW of the results, and assist CBW in maintaining the confidentiality of such information. In addition, you shall provide CBW with any assistance necessary to comply with any state or federal law requiring the provision of notice of any privacy

incident or security breach with respect to any PII to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies.

Transactions

If you wish to purchase any product or service made available through Data Dawg (each such purchase, a "Transaction"), you may be asked to supply certain information relevant to your Transaction including, without limitation, your credit card number, the expiration date of your credit card, your billing address, and your shipping information. YOU REPRESENT AND WARRANT THAT YOU HAVE THE LEGAL RIGHT TO USE ANY CREDIT CARD(S) OR OTHER PAYMENT METHOD(S) UTILIZED IN CONNECTION WITH ANY TRANSACTION. By submitting such information, you grant to CBW the right to provide such information to third parties for purposes of facilitating the completion of Transactions initiated by you or on your behalf. Verification of information may be required prior to the acknowledgment or completion of any Transaction.

Assignment

You may not assign any of your rights under these TOS (in whole or in part and including by sale, merger or operation of law) without the prior written approval of CBW. Any assignment in violation of the foregoing will be null and void. You agree that these TOS and any other agreements referenced herein may be assigned by CBW, in our sole discretion, to a third party in the event of a merger or acquisition or otherwise.

Governing Laws; Jurisdictions

The laws of the state of Colorado and the United States govern these TOS and any claims arising out of or relating to use of Data Dawg, without giving effect to any choice of law rules. We make no representation that Data Dawg is appropriate, legal or available for use outside of the United States and Canada. The state and federal courts located in Denver, Colorado will serve as the exclusive jurisdiction and venue for any actions brought, or claims made, arising out of your use of Data Dawg, and you hereby consent to such jurisdiction.

You assume all knowledge of applicable law and you are responsible for compliance with any such laws. You may not use Data Dawg in any way that violates applicable state, federal, or international laws, regulations or other government requirements.

Changes to These Terms

We reserve the right, at any time, to modify, alter, or update these TOS without prior notice. You are encouraged to check this page regularly for changes to the TOS. Modifications will become effective immediately upon being posted to Data Dawg, without further notice to you. Your continued use of any of Data Dawg after such modifications are posted constitutes an acknowledgement and acceptance of such modifications, and you may not amend these TOS.

Other Terms

If any provision of these TOS is determined by a court of law to be unlawful, void or unenforceable for any reason, the other provisions (and any partially-enforceable provision) shall not be affected thereby and shall remain valid and enforceable to the maximum possible extent, and the invalid provision will be modified as necessary to make it valid and enforceable while as closely as possible reflecting the original intentions of CBW. Except as otherwise expressly set forth herein, you agree and understand that these TOS constitute

the entire agreement between you and CBW regarding your use of Data Dawg, and that any other prior agreements between you and CBW are superseded by these TOS. Any failure by CBW to exercise its rights under these TOS or to enforce the terms hereof will not constitute a waiver of those rights. You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of a Digital Service or relating to these TOS must be filed within one (1) year after such claim or cause of action arose or be forever barred.

[End of Software Subscription Services Agreement]



EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Camp Bow Wow – 2022 FDD Exhibit C – Financial Statements US.136565018.06

CAMP BOW WOW FRANCHISING, INC.

FINANCIAL STATEMENTS

For Fiscal Years Ended January 1, 2022 (Fiscal 2021) January 2, 2021 (Fiscal 2020) and December 28, 2019 (Fiscal 2019)

CAMP BOW WOW FRANCHISING, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors CAMP BOW WOW FRANCHISING, INC. Broomfield, Colorado

Opinion

We have audited the accompanying financial statements of Camp Bow Wow Franchising, Inc. ("the Company"), a Delaware corporation, which comprises the balance sheets as of January 1, 2022 and January 1, 2021, and the related statements of income (operations) and member's equity (deficit), and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 1, 2022 and January 2, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of Camp Bow Wow Franchising, Inc. as of December 28, 2019 were audited by other auditors whose report dated July 6, 2020 expressed an unmodified report on those statements.

Emphasis of Matter

As discussed in Note 2 to these financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT - Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are 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 the Company's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Camp Bow Wow 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.

GTL, LLP

Certified Public Accountants February 25, 2022

CAMP BOW WOW FRANCHISING, INC. Balance Sheets As of January 1, 2022 (Fiscal 2021), January 2, 2021 (Fiscal 2020) and December 28, 2019 (Fiscal 2019)

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash | \$ 23,097 | \$ 2,011,359 | \$ 2,057,793 |
| Accounts Receivable, Net | 799,470 | 567,860 | 557,208 |
| Prepaid Expenses and Other Current Assets | 242,483 | 343,248 | 400,754 |
| Total Current Assets | 1,065,050 | 2,922,467 | 3,015,755 |
| Other Assets: | | | |
| Deposits | 9,670 | 9,670 | 9,670 |
| Other Assets | 882,706 | 816,198 | 608,720 |
| Due From Related Party | 21,367,231 | 14,878,100 | 18,928,934 |
| Deferred Income Tax Assets | 648,538 | 969,589 | 622,545 |
| Property and Equipment, Net | 390,701 | 477,169 | 613,571 |
| Intangible Assets, Net | 24,047,411 | 23,131,114 | 23,628,456 |
| Total Other Assets | 47,346,257 | 40,281,840 | 44,411,896 |
| Total Assets | \$ 48,411,307 | \$ 43,204,307 | \$ 47,427,651 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 524,787 | \$ 552,377 | \$ 269,982 |
| Accrued Expenses | 3,860,161 | 1,025,468 | 771,052 |
| Deferred Revenue | 3,460,647 | 3,238,041 | 3,302,702 |
| Due to Parent | 3,333,291 | 1,752,214 | 4,140,540 |
| Total Current Liabilities | 11,178,886 | 6,568,100 | 8,484,276 |
| Commitment (Note 7) | | | |
| Stockholder's Equity: | | | |
| Common Stock | 1 | 1 | 1 |
| Additional Paid in Capital | 37,463,770 | 37,463,770 | 37,463,770 |
| Retained Earnings | (231,350) | (827,564) | 1,479,604 |
| Total Stockholder's Equity | 37,232,421 | 36,636,207 | 38,943,375 |
| Total Liabilities and Stockholder's Equity | \$ 48,411,307 | \$ 43,204,307 | \$ 47,427,651 |

The accompanying notes are an integral part of these financial statements.

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---|----------------|----------------|----------------|
| Revenues: | | | |
| Franchise Fees | \$ 962,394 | \$ 849,791 | \$ 838,562 |
| Royalty Fees | 10,031,358 | 5,920,588 | 9,270,968 |
| Other Revenues | 916,122 | 1,337,756 | 1,843,317 |
| Total Revenues | 11,909,874 | 8,108,135 | 11,952,847 |
| Operating Expenses | 9,638,483 | 10,609,214 | 10,145,633 |
| Income (Loss) From Operations | 2,271,391 | (2,501,079) | 1,807,214 |
| Other Income (Expense): | | | |
| Foreign Currency Transaction Gain | 180 | 133 | 1,484 |
| Other Expenses | (1,354,306) | (409,572) | (5,251) |
| Total Other Income (Expense), Net | (1,354,126) | (409,439) | (3,767) |
| Income (Loss) Before Provision for Income Taxes | 917,265 | (2,910,518) | 1,803,447 |
| Provision for Income Taxes | 321,051 | (603,350) | 433,671 |
| Net Income (Loss) | \$ 596,214 | \$ (2,307,168) | \$ 1,369,776 |

The accompanying notes are an integral part of these financial statements.

CAMP BOW WOW FRANCHISING, INC. Statements of Stockholder's Equity For the Fiscal Years Ended January 1, 2022 (Fiscal 2021) January 2, 2021 (Fiscal 2020), and December 28, 2019 (Fiscal 2019)

| | Commo | on Stocl | ĸ | | | | |
|--|--------|----------|------|-------------------------------|----------|--|---------------|
| | Shares | Amo | ount | Additional Paid-In Capital | E (Ac | Retained Earnings ccumulated Deficit) | Total |
| Balance, December 29, 2018 | 1,000 | \$ | 1 | \$ 37,463,770 | \$ | 438,896 | \$ 37,902,667 |
| Impact Of ASC 606 Adoption (Note 2) | - | | - | - | | (329,068) | (329,068) |
| Net Income | | | - | | | 1,369,776 | 1,369,776 |
| Balance, December 28, 2019 | 1,000 | | 1 | 37,463,770 | | 1,479,604 | 38,943,375 |
| Net Loss | | | | | (| 2,307,168) | (2,307,168) |
| Balance, January 2, 2021 | 1,000 | | 1 | 37,463,770 | | (827,564) | 36,636,207 |
| Net Income | | | | | | 596,214 | 596,214 |
| Balance, January 1, 2022 | 1,000 | \$ | 1 | \$ 37,463,770 | \$ | (231,350) | \$ 37,232,421 |

The accompanying notes are an integral part of these financial statements.

CAMP BOW WOW FRANCHISING, INC. **Statements of Cash Flows** For the Fiscal Years Ended January 1, 2022 (Fiscal 2021) January 2, 2021 (Fiscal 2020), and December 28, 2019 (Fiscal 2019)

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---|----------------------------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | • • • • • • • • • • | | |
| Net Income (Loss) | \$ 596,214 | \$ (2,307,168) | \$ 1,369,776 |
| Adjustments to Reconcile Net Income (Loss) to | | | |
| Net Cash Provided by (Used-in) Operating Activities: | 10(0(00 | 1 070 710 | 1 (02 250 |
| Depreciation and Amortization | 1,968,690 | 1,879,713 | 1,603,358 |
| Deferred Income Taxes | 321,051 | (435,278) | 305,125 |
| Changes in Operating Assets and Liabilities: Accounts Receivable | (221 (10) | (10(52) | |
| | (231,610) | (10,652) | (55,983) |
| Prepaid Expenses And Other Current Assets Other Assets | 100,765 | 57,506 | (212,606) |
| | (66,508) | (207,478) | (177,584) |
| Accounts Payable | (27,590) | 282,395 | (39,214) |
| Accrued Expenses Deferred Revenue | 2,493,460 | 254,416 | (97,490) |
| Deferred Revenue | (137,705) | (64,661) | 695,463 |
| Net Cash Provided by (Used-in) Operating Activities | 5,016,767 | (551,207) | 3,390,845 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Increase in Intangibles | (2,083,482) | (1,294,690) | (774,265) |
| (Purchases) Disposals of Property and Equipment | (13,495) | 48,721 | (113,763) |
| | <u>.</u> | | <u>_</u> |
| Net Cash (Used-in) Investing Activities | (2,096,977) | (1,245,969) | (888,028) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Borrowings from (Payments to) Related Party | (6,489,132) | (2,300,092) | (322,589) |
| Borrowings from (Payments to) Parent | 1,581,080 | 4,050,834 | (2,184,441) |
| | | | |
| Net Cash Provided by (Used-in) Financing Activities | (4,908,052) | 1,750,742 | (2,507,030) |
| Net Decrease in Cash | (1,988,262) | (46,434) | (4,213) |
| CASH, beginning of year | 2,011,359 | 2,057,793 | 2,062,006 |
| CASH, end of year | \$ 23,097 | \$ 2,011,359 | \$ 2,057,793 |

(1) NATURE OF ORGANIZATION

Camp Bow Wow Franchising, Inc. (the "Company"), a Delaware corporation, franchises the rights to operate Camp Bow Wow Stores (the "Camps"). The Camps provide premier pet services including dog day care, overnight boarding, grooming and other ancillary services at specially designed pet care facilities. The Camp Bow Wow franchises operate throughout the United States and Canada.

The Company is the surviving entity after the acquisition of D.O.G. Development, LLC and related entities by VCA, Inc. ("VCA") (the Parent). During 2017, 100% of the outstanding common stock of VCA was acquired by Mars Corporation. The predecessor entities began operations in December 2000, and began franchising in 2003. On August 1, 2014, the predecessor entities were acquired by VCA through CBW Acquisition Corp. and merged into D.O.G Acquisition Corp., a wholly-owned subsidiary of VCA. The Company changed its name to Camp Bow Wow Franchising, Inc. on August 1, 2014.

In conjunction with the acquisitions, the Parent formed and continues to operate its wholly-owned subsidiary, CBW Operating, Inc. ("CBW Operating"), a related party, to own and operate Parent owned camps.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Change in Accounting Principle

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

On December 30, 2018, the Company adopted ASC 606, as amended, to all contracts that had not been completed as of December 30, 2018 using the modified-retrospective method. Accordingly, results for the reporting period beginning after December 30, 2018 are presented in accordance with ASC 606, while prior period amounts have not been adjusted and continue to be reported under the accounting standards that were in effect for the prior periods.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in Accounting Principle (Continued)

The cumulative effect of adopting ASC 606 resulted in a one time adjustment of \$329,068 to the opening balance of retained earnings which is reflected in the accompanying statements of stockholder's equity for the fiscal year ended December 28, 2019. The cumulative effect adjustment relates to the recognition of revenue and related costs for customer contracts that transfer goods or services over time. Under ASC 606, the timing of the recognition of revenue and the related cost of revenue associated with goods or services provided to customers with no alternative use are recognized over time utilizing an input method that compares the cost of cumulative work in process to date to the most current estimates for the entire cost of the performance obligation. By contrast, in the prior periods, revenue and the related costs were recognized upon completion of the performance obligation in accordance with accounting standards that were in effect in the prior periods. Under these customer contracts the customer retains control of the product as it is being created or enhanced by our services and/or we are entitled to compensation for progress to date that includes an element of profit margin.

Restatement consists of the following: Retained earnings, December 29, 2018, as previously reported

| Deferred Revenue ASC 606 Impact | (688,896) |
|-------------------------------------|------------|
| Deferred Commissions ASC 606 Impact | 201,715 |
| Deferred Marketing ASC 606 Impact | 158,113 |
| Impact of ASC 606 Restatement | (329,068) |
| Retained Earnings, as Restated | \$ 109,828 |

\$

438.896

(b) Basis of Accounting

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(c) Fiscal Year

The Company's fiscal year is based on a 52 or 53 week period ending on the last Saturday of December. The fiscal year 2021 (January 1, 2022) was 52 weeks, 2020 (January 2, 2021) was 53 weeks and 2019 was 52 weeks. Throughout these notes the fiscal periods are referred to as 2021, 2020 and 2019, respectively.

(d) Franchise Agreements

The Company is obligated under its franchise agreements to provide training, an operations manual, and other initial and continuing services to its franchisees. Franchisees pay an initial franchise fee as well as continuing royalty fees based on cash receipts. Marketing fees for a national campaign are charged to franchisees. Additional fees are assessed upon renewal or transferring franchise interests.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Franchise Agreements (Continued)

At January 1, 2022, there are 199 Camps in operation, of which 192 were franchised and 7 of the locations are corporate owned. At January 2, 2021, there were 186 Camps in operation, of which 176 were franchised and 10 of the locations were corporate owned. At December 28, 2019, there were 174 Camps in operation, of which 163 were franchised and 11 were corporate owned. There were 23, 17 and 32 new franchise agreements awarded during 2021, 2020 and 2019, respectively. There were 263, 245 and 232 signed franchise agreements as of January 1, 2022, January 2, 2021 and December 28, 2019, respectively.

(e) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported revenue and expenses. Actual results may differ from these estimates.

(f) Concentration of Credit Risk

Occasionally, the Company's bank balances exceed FDIC insured limits. The Company has not experienced and does not anticipate any losses related to cash held in these accounts.

(g) Cash and Cash Equivalents

The Company considers all short-term financial instruments purchased with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents as of fiscal years ended 2021, 2020 and 2019.

(h) Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company's allowance for doubtful accounts is based upon the length of time the receivables are past due, historical payment trends and current economic factors. The Company generally does not require collateral. The Company had no allowance for doubtful accounts as of fiscal years ended 2021, 2020 and 2019.

(i) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

| Software | 3 - 5 Years |
|------------------------|---|
| Computer Equipment | 3 - 5 Years |
| Furniture and Fixtures | 7 Years |
| Leasehold Improvements | shorter of useful life or remaining life of the lease |

Normal repairs and maintenance are expensed as incurred, whereas significant charges which materially increase values or extend useful lives are capitalized and depreciated or amortized over the estimated useful lives of the related assets.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Intangible Assets

Definite lived intangible assets consist of franchise rights, acquired technology and covenants not to compete.

Depreciation of property and equipment is computed using the straight line method over the following estimated useful lives:

| Franchise Rights | 10 - 22 Years |
|---------------------|---------------|
| Trade Name | 12 Years |
| Acquired Technology | 3 - 5 Years |

Indefinite lived intangible assets are not amortized, but instead are tested annually for impairment. The Company has not incurred any impairment charges for the fiscal years ended 2021,2020 and 2019.

<u>(k) Goodwill</u>

Goodwill represents the excess of cost over fair value of the net assets acquired. The Company evaluates goodwill for impairment annually. The Company has not incurred any impairment charges for the fiscal years ended 2021, 2020 and 2019. As a result of the acquisition of VCA, goodwill was revalued and included with franchise rights.

(l) Impairment of Long Lived Assets

The Company evaluates its long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount, an impairment loss would be measured based on the fair value compared to the carrying amount. There were no impairments recorded to long lived assets for the fiscal years ended 2021, 2020 and 2019.

(m) Deferred Revenue

Deferred revenue represents initial franchise fees received from franchisees that have yet to open and unamortized portion of franchise fees related to resales and renewals.

(n) Revenue Recognition

Franchise fees for renewals and resales are recognized ratably over the term of the franchise agreement, which is 10 years, starting upon signing of the resale or renewal agreement. As allowed under ASC 606 (see Note 2) initial franchise fees are recognized upon Camp opening, as costs incurred to open a new franchise equal or exceed charged fee. Royalty fees are recognized and charged at a percentage (primarily 6% to 7%) of cash receipts on a semi-monthly basis.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Marketing Fund

The Company expends marketing fees collected from franchisees to pay for expenses related to the development of marketing materials and processes for use by franchisees and the Company in national, regional or local advertising, marketing and promotion activities. Marketing fees are charged at 1% of cash receipts.

Marketing fees collected and accrued during the fiscal years ended 2021, 2020 and 2019 amounted to \$1,639,455, \$973,120 and \$1,425,528, respectively.

Marketing fees expended during the fiscal years ended 2021, 2020, and 2019 amounted to \$1,466,071, \$1,512,543 and \$1,471,245, respectively.

(p) Advertising Expense

Advertising expense is presented as marketing fees expended and relate to activities to promote the Camp Bow Wow brand to consumers and prospective franchisees and are expensed as incurred. Advertising expense during the fiscal years ended 2021, 2020 and 2019 amounted to \$261,970, \$283,378 and \$307,976, respectively.

(q) Income Taxes

As a wholly-owned subsidiary, the Company is reported on the consolidated tax return of the Parent.

The Company accounts for income taxes under ASC 740, Income Taxes. This statement requires the recognition of deferred tax assets and liabilities for the future consequences of events that have been recognized in the Company's financial statements or tax returns. The Company measures tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which the Company expects to recover or settle those temporary differences. The Company recognizes the effect of a change in tax rates on deferred tax assets and liabilities in income in the period that includes the enactment date. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized.

The Company accounts for uncertainty in income taxes under ASC 740 10. ASC 740 10 prescribes a recognition threshold and measurement methodology to recognize and measure an income tax position taken, or expected to be taken, in a tax return. The evaluation of a tax position is based on a two step approach. The first step requires an entity to evaluate whether the tax position would "more likely than not" be sustained upon examination by the appropriate taxing authority. The second step requires the tax position be measured at the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. In addition, previously recognized benefits from tax positions that no longer meet the new criteria would be reversed.

It is the Company's accounting policy to record interest and penalties related to income taxes as a component of income tax expense.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Subsequent Events

The Company has evaluated events subsequent to January 1, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through February 25, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

(3) DUE TO/FROM RELATED PARTY

In the ordinary course of business, the Company provides funding and services to CBW Operating, a related party through common ownership and control. Due to/from related party represent outstanding amounts due to/from CBW Operating. The amounts are unsecured and noninterest bearing.

_ _ _ .

(4) PROPERTY AND EQUIPMENT

(5)

Property and equipment consisted of the following:

| | | 2021 | | 2020 | | 2019 |
|---|----|------------|-----|------------|----|------------|
| Computer Equipment | \$ | 182,550 | \$ | 156,573 | \$ | 151,394 |
| Furniture and Fixtures | | 162,134 | | 162,134 | | 160,504 |
| Leasehold Improvements | | 481,803 | | 481,803 | | 481,803 |
| Construction in Progress | _ | - | | - | _ | 55,530 |
| | | 826,487 | | 800,510 | | 849,231 |
| Accumulated Depreciation and Amortization | | (435,786) | | (323,341) | | (235,660) |
| | \$ | 390,701 | \$ | 477,169 | \$ | 613,571 |
| <u>INTANGIBLE ASSETS</u> | | | | | | |
| Intangible assets consisted of the following: | | | | | | |
| | | 2021 | | 2020 | | 2019 |
| Franchico Rights | ¢ | 22 762 000 | ¢ ′ | 22 762 000 | ¢ | 23 763 000 |

| Franchise Rights | \$ 23,763,000 | \$ 23,763,000 | \$ 23,763,000 |
|--------------------------|---------------|---------------|---------------|
| Trade Name | 1,335,000 | 1,335,000 | 1,335,000 |
| Acquired Technology | 5,760,742 | 3,052,792 | 1,717,419 |
| | 30,858,742 | 28,150,792 | 26,815,419 |
| Accumulated Amortization | (6,811,331) | (5,019,678) | (3,186,963) |
| | \$ 24,047,411 | \$ 23,131,114 | \$ 23,628,456 |

(5) INTANGIBLE ASSETS (CONTINUED)

Future amortization of intangibles by year is approximately as follows:

Fiscal Year Ending,

| 2022 | \$ 2,098,484 | |
|------------|---------------|--|
| 2023 | 2,010,201 | |
| 2024 | 1,898,792 | |
| 2025 | 1,695,816 | |
| 2026 | 1,616,324 | |
| Thereafter | 14,727,794 | |
| | \$ 24,047,411 | |

(6) DUE TO (FROM) PARENT

In addition to intercompany borrowings, the Company's operating expenses are processed and paid by the Parent. When requested by the Parent, the Company will make lump sum repayments for the liability that arises from these cash flow advances. Balances due are unsecured and noninterest bearing.

(7) COMMITMENT

D: 117

The Company leases office space under an operating lease that expires at the end of 2021. The Company's initial monthly base payment under this lease is \$6,762. The monthly payment increases by approximately 3% on January 1st of each year. Rent expense under this lease for the fiscal years ended 2021, 2020 and 2019, was \$91,422, \$88,717 and \$86,103, respectively.

The scheduled minimum lease payments under the lease terms are as follows:

| <u>Fiscal Year Ending</u> | |
|---------------------------|---------------|
| 2022 | \$ 101,971 |
| | |
| | \$ 101,971 |

(8) STOCKHOLDER'S EQUITY

. .

The Company is authorized to issue 1,000 shares of \$0.001 par value of common stock. At January 1, 2022, January 2, 2021 and December 28, 2019 there were 1,000 shares issued and outstanding. Holders of common stock are entitled to one vote for each share.

(9) INCOME TAXES

The provision for income taxes consisted of the following:

| | 2021 2020 | | | 2019 | | |
|----------|-----------|---------|----|-----------|----|---------|
| Current | | | | | | |
| Federal | \$ | - | \$ | (136,513) | \$ | 104,409 |
| State | | - | | (31,559) | | 24,137 |
| | | - | | (168,072) | | 128,546 |
| Deferred | | | | | | |
| Federal | | 218,900 | | (353,545) | | 247,831 |
| State | | 102,151 | | (81,733) | | 57,294 |
| | | 321,051 | | (435,278) | | 305,125 |
| | \$ | 321,051 | \$ | (603,350) | \$ | 433,671 |

Significant components of the Company's deferred income tax assets are comprised of differences in financial statement and income tax treatment of net operating losses, depreciation and amortization, compensation, accrued expenses, deferred revenue, accrued interest and state taxes.

The components of deferred income taxes are summarized as follows:

| | 2021 | | 2020 | 2019 | | |
|----------------------------|------|---------|---------------|------|---------|--|
| Deferred Income Tax Assets | \$ | 648,538 | \$ 969,589 | \$ | 622,545 | |

The Parent's federal income tax returns for tax years 2018 and beyond remain subject to examination by the Internal Revenue Service ("IRS"). The Parent's state tax returns remain subject to examination by state taxing authorities for the tax years 2017 and beyond.

(10 401(K) PLAN

The Company's employees are eligible to participate in the Parent's voluntary retirement plan under Section 401(k) of the Internal Revenue Code. The plan covers all employees within one month of employment with the Company and provides annual matching contributions by the Company at the discretion of the Board of Directors. The expense for matching contributions to the voluntary retirement plan were \$36,581, \$30,909 and \$15,593 in 2021, 2020 and 2019, respectively.



EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AS OF DECEMBER 31, 2021

Camp Bow Wow – 2022 FDD Exhibit E - List of Franchisees US.136565018.06

Camp Bow Wow Franchising, Inc. LIST OF OPERATIONAL FRANCHISEES AS OF DECEMBER 31, 2021

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|------------------------------------|-------------------------|--------------------------------------|--------------|-------|-------|--------------|
| Dog-Gone Purrfect L.L.C. | Jason Dalton | 65 East Border Circle | Mobile | AL | 36695 | 985-264-7056 |
| 37 th & Sawgrass LLC | Jeffrey Gold | 3712 Malcom Drive | Montgomery | AL | 36116 | 334-401-2267 |
| Fuzzy Friends, LLC | Heather Owen | 1050 Fairway Drive #111 | Avondale | AZ | 85323 | 623-925-8998 |
| Up Out & About LLC | Julie-Rae Steinmeyer | 2647 Baseline Road | Mesa | AZ | 85202 | 602-796-6881 |
| Wag'N Tails Corporation | Michelle Ellis | 8550 North 91st Avenue, Suite 55 | Peoria | AZ | 85345 | 623-773-2275 |
| Barkadia Dogs LLC | Travis Pensky | 2136 East Indian School Road | Phoenix | AZ | 85016 | 480-681-0555 |
| AHC1, LLC | Andrea Csaszar | 7000 East Mayo Blvd, Suite 1096 | Phoenix | AZ | 85054 | 480-758-4012 |
| Burkett Kennels, Inc. | Linda Burkett | 16725 North Oracle Boulevard | Tucson | AZ | 85739 | 520-742-6476 |
| DGP Bentonville LLC | Jason Dalton | 1403 SW 14th Street | Bentonville | AR | 72712 | 479-268-4122 |
| Pro Paws, Inc. | Kris Sigman | 1431 North Daly Street | Anaheim | CA | 92806 | 714-533-2267 |
| Beeson's Bark Buddies, Inc. | Marc Beeson | 103 Technology Court, Suite F | Brentwood | CA | 94513 | 925-666-9663 |
| Ohana 4 Paws, Inc. | Douglas Fleming | 1395 Galindo Street | Concord | CA | 94520 | 714-415-8456 |
| MC & R, Inc. | Mark Garrett | 1677 North Marshall Ave, Suite A | El Cajon | CA | 92020 | 619-448-9663 |
| Woods Ongoing, Inc. | Arlette Woods | 9263 Bendel Place | Elk Grove | CA | 95624 | 916-685-4590 |
| Weber Wag & Woof, LLC | John Weber | 8311 Greenback Lane | Fair Oaks | CA | 95628 | 916-726-3400 |
| M&A Unlimited, LLC | Arlette Woods | 6430 Preston Avenue, Suite F | Livermore | CA | 94550 | 925-456-3294 |
| Roch Corporation | Kimberly Simons | 220 Calle Pintoresco | San Clemente | CA | 92672 | 949-218-7387 |
| M & L Haight LLC | Michael Haight | 42192 Sarah Way | Temecula | CA | 92509 | 951-587-2267 |
| Roverdose LLC | Jonathan Wilson | 1620 South Abilene Street, Unit A | Aurora | СО | 80134 | 303-805-9739 |
| Barrett Stanley Emprise LLC | Brookanne Brown | 3631 Pearl Street | Boulder | СО | 80301 | 303-442-2261 |
| Castle Canine Corporation | Daphne Tasker | 500 1st Street | Castle Rock | СО | 80104 | 303-814-8108 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|------------------------------------|-------------------------|----------------------------|---------------------|-------|-------|--------------|
| Baily III, LLC | Gina Paradiso | 7009 South Kenton Street | Centennial | СО | 80112 | 419-618-0806 |
| NBS Enterprises LLC | Alexander Stadlin | 1020 Ford Street | Colorado Springs | СО | 80915 | 719-573-9247 |
| NBS Enterprises LLC | Alexander Stadlin | 4295 Northpark Drive | Colorado Springs | СО | 80907 | 719-260-9247 |
| Lift Your Leg, Inc. | April Dempster | 1221 South Cherokee Street | Denver | СО | 80223 | 303-282-5484 |
| MBS Enterprises LLC | Alexander Stadlin | 2125 South Jasmine Street | Denver | СО | 80222 | 719-260-9247 |
| Muffins Dogs Unlimited LLC | David Foley | 8121 South Grant Way | Littleton | СО | 80122 | 303-797-2267 |
| EKHess, LLC | Kelly Hess | 1227 Des Moines Avenue | Loveland | СО | 80537 | 970-534-3323 |
| NBS Monument, LLC | Alexander Stadlin | 18985 Base Camp Road | Monument | СО | 80132 | 719-632-9247 |
| Baily II, LLC | Gina Paradiso | 10325 South Progress Way | Parker | СО | 80134 | 303-805-9739 |
| Dudley Town Kennels LLC | Christopher Roebelen | 122 West Dudley Town Road | Bloomfield | CT | 06002 | 860-580-9395 |
| For Dogz LLC | Tami Sarra | 1145 John Fitch Boulevard | South Windsor | CT | 06074 | 860-372-4787 |
| Pooch Paradise, LLC | John Caro | 581 Hope Street | Stamford | CT | 06907 | 203-504-2288 |
| Dog House Ventures, Inc. | Laurie Williams | 301 Ruthar Drive | Newark | DE | 19711 | 302-738-2267 |
| McPhelps, LLC | Emily McMullin | 850 North Dixie Highway | Boca Raton | FL | 33432 | 561-709-7300 |
| VPG Enterprises, LLC | Michele Hudson | 8505-1 Baymeadows Road | Jacksonville | FL | 32256 | 904-732-9663 |
| Nina & Panchos Barktown, LLC | Dominic Tiziano | 3382 Mercantile Avenue | Naples | FL | 34104 | 239-352-2275 |
| For Dogs of NW Fla Inc. | Michael Milner | 2410 Langley Avenue | Pensacola | FL | 32504 | 850-293-4302 |
| Play Paws, Inc. | Godfrey Heath | 17266 Toledo Blade Drive | Port Charlotte | FL | 33954 | 941-875-9410 |
| Kelmagdyn Enterprises, LLC | Doris Darga | 12218 Balm Riverview Road | Riverview | FL | 33579 | 813-672-2267 |
| Tikka & Mirchi's Playhouse, LLC | Anita Sahoo | 2101 17th Street | Sarasota | FL | 34234 | 941-336-2267 |
| Casey Dogs LLC | Elena McLaughlin | 3483 SE Lionel Terrace | Stuart | FL | 34997 | 772-291-6545 |
| Wolfden Development, Inc. | Nancy Purvis | 4624 North Grady Avenue | Tampa | FL | 33614 | 813-870-2267 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|-------------------------------|-----------------------|--------------------------------------|--------------------|-------|-------|--------------|
| SpinDawgz LLC | Roger Spinnato | 1755 Grasslands Parkway | Alpharetta | GA | 30004 | 678-807-8505 |
| Zimmer Frei, LLC | Jeffrey Hahn | 1795 Buford Highway | Duluth | GA | 30097 | 678-265-3436 |
| Jigsaw Enterprises, LLC | Kathleen Stone | 585 Old Norcross Road | Lawrenceville | GA | 30046 | 770-995-3500 |
| V Squared Real Estate LLC | Vernard Hodges | 925 Lake Joy Road | Warner Robbins | GA | 31088 | 478-800-2275 |
| KKMS, Inc. | Kris Sigman | 12916 Highway 92, Suite 120 | Woodstock | GA | 30188 | 770-675-3445 |
| Peterson Pet Care, LLC | Elizabeth Peterson | 3430 South T.K. Avenue | Boise | ID | 83705 | 208-331-5091 |
| Peterson Pet Care, LLC | Elizabeth Peterson | 2134 East Franklin Road | Meridian | ID | 83642 | 208-887-0010 |
| Beta Dog, Inc. | Linda Ciprella | 641 South IL-83 | Elmhurst | IL | 60126 | 708-267-8768 |
| Cartom United LLC | Carolyn Brown | 3107 West Route 120 | McHenry | IL | 60051 | 815-385-7297 |
| J&D Doggy Day Care Inc. | James Cochonour | 22032 Howell Drive | New Lennox | IL | 60441 | 708-203-6056 |
| Pack Leader Corporation | Linda Ciprella | 6046 Roosevelt Road | Oak Park | IL | 60304 | 708-848-2267 |
| CallieCare, LLC | Cassie Snell | 1623 West Pioneer Parkway | Peoria | IL | 61615 | 309-692-2267 |
| Tripawd Doggie Daycare LLC | Michele Alexander | 489 Gradle Drive | Carmel | IN | 46032 | 317-580-0446 |
| GBW Bark, Inc. | Kathy Underwood | 10830 Pendleton Pike | Indianapolis | IN | 46236 | 317-709-1956 |
| CEH2 LLC | Thomas Hulbert | 5311 Commerce Circle | Indianapolis | IN | 46237 | 317-801-1123 |
| Merczini Enterprise, Inc. | Shawn Mercer | 860 North 20th Avenue | Hiawatha | IA | 52233 | 319-393-3647 |
| AJS Ventures, LLC | Aaron Shindler | 2900 University Avenue, Suite 250 | West Des Moines | IA | 50266 | 515-526-2267 |
| Puppy Palace, LLC | Brenda Heppenstall | 1150 West 151st Street, Suite D | Olathe | KS | 66061 | 913-322-2267 |
| Dogs Geaux Wow, LLC | Philip Detlefs | 7195 Pecue Lane | Baton Rouge | LA | 70817 | 225-810-3647 |
| Dog-Gone Purrfect, LLC | Jason Dalton | 14279 Highway 1085 | Covington | LA | 70433 | 985-892-9364 |
| Tardo Kennels L.L.C. | Suzette Fowler | 114 Eunice Street | Lafayette | LA | 70508 | 337-237-3647 |
| NLP Enterprises, LLC | Nancy Purvis | 2731 Tchoupitoulas Street | New Orleans | LA | 70130 | 504-891-3647 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|--|-----------------------|---------------------------------------|----------------------|-------|-------|--------------|
| Pet Peeve LLC | Jason Dalton | 3301 Conti Street | New Orleans | LA | 70119 | 504-669-4164 |
| Detlefs Prairieville Properties LLC | Philip Detlefs | 17545 Old Jefferson Highway | Prairieville | LA | 70769 | 225-927-1446 |
| Pooch Dawg House, L.L.C. | Barbara Lebel | 701 East Kings Highway | Shreveport | LA | 71105 | 316-626-7397 |
| DOGZ LLC | Gary Mansir | 49 Blueberry Road | Portland | ME | 04102 | 207-541-9247 |
| Three Boys, LLC | Eric Neumann | 7165 Oakland Mills Road | Columbia | MD | 21046 | 410-964-2275 |
| RPM Canines, LLC | William Randall | 1341 Hughes Ford Road, Unit #119E | Frederick | MD | 21701 | 240-285-9551 |
| S&M DGC Corporation | Sally Winters | 244 Maple Street | Bellingham | MA | 02019 | 508-966-4111 |
| Southcoast Happy Tails LLC | Aimee Cyr | 222 Grand Army of the Republic Hwy | Swansea | MA | 02777 | 508-812-9663 |
| Brighton Camp, LLC | Anthony Caruso | 3829 South Old US Hwy 23 | Brighton Township | MI | 48114 | 810-227-5487 |
| Duke's Paw, LLC | Michelle Vermeulen | 1310 60th Street SW | Byron Center | MI | 49315 | 616-881-9842 |
| Canine Keepers LLC | Debra Herr-Dempsey | 6374 Sashabaw Road | Clarkston | MI | 48346 | 248-620-9663 |
| PoochPeople II, Inc. | Ann Roth | 4373 Plant Drive | Commerce Township | MI | 48390 | 248-242-8000 |
| Brunink, LLC | Alicia Offringa | 4322 Central Parkway | Hudsonville | MI | 49426 | 616-896-9663 |
| Grand Rapids Airport, LLC | Anthony Caruso | 4150 40 th Street | Kentwood | MI | 49512 | 616-977-9247 |
| Abbicody Enterprise, LLC | Jacqueline Basas | 50600 Central Industrial Drive | Shelby Township | MI | 48315 | 720-290-2243 |
| Caruso Enterprises LLC | Anthony Caruso | 19795 East 9 Mile Road | St Clair Shores | MI | 48080 | 586-445-9663 |
| PoochPeople, Inc. | Ann Roth | 1300 Souter Drive | Troy | MI | 48083 | 248-583-9247 |
| Jedico, Inc. | Diana Hall | 14305 Ewing Avenue South | Burnsville | MN | 55306 | 952-736-9919 |
| Dog Camp Inc. | Diana Hall | 10100 Viking Drive | Eden Prairie | MN | 55344 | 952-828-9663 |
| Netley Enterprises LLC | Nicholas Netley | 2067 East Center Circle | Plymouth | MN | 55441 | 763-383-9585 |
| Dog Dais LLC | Anthony Gaines | 381 Highway 51 | Ridgeland | MS | 39157 | 662-213-8136 |
| The Pentavarte LLC | Patrick Frickleton | 104 Westport Road | Kansas City | МО | 64111 | 913-707-2779 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|--|------------------------|--|---------------------|-------|-------|--------------|
| Wolfden Missouri LLC | Nancy Purvis | 1010 SE Hamblen Road | Lee's Summit | МО | 64081 | 816-246-7833 |
| Kir-Ven Kamp, Inc. | Kirk Bettes | 1071 Brown Street | Liberty | МО | 64068 | 816-629-8522 |
| Springfield Camp, LLC | Anthony Caruso | 1900 West Sunset Street | Springfield | МО | 65807 | 417-882-9247 |
| Springfield Camp II, LLC | Anthony Caruso | 2814 S Freemont Avenue, Suite 104 | Springfield | МО | 65810 | 417-882-9247 |
| Jeffires Inc. | Sharon Jeffries | 1751 Scherer Parkway | St. Charles | МО | 63303 | 636-925-2275 |
| Dog Camp LLC | Colleen Clark | 5620 South 49th Street | Lincoln | NE | 68516 | 402-474-9663 |
| T&M Sahoo LLC | Anita Sahoo | 910 Wigwam Parkway, Suite 110 | Henderson | NV | 89014 | 702-476-3647 |
| Camp Dog Inc. | Mari Kaups | 5175 South Valley View Boulevard | Las Vegas | NV | 89118 | 702-255-2267 |
| Dogs Gone Wild, Inc. | Casey Gish | 210 South Rainbow Boulevard | Las Vegas | NV | 89145 | 702-817-4810 |
| Days Unleashed, Inc. | Michael Day | 7111 South Virginia Street, Suite A-4 | Reno | NV | 89511 | 775-855-9663 |
| Liberty Pet Ventures LLC | Randy Defazio | 10 West Chimney Rock Road | Bridgewater | NJ | 08805 | 732-805-0888 |
| Dawgs Forever, LLC | Heidi Duffy | 3 Esterbrook Lane, Suite 250 | Cherry Hill | NJ | 08003 | 856-651-9663 |
| Ruffin' It LLC | Guidon Sorbo | 284 Old Deal Road | Eatontown | NJ | 07724 | 732-728-9663 |
| Stay and Play While They Are Away, LLC | Roman Shabashkevich | 53 Midland Avenue | Elmwood Park | NJ | 07407 | 201-797-3647 |
| Rufus & Dreyfus LLC | Kenneth Myers | 1414 Grand Street | Hoboken | NJ | 07030 | 201-503-4622 |
| Going to The Dogs, LLC | Louise McKeown | 231 Bakers Basin Road | Lawrenceville | NJ | 08648 | 609-689-3647 |
| Dogs Playtime Inc. | Manisha Sachdev | 288 Lincoln Boulevard | Middlesex | NJ | 08846 | 732-560-3647 |
| Bergen Canines LLC | Michael Monks | 95 Greenwood Avenue, Suite B | Midland Park | NJ | 07432 | 201-882-0186 |
| DogEDog LLC | Staci Havens | 73 East Hanover Avenue | Morristown | NJ | 07960 | 973-960-6842 |
| DogEDog LLC | Staci Havens | 426 West Main Street | Rockaway Borough | NJ | 07866 | 973-960-6842 |
| Capital City Doggy Day Care, LLC | Samuel Dearth | 136 Railroad Avenue | Albany | NY | 12205 | 518-391-2777 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|---|------------------------|--|--------------------|-------|-------|--------------|
| Camp Bow Wow of Long Island, Inc. | David Levine | 174 Miller Place | Hicksville | NY | 11801 | 516-595-7297 |
| In The Ruff, LLC | Kathy Fiume | 101 Route 304 Nanuet | | NY | 10954 | 845-507-0068 |
| Very Us Ventures, LLC | Lee Wilson | 85 Mushroom Boulevard | Rochester | NY | 14623 | 585-613-9247 |
| Rayel Enterprises, LLC | Mark Luczak | 231 Grand Island Boulevard | Tonawanda | NY | 14150 | 716-877-9247 |
| Rayel Enterprises, LLC | Mark Luczak | 31 North America Drive | West Seneca | NY | 14224 | 716-677-9247 |
| Doggie Nation Asheville, LLC | Avery Griffin | 5 Airport Road | Arden | NC | 28704 | 504-451-6550 |
| Playful Paws, LLC | Neil Bleau | 107 Woodwinds Industrial Court | Cary | NC | 27511 | 919-465-4235 |
| Camp Charlotte Metro, LLC | James Daniel | 4900 Chastain Avenue | Charlotte | NC | 28217 | 704-527-3647 |
| CBW Charlotte, LLC | James Daniel | 8635 Crown Crescent Court Charlotte | | NC | 28227 | 704-364-5705 |
| Dog Gone Camp'N Inc. | Neil Bleau | 2612 South Miami Boulevard Durham | | NC | 27703 | 919-321-8971 |
| B&B Bow Wow, Inc. | Cynthia Balentine | 4310 Bennett Memorial Road | Durham | NC | 27705 | 919-309-4959 |
| Mixed Mutts Inc. | Adriana Jackson | 6207 Chimney Center Boulevard | Greensboro | NC | 27409 | 336-323-3133 |
| Pawsitive Ventures, LLC | Richard Gaminde | 1839 South Main Street, Units 340, 344, & 348 | Wake Forest | NC | 27587 | 919-435-2161 |
| RoDon Inc. | Donna Novak | 23380 Aurora Road | Bedford Heights | ОН | 44146 | 440-786-3647 |
| Momma-Gigi's Doghouse, Inc. | Carol Neckel | 4955 Creek Road | Cincinnati | ОН | 45242 | 513-745-9850 |
| Canine Adventures, LLC | Kevin Thelen | 1006 Dublin Road | Columbus | ОН | 43215 | 937-309-9282 |
| Karmic K9s, LLC | Jennifer D'Aurelio | 1403 Main Street | Cuyahoga Falls | ОН | 44221 | 330-923-9663 |
| K9 Playtime LLC | Melissa Bedwell | 31 Alpha Park Heigh | | OH | 44143 | 440-449-1364 |
| Wolf & Wolf, LLC | Kevin Thelen | 5100 Nike Drive | Hilliard | OH | 43026 | 614-527-2267 |
| Top Dog Enterprises, LLC | Roxanne Jancsik | 14411 Foltz Parkway | Strongsville | ОН | 44149 | 440-572-3200 |
| Dogdays, LLC | Stephanie McMillion | 863 Bradley Road | Westlake | ОН | 44145 | 440-899-9100 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|-------------------------------------|---------------------|---|-------------------------------------|-------|--------------|--------------|
| BAXKIN Developments, LLC | Brian Walters | 14992 South Grant Street Bixby | | OK | 74008 | 918-943-6400 |
| Paw Pac L.L.C. | Tiffany Beal | 801 Centennial Boulevard Edmond OK | | 73013 | 405-359-7297 | |
| Amian Development LLC | Brian Walters | 142 South 147th East Avenue | Tulsa | OK | 74116 | 918-437-3647 |
| Petlandia Inc. | James Nash | 2900 SE Cornelius Pass Road, Suite 218 | Hillsboro | OR | 97123 | 971-770-3647 |
| Tambo & Boys LLC | Tammy Lienberger | 21655 SW Pacific Highway, Suite A | Sherwood | OR | 97140 | 503-610-3191 |
| Doyle's Dog Camp LLC | Ken Doyle | 470 Business Park Lane | Allentown | PA | 18109 | 610-435-2267 |
| 6Wags Inc. | Michele Waggoner | 7 London Way | Avondale | PA | 19311 | 610-268-3647 |
| La Bone Manor LLC | Hydie Fike | 41 Progress Avenue | Cranberry | РА | 16066 | 724-765-7297 |
| CBW PGH 3 LLC | Jordan Murray | 1610 McClure Road | 1610 McClure Road Monroeville | | 15146 | 724-733-2267 |
| Going to The Dogs LLC | Louise McKeown | 2850 Comley Road Philadelphia | | РА | 19154 | 215-613-8223 |
| CBW Pittsburgh Airport LLC | Jordan Murray | 710 Trumbull Drive | Pittsburgh | PA | 15205 | 412-276-9247 |
| CBW PGH 2 LLC | Jordan Murray | 1325 Washington Boulevard | Pittsburgh | РА | 15206 | 412-362-7529 |
| Strimple Enterprises, LLC | Melea Strimple | 971 Killarney Drive | Pittsburgh | PA | 15234 | 412-885-2267 |
| CBW Pittsburgh Airport LLC | Jordan Murray | 2327 Babcock Boulevard | Pittsburgh | PA | 15237 | 412-931-9247 |
| CBW I, LLC | Wesley Skorski | 3 Keyes Way | West Warwick | RI | 02893 | 860-670-5874 |
| Tardo Kennels of Charleston, LLC | Suzette Fowler | 1745 Clements Ferry Road | Charleston | SC | 29492 | 843-216-2278 |
| Galleon Enterprises, LLC | Frank Ellington | 1916 Taylor Street | Columbia | SC | 29201 | 803-748-4544 |
| CBW Charlotte, LLC | James Daniel | 3536 Centre Circle Boulevard Fort Mill | | SC | 29715 | 704-307-6640 |
| DGP Greenville LLC | Jason Dalton | 602 Airport Road, Suites A&B | 602 Airport Road, Suites Greenville | | 29607 | 864-220-1223 |
| Alpha Dog Inc. | John Leighton | 305 Bush Drive | Myrtle Beach | SC | 29579 | 843-796-9499 |
| Basabe Corporation | Alberto Basabe | 110 Cooper Lane | Powdersville | SC | 29642 | 864-568-5855 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|-------------------------------------|---------------------------|---|---------------------------|-------|-------|--------------|
| Keith's Canines LLC | Tyler Keith | 3085 North Mount Juliet Road | Juliet | TN | 37122 | 615-308-2733 |
| Simcoe Enterprises Inc. | Rebecca Simcoe | 6108 Quince Road | Memphis | TN | 38119 | 901-878-9663 |
| n/a | Dennis Diffee | 2121 Whitten Road | 2121 Whitten Road Memphis | | 38133 | 901-373-8757 |
| Dog House Investments LLC | Steve Lassiter | 470 Craighead Street | Nashville | TN | 37024 | 615-385-2275 |
| JDM Dogcare, LLC | David Massengale | 200 Weakley Lane | Smyrna | TN | 37167 | 615-625-6230 |
| Weta-Dawgs Austin LLC | Frank Wetegrove | 13900 IH-35 | Austin | TX | 78728 | 512-670-2275 |
| Pet Grad LLC | Linda Grady | 769 South MacArthur Boulevard, Suite 233 | Coppell | TX | 75019 | 972-393-2267 |
| Cacique J and J Enterprises, LLC | Jose Morillo | 16641 Telge Road | Cypress | TX | 77429 | 281-826-9981 |
| Dallas Animal Connections LLC | Stephen Martin | 13730 Floyd Circle | Dallas | TX | 75243 | 214-575-9663 |
| Dogs Are People Too, LLC | Stacey Copeland | 519 East Highway 67 | Duncanville | TX | 75137 | 972-296-9663 |
| Littermates LLC | Amy Petrie | 3434 Long Prairie Road, Suite 200 | Flower Mound | TX | 75022 | 214-315-4390 |
| Oreo Investments, Inc. | J. Timothy Lightfoot | 6411 Camp Bowie Boulevard | Fort Worth | TX | 76116 | 469-223-0940 |
| J-S Woof Enterprise, Inc. | Stephanie Willis | 1751 Eastchase Parkway | Fort Worth | TX | 76120 | 682-207-2296 |
| Who's A Good Dog? LLC | Alison Ayrea | 117 North Belt Line Road | Grand Prairie | TX | 75050 | 972-264-3647 |
| Doggy Holdings, LLC | Linda Grady | 1200 Texan Trail, Suite 300 | Grapevine | TX | 76051 | 817-329-7667 |
| Bayou City Barks | Julia Ambler | 7232 Wynwood Lane | Houston | TX | 77008 | 713-357-0070 |
| GLA Pet Holdings, LLC | George Andrade | 7803 Hanson Road | Houston | TX | 77061 | 281-672-8617 |
| Ziggy's Play Yard, LLC | Christine Spence Reese | 11321 North Sam Houston Parkway E | Humble | TX | 77396 | 832-304-3641 |
| ERM Armor LLC | Mark Maguire | 1840 Norwood Plaza Hurst | | TX | 76054 | 970-406-0825 |
| C&R Hill Enterprises LLC | Roxanne Hill | 600 Lemens Avenue | Hutto | TX | 78634 | 512-423-2196 |
| Rancho J&J Enterprises, LLC | Jose Morillo | 1515 Vander Wilt Lane, Building #5 | Katy | TX | 77449 | 281-849-3647 |
| Taino J and J Enterprises, LLC | Jose Morillo | 300 Anders Lane | Kemah | TX | 77565 | 281-334-2267 |

| Legal Entity | Primary Contact | Camp Address | City | State | Zip | Phone |
|----------------------------------|-------------------------|--|--------------------|-------|-------|--------------|
| Weta-Dawgs Live Oak, LLC | Frank Wetegrove | 13588 N IH-35 | Live Oak | TX | 78233 | 210-558-9969 |
| TrayMar Holdings LLC | Tracey Eidson | 448 North Custer Road McKinney | | TX | 75071 | 210-410-4834 |
| LKRT, Inc. | Leol Franklin | 27616 Commerce Oaks Drive | Oak Ridge North | TX | 77385 | 832-482-2299 |
| Lightning & Thunder Too, Inc. | Tonjua Farris | 11310 West County Road 100 | Odessa | TX | 79765 | 432-254-4411 |
| Steza Operating LLC | Alfonso Zaza | 2849 Old Chocolate Bayou Road | Pearland | TX | 77584 | 844-358-6463 |
| P1 Ventures LLC | Stephen Martin | 2060 West Spring Creek Parkway, Suite 404 | Plano | TX | 75023 | 972-342-9423 |
| EAC Ventures LLC | James Daniel Simmons | 4604 Industrial Street | Rowlett | TX | 75088 | 469-431-2318 |
| Weta-Dawgs, L.L.C. | Frank Wetegrove | 11931 Jones Maltsberger Road | San Antonio | TX | 78216 | 210-826-9969 |
| Weta-Dawgs Too, L.L.C. | Frank Wetegrove | 5811 Rocky Point | San Antonio | TX | 78249 | 210-495-9969 |
| Weta-Perritos Tercera LLC | Frank Wetegrove | 20750 Stone Oak Parkway | San Antonio | TX | 78258 | 210-496-9969 |
| Rabbit Mountain Inc. | Christopher Click | 5200 Electric Avenue | Spicewood | TX | 78669 | 512-264-9663 |
| Thor Doggie Daycare LLC | Mark Marconi | 744 Crab River Road | Sugar Land | TX | 77469 | 281-545-2275 |
| Woof's Play and Stay, Inc. | Shruti Sibal | 207 Colonnade Parkway | Woodway | TX | 76712 | 254-300-1491 |
| Prado's Pooch Place, LLC | April Prado | 475 West 3600 South | Salt Lake City | UT | 84115 | 801-288-2275 |
| JarNel, Inc. | Walter Jarvis | 9495 South 700 East, Suites 2A&3 | Sandy | UT | 84070 | 801-896-4221 |
| Hootenanny LLC | Beverly Stevenson | 16642 146 th Street SE | Monroe | WA | 98272 | 360-862-3040 |
| Sea Spot Run, LLC | Robin Ellis | 11762 Clear Creek Road NW | Silverdale | WA | 98383 | 360-813-3130 |
| D.D.A. Oak Creek LLC | Brett Ippolite | 8411 South Liberty Lane | Oak Creek | WI | 53154 | 262-408-8686 |
| D.D.A. Waukesha, LLC | Brett Ippolite | 1707 Paramount Court | Waukesha | WI | 53186 | 262-547-9663 |

Camp Bow Wow Franchising, Inc.

LIST OF INTERNATIONAL OPERATIONAL FRANCHISEES AS OF DECEMBER 31, 2021

CANADA

| Legal Entity | Primary Contact | Camp Address | City | Province | Zip | Phone |
|--------------|--------------------|---------------------|-----------|----------|------------|--------------|
| n/a | John Sinclair | 650 Portland Street | Dartmouth | NS | B2W 6A3 | 902-431-3647 |

Camp Bow Wow Franchising, Inc. LIST OF FRANCHISEES NOT YET OPERATIONAL AS OF DECEMBER 31, 2021

| Legal Entity | Primary Contact | City | State | Email | ADA |
|------------------------------|-------------------------|---------------|-------|----------------------------------|-----|
| Vulcan Bark | Gregory Milam | Hoover | AL | greg.milam@campbowwow.com | |
| n/a | Andrea Csaszar | Cave Creek | AZ | andrea.csaszar@campbowwow.com | |
| n/a | Catherine Saleck | Gilbert | AZ | catherine.saleck@campbowwow.com | |
| n/a | Catherine Saleck | Sun Lakes | AZ | catherine.saleck@campbowwow.com | |
| n/a | Alan Schrope | Tucson | AZ | alan.schrope@campbowwow.com | |
| Black Dog Management, LLC | Teresa Lile | Benton | AR | teresa.lile@campbowwow.com | |
| Weber Wag & Woof, LLC | John Weber | Castro Valley | CA | john.weber@campbowwow.com | |
| Sunset Operations Inc. | Tina Yerkes | Chula Vista | CA | tina.yerkes@campbowwow.com | |
| ADK9, Inc. | Adrian Kaylor | Danville | CA | adrian.kaylor@campbowwow.com | |
| Heartsmile LLC | Sammie Linton | Pasadena | CA | sammie.linton@campbowwow.com | |
| Weber Wag & Woof, LLC | John Weber | San Jose | CA | john.weber@campbowwow.com | |
| Weber Wag & Woof, LLC | John Weber | Tracy | CA | john.weber@campbowwow.com | |
| n/a | Carol Ingraham | Brighton | CO | carol.ingraham@campbowwow.com | |
| n/a | James Brooks | Evergreen | CO | jimmy.brooks@campbowwow.com | |
| n/a | Alexander Hoover | Lafayette | CO | alex.hoover@campbowwow.com | |
| n/a | James Brooks | Lakewood | CO | jimmy.brooks@campbowwow.com | |
| n/a | Alexander Hoover | Thornton | СО | alex.hoover@campbowwow.com | |
| Benji Wag & Woof LLC | Gunjan Shah | Bridgeport | CT | gunjan.shah@campbowwow.com | |
| n/a | Janet Stoner | Milford | СТ | janet.stoner@campbowwow.com | |
| POMO LLC | Celina Lane | Atlanta | GA | celina.lane@campbowwow.com | |
| n/a | Kris Sigman | Marietta | GA | kris.sigman@campbowwow.com | |
| Heisler Hounds, LLC | April Heisler | Lindenhurst | IL | april.heisler@campbowwow.com | |
| CNCEP, LLC | Cassie Snell | Peoria | IL | cassie.snell@campbowwow.com | |
| AFBO Corporation | John Quinn | Shorewood | IL | john.quinn@campbowwow.com | |
| Daisy May LLC | Angela Hutter | Noblesville | IN | angela.hutter@campbowwow.com | |
| L3 Wolfpack, LLC | Joshua Rodgers | Kansas City | KS | joshua.rodgers@campbowwow.com | |
| n/a | Michael Schroeder | Wichita | KS | michael.schroeder@campbowwow.com | |
| n/a | James Culp | Lexington | KY | james.culp@campbowwow.com | |
| Dog-Gone Purrfect L.L.C. | Jason Dalton | Destrehan | LA | jason.dalton@campbowwow.com | |
| Hampton Hounds LLC | Barbara Blair Taylor | Towson | MD | blair.taylor@campbowwow.com | |
| n/a | Wesley Skorski | Norwood | MA | wes.skorski@campbowwow.com | Х |
| n/a | Wesley Skorski | Weymouth | MA | wes.skorski@campbowwow.com | Х |
| KotaZM Corp | Tamara Mires | Muskegon | MI | tammy.mires@campbowwow.com | |

| Legal Entity | Primary Contact | City | State | Email | ADA |
|---|---------------------------|--------------------|-------|----------------------------------|-----|
| DAH Petcare, LLC | Daniel Hermann | Kirkwood | MO | dan.hermann@campbowwow.com | |
| Millie and Friends, LLC | Andrew Meek | Chaska | MN | andrew.meek@campbowwow.com | |
| n/a | Dale Chatagnier | Gulfport | MS | dale.chatagnier@campbowwow.com | |
| n/a | Shara Di Valerio | Las Vegas | NV | shara.divalerio@campbowwow.com | |
| n/a | Staci Havens | East Orange | NJ | staci.havens@campbowwow.com | |
| Dogs Playtime Inc. | Manisha Sachdev | Wayne | NJ | manisha.sachdev@campbowwow.com | |
| Pawsitive Ventures, LLC | Richard Gaminde | Raleigh | NC | david.gaminde@campbowwow.com | |
| My Best Hound's Day, LLC | Robert Cooley | Wilmington | NC | robert.cooley@campbowwow.com | |
| CMB Sales Associates LLC | Christopher Bachus | Delaware | ОН | chris.bachus@campbowwow.com | |
| Okie Dogs, LLC | Amy Marshall | Oklahoma City | OK | amy.marshall@campbowwow.com | |
| Pets N Friends, LLC | Lisa Thomas | Scranton | PA | lisa.thomas@campbowwow.com | |
| Convergent Building & Development LLC | Wesley Skorski | Providence | RI | wes.skorski@campbowwow.com | |
| n/a | Wesley Skorski | Smithfield | RI | wes.skorski@campbowwow.com | Х |
| My Best Hound's Day, LLC | Robert Cooley | Johns Island | SC | robert.cooley@campbowwow.com | |
| GO FETCH LLC | Michelle Harrison | Summerville | SC | michelle.harrison@campbowwow.com | |
| Keith's Canines Chattanooga LLC | Tyler Keith | Chattanooga | TN | tyler.keith@campbowwow.com | |
| Dog-Gone Purrfect L.L.C. | Jason Dalton | Faragut | TN | jason.dalton@campbowwow.com | |
| JMZ, LLC | Yu Min Choe | Franklin | TN | yumin.choe@campbowwow.com | |
| n/a | Robbie Lewis | Portland | TN | robbie.lewis@campbowwow.com | |
| KD's K9's LLC | Kelley Warren | Arlington | TX | kelley.warren@campbowwow.com | |
| n/a | Kelly Edwards | Austin | TX | kelly.edwards@campbowwow.com | |
| Rabbit Mountain Inc. | Christopher Click | Cedar Park | TX | chris.click@campbowwow.com | |
| n/a | Kelly Edwards | College Station | TX | kelly.edwards@campbowwow.com | |
| n/a | Christien Spence Reese | Conroe | TX | christine.spence@campbowwow.com | |
| n/a | Cara Petrie | Denton | TX | cara.petrie@campbowwow.com | |
| TrayMar Frisco West, LLC | Tracey Eidson | Frisco | TX | tracey.eidson@campbowwow.com | |
| Bayou City Barks LLC | Julia Ambler | Houston | TX | julie.ambler@campbowwow.com | |
| Lightning & Thunder Too, Inc. | Tonjua Farris | Odessa | TX | tonjua.farris@campbowwow.com | |
| Weta-Dawgs Cedar Park, LLC | Frank Wetegrove | San Marcos | TX | frank.wetegrove@campbowwow.com | |
| n/a | Shruti Sibal | Temple | TX | shruti.sibal@campbowwow.com | |

| Legal Entity | Primary Contact | City | State | Email | ADA |
|--------------------------|-----------------------------|-------------------|-------|-------------------------------|-----|
| n/a | Stephen Martin | The Colony | ΤX | steve.martin@campbowwow.com | |
| JarNel, Inc. | Walter Jarvis | American Fork | UT | mark.jarvis@campbowwow.com | |
| Jovee Corporation | Anthony Francis C. Jover | Virginia Beach | VA | anthony.jover@campbowwow.com | |
| Campbell-Imthurn, LLC | Jamie Campbell | Vancouver | WA | jamie.campbell@campbowwow.com | |

Camp Bow Wow Franchising, Inc. LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2021

Other than as noted below there are no Franchisees who have had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement from January 1, 2021 to December 31, 2021, or who have not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

| Legal Entity | Primary Contact | City | State | Phone | Outlet Transferred to a New Owner |
|------------------------|---------------------|------------------|-------|--------------|--------------------------------------|
| Roch&Lol, LLC | Deanna Drury | Monument | СО | 720-530-0905 | Y |
| Dex-Bud Dog Care, Inc. | Barbara Tanton | Ann Arbor | MI | 735-502-4474 | Ν |
| Brunink, LLC | Ronald Brunink | Hudsonville | MI | 616-437-1900 | Y |
| Bark-N-Play, LLC | Michael Paquette | Cuyahoga Falls | ОН | 330-388-2835 | Y |
| K9 Playtime LLC | Michael Paquette | Highland Heights | ОН | 330-388-2835 | Y |
| Gone to The Dogs LLC | George Agamemnon | Dallas | TX | 214-289-5302 | Ν |

Camp Bow Wow Franchising, Inc. LIST OF STAND-ALONE HOME BUDDIES FRANCHISEES AS OF DECEMBER 31, 2021

NONE

Camp Bow Wow Franchising, Inc. LIST OF STAND ALONE HOME BUDDIES FRANCHISEES WHO ARE NOT YET OPERATIONAL AS OF DECEMBER 31, 2021

NONE

Camp Bow Wow Franchising, Inc. LIST OF STAND-ALONE HOME BUDDIES FRANCHISEES WHO HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2021

There are no Franchisees who have had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement from January 1, 2021 to December 31, 2021, or who have not communicated with us within 10 weeks of the date of this Disclosure Document.



EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA TO THE DISCLOSURE DOCUMENT

Camp Bow Wow–2022 FDD Exhibit F - Addenda US.136565018.06

EXHIBIT F

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED WITH THE UNIFORM FRANCHISE DISCLOSURE DOCUMENT.

In addition to the information disclosed in Item 3:

Neither the Company nor any person identified in Item 2 of this Uniform Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934,15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

In addition to the information disclosed in Item 17:

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

b. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

c. The Franchise Agreement requires application of the laws of the State of Colorado. This may not be enforceable in the State of California.

d. The Franchise Agreement requires you to 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 3100 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).

e. 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.

SECTION 31125 OF THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

OUR WEBSITE IS WWW.CAMPBOWWOW.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION.

ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT WWW.DFPI.CA.GOV.

ILLINOIS

Item 17 of the DISCLOSURE DOCUMENT is amended by adding the following:

The following should be added to Provision F of Item 17 of the DISCLOSURE DOCUMENT:

Illinois law may affect the conditions under which we may terminate the Franchise Agreement, 815 ILCS 705/19 and Rule 200.608.

The following should be added to Provision I of Item 17 of the DISCLOSURE DOCUMENT:

Illinois law may affect your rights upon non-renewal, 815 ILCS 705/19 and 705/20. Specifically, Illinois law requires that a franchisor give a franchisee 6-months notice of its intent not to renew the franchise. Illinois law supersedes any conflicting provision in Section 2 of the Franchise Agreement.

Pursuant to Illinois law 815 ILCS 705/19 and Rule Section 200.608, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois. In addition, Illinois law will govern the Franchise Agreement.

INDIANA

The Indiana Securities Division requires the following specific disclosures to be made to prospective Indiana franchisees:

1. Indiana has a statute, the Indiana Deceptive Practices Act (the "Act"), which makes it unlawful for a franchise agreement with an Indiana resident or nonresident who will operate a franchise in Indiana to contain any of the following provisions:

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

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

c. Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

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

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

f. Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers before the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this paragraph.

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

h. Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This paragraph shall not prohibit a franchise agreement from providing that the agreement is not renewable meets certain conditions specified in the agreement.

i. Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in the absence of an exclusive area provision in the agreement, an area of reasonable size, upon termination of or failure to re the franchise.

j. Limiting litigation brought for breach of the agreement in any manner whatsoever.

k. Requiring the franchisee to participate in any (i) advertising campaign or contest; (ii) promotional campaigns; (iii) promotional materials; or (iv) display decorations or materials, in each case at any expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

1. Requiring a franchisee to enter into an agreement providing the franchisor with any indemnification for liability caused by the franchisee's proper reliance on or use of procedures or materials provided by the franchisor or by the franchisor's negligence.

m. Requiring a franchisee to enter into an agreement reserving the right to injunctive relief and any specific damages to the franchisor, limiting the remedies available to either party without Camp Bow Wow-2022 FDD Exhibit F – Addenda F-3 US.136565018.06 benefit of appropriate process or recognizing the adequacy or inadequacy of any remedy under the agreement.

2. It is unlawful for any franchisor who has entered into any franchise agreement with a franchisee who is either a resident of Indiana or a nonresident operating a franchise in Indiana to engage in any of the following acts and practices in relation to the agreement:

a. Coercing the franchisee to:

(1) Order or accept delivery of any goods, supplies, inventories, or services which are neither necessary to the operation of the franchise, required by the franchise agreement, required by law, nor voluntarily ordered by the franchisee.

(2) Order or accept delivery of any goods offered for sale by the franchisee which includes modifications or accessories which are not included in the base price of those goods as publicly advertised by the franchisor.

(3) Participate in an advertising campaign or contest, any promotional campaign, promotional materials, display decorations, or materials at an expense to the

(4) franchisee over and above the maximum percentage of gross monthly sales or the maximum absolute sum required to be spent by the franchisee provided for in the franchise agreement; and absent a maximum expenditure provision in the franchise agreement, no such participation may be required; or

(5) Enter into any agreement with the franchisor or any designee of the franchisor, or do any other act prejudicial to the franchisee, by threatening to cancel or fail to renew any agreement between the franchisee and the franchisor. Notice in good faith to any franchisee of the franchisee's violation of the terms or provisions of a franchise or agreement does not constitute a violation of this paragraph.

b. Refusing or failing to deliver in reasonable quantities and within a reasonable time after receipt of an order from a franchisee for any goods, supplies, inventories, or services which the franchisor has agreed to supply to the franchisee, unless the failure is caused by acts or caused beyond the control of the franchisor.

c. Denying the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs, or estate maintains all standards and obligations of the franchise.

d. Establishing a franchisor-owned business that is substantially identical to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or if no exclusive territory is designated, competing unfairly with the franchisee within a reasonable area. However, a franchisor shall not be considered to be competing when operating a business either temporarily for a reasonable period of time, or in a bona fide retail operation which is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made

a significant investment subject to loss in the business operation and can reasonably expect to acquire full ownership of such business on reasonable terms and conditions.

e. Discriminating unfairly among its franchisees or unreasonably failing or refusing to comply with any terms of a franchise agreement.

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

g. Increasing prices of goods provided by the franchisor which the franchisee had ordered for retail consumers before the franchisee's receipt of a written official price increase notification. Price increases caused by conformity to a state or federal law, the revaluation of the United States dollar in the case of foreign-made goods or pursuant to the franchise agreement are not subject to this paragraph.

h. Using deceptive advertising or engaging in deceptive acts in connection with the franchise or the franchisor's business.

3. Regardless of anything set forth in the Franchise Agreement, you do not waive any right under Indiana statutes with regard to prior representations made in the Franchise Disclosure Document.

4. The Franchise Agreement is amended to provide that it will be governed and construed in accordance with the laws of the State of Indiana.

5. Each provision of the Franchise Agreement which is unlawful pursuant to the Act is deemed to be amended by the parties to conform with the Act.

MARYLAND

Items 5 and 7 are revised to include the following: The Maryland Securities Commissioner has required a financial assurance. Therefore, we have posted a surety bond, which is on file with the Maryland Securities Division. A copy of the bond is attached as Exhibit F-1.

Item 17 of the Disclosure Document is amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

Item 17 of the Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws. Among other things, you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, except for claims required to be submitted to arbitration.

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.).

All representations requiring a prospective franchisee to assent to a release, estoppel or waiver of any liability are not intended to, nor shall they act as, a release, estoppel or waiver of any liability uncured under the Maryland Franchise Registration and Disclosure Law.

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document 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.

The Disclosure Document is amended to state that we will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require, except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Pursuant to Minnesota Statute 80C.12 subdivisions 1(g), to the extent required by law, the Disclosure Document is amended to state that we will protect your right to use the trademark, service mark, trade name, logo or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our trade name.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document is modified accordingly, to the extent required by Minnesota law.

Minn. Stat. Sec. 80C.21 declares void any condition, stipulation or provision purporting to bind a person to waive compliance with the Minnesota franchise law (Minn. Stat. Sections 80C.01 to 80C.22 and the rules promulgated thereunder (collectively, the "Minnesota Act"). To the extent that any of the contracts that you sign with us contain a general release, or require you to sign a general release at a later date, in favor of us or our affiliates, the general release will not operate to extinguish claims arising under, or relieve any person from liability imposed by the Minnesota Act.

The Minnesota Act protects your right to require that the venue of any dispute not subject to binding arbitration be in Minnesota and that Minnesota law govern all contracts with us. It furthermore protects your right to a jury trial. To the extent any contract that you sign with us is inconsistent with the Minnesota Act, the contract shall be modified to conform with the Minnesota Act.

If any contract that you sign with us requires you to consent to our obtaining injunctive relief, the contract shall be amended to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing shall prevent us from applying to a forum for injunctive relief.

If any contract that you sign with us contains a limitations period for bringing claims against us which is shorter than the limitations period provided under the Minnesota Act, the contract shall be modified to conform to the Minnesota Act.

The Minnesota Act prohibits us from refusing to renew a franchise for the purpose of converting your business to an operation that will be owned by Company or one of our affiliates.

NEW YORK

The following information is required by New York's General Business Law (NY Gen. Bus. §680 et seq. (Consol. 2001) (the "New York Franchise Law") and supplements the information in this Disclosure Document:

Item 3 of the Disclosure Document is modified to read as follows:

Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. 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, 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.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of a 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.

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

Item 4 of the Disclosure Document is modified to read as follows:

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

In Item 5, the Initial Franchise Fee will be allocated as follows: (a) \$18,750 for training; (b) \$12,500 for location review and approval; and (c) \$18,750 for onboarding and support.

In Item 17, *Renewal, Termination*, section (d), with regard to the Franchise Agreement shall be supplemented by the addition of the following language:

The franchisee or multi-unit developer may terminate the agreement on any grounds available by law.

In Item 17, *Renewal, Termination*, section (j), *Assignment*, is supplemented by the addition of the following language at the end of the summary:

However, no assignment will be made except to an assignee who, in the good faith judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise or multiple-unit agreement.

In Item 17, *Renewal, Termination*, section (w) is supplemented by the addition of the following language at the end of the summary:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

Revisions to the Operations Manual will not unreasonably increase your obligations or place an excessive economic burden on your operations.

The New York Franchise Law makes it unlawful for a franchisor to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by the New York Franchise Law.

NORTH DAKOTA

Sections of the Disclosure Document requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

The Franchise Agreement, Non-Disclosure and Non-Competition Agreement, contain a covenant not to compete which may not be enforceable under North Dakota law.

Sections of the Disclosure Document requiring resolution of disputes to be outside of the state of North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document requiring you to consent to a waiver of trial by jury, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any provision requiring Franchisee to agree to the mediation or arbitration of disputes at a location that is remote from the site of Franchisee's business is not enforceable.

RHODE ISLAND

Item 17 of the Disclosure Document relating to or restricting choice of law, jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void under Section 19-28.1-14 of the Rhode Island Franchise Investment Act with respect to a claim otherwise enforceable under such Act.

SOUTH DAKOTA

The following information is required by South Dakota's Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5B (2008)} ("South Dakota Law") and supplements the information in this Disclosure Document:

Item 17 is supplemented by the addition of the following language immediately after the Despite anything to the contrary in the table, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota. Any non-binding mediation will be conducted at a mutually agreed upon site. You are not required to submit to venue or a forum outside the State of South Dakota for any claims you may have under the South Dakota Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5B (2008).

VIRGINIA

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

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the following statements are added to the information that we disclose in Item 17h. of the Disclosure Document:

1. 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.

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

WASHINGTON

The State of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of your franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in the State of Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable by a franchisor against an employee of a franchisee unless the employee's earnings from the party seeking enforcement, when annualized, exceed one hundred thousand dollars per year (an amount that will be adjusted annually for inflation). Pursuant to RCW 49.62.030, a noncompetition covenant is void and unenforceable by a franchisor against an independent contractor of a franchisee unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed two hundred fifty thousand dollars per year (an amount that will be adjusted annually for inflation). As a result, the franchisor will not require a franchisee to have its employees and independent contractors sign any agreement that contains noncompetition covenants that would violate RCW 49.62.020 by binding an employee of franchisee making less than one hundred thousand dollars per year (an amount that will be adjusted annually for inflation) or an independent contractor of franchisee making less than two hundred fifty thousand dollars per year on an annual basis (an amount that will be adjusted annually for inflation).

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 a franchisee or (ii) soliciting or hiring any employee of the franchisor. As a result, the franchisor will not require a franchisee to sign any non-solicitation agreement that would violate RCW 49.62.060 by restricting, restraining or prohibiting the franchisee from (i) soliciting or hiring any employee of a franchisee of a franchisee of the same franchise or prohibiting the franchise from (i) soliciting or hiring any employee of a franchise of the same franchiser or a franchisee or (ii) soliciting or hiring any employee of the franchiser.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.Franchisees in Washington will sign a separate addendum to the Franchise Agreement attached as part of Exhibit F to the Franchise Agreement.

WISCONSIN

The Wisconsin Fair Dealership Law ("Wisconsin Law") applies to most, if not all franchise agreements and prohibits the termination, cancellation, nonrenewal or substantial change of the competitive circumstances Camp Bow Wow–2022 FDD Exhibit F – Addenda F-10 US.136565018.06

of a dealership agreement without good cause. The Wisconsin Law further provides that at least 90 days prior written notice of the proposed termination, cancellation, nonrenewal or substantial change must be given to the dealer. The Wisconsin Law gives the dealer 60 days to cure the deficiency and if the deficiency is timely cured, the notice is void. The Wisconsin Law may supersede and control the terms of your relationship with us with respect to these subject matters. To the extent that any provision of any contract that you enter into with us pertaining to your franchise rights is inconsistent with the Wisconsin Law, the Wisconsin Law will control.



EXHIBIT F-1 TO FRANCHISE DISCLOSURE DOCUMENT

MARYLAND SURETY BOND

Camp Bow Wow–2022 FDD Exhibit F-1 – MD Surety Bond US.136565018.06

BOND NO. 019077698

STATE OF MARYLAND SECURITIES DIVISION FRANCHISOR SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, THAT

Camp Bow Wow Franchising, Inc.

(Name of Franchisor)

Corporation - Incorporated in Delaware

(Description or form of business organization, including State of Incorporation), with business offices at

7577 W 103rd Ave, Suite 209, Westminster, CO 80021

(Address)

a

a corporation duly organized as Principal, and Liberty Mutual Insurance Company (Name of Surety) under the laws of the State of and authorized to do Massachusetts

business in the State of Maryland, as Surety, are hereby held and firmly bound to the State of Maryland, in the sum of Fifty

Thousand Dollars (\$ 50 .000.00). For the payment of this sum, Principal and Surety bind themselves, their representatives, successors and assigns, jointly and severally by these presents.

WHEREAS, Principal has applied for registration as a franchisor to offer and sell franchises in Maryland, as required under the Maryland Franchise Registration and Disclosure Law, Title 14, Subtitle 2, Business Regulation Article, Annotated Code of Maryland, (2010 Repl. Vol.) (the Maryland Franchise Law); and

WHEREAS, Principal executes this surety bond under §14-217 of the Maryland Franchise Law, as a condition of its registration to offer and sell franchises in Maryland:

NOW, THEREFORE, the Principal agrees as follows:

- Principal shall obey all applicable rules, regulations and statutes of the State of Maryland, now or 1. hereafter existing and all other applicable laws now or hereafter existing, affecting or relating to the offer or sale of franchises and area franchises.
- Principal shall in all respects be bound to any and all applicable requirements and provisions required to be in 2. this bond by existing and future statutes, rules and regulations of the State of Maryland, and laws, the same as though such requirements and provisions were fully set forth in this bond, and by reference such requirements and provisions are made a part hereof.

Principal shall in all respects be bound to perform and fulfill, up to and until the time at which a franchisee's or 3. subfranchisor's business is fully operational, all undertakings, covenants, terms, conditions and agreements of any contract, or of any modification to a contract duly authorized by the parties to the contract, that the Principal makes with these franchisees, or subfranchisors.

- This bond is for the benefit of the State of Maryland and all persons purchasing franchises and area franchises 4 from Principal.
- 5.

This bond shall become effective at 12:00 am (time of day) May 5, 2021 (date)

It may be cancelled by Surety and Surety relieved of liability with respect to a franchise agreement entered into by Principal after the effective date of cancellation. Cancellation is effective 90 days after the Maryland Securities Commissioner and Principal receive written notice from Surety of cancellation. Notwithstanding any such cancellation, coverage under this bond remains effective with respect to any franchise agreements entered into by Principal prior to the effective date of cancellation.

on

Liberty Mutual Insurance Company (Name of Surety)

By: Sugar a Welsi (Signature of Attorney in Fact)

Susan A. Welsh, Attorney-in-Fact

Approved as to form:

Camp Bow Wow Franchising, Inc. (Name of Franchisor)

By: Sama a Clyncke (Signature of Officer, Partner, of Sole Proprietor)

Assistant Attorney General

INSTRUCTIONS: 1.

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- This side is to be completed by a notary public for both the Principal and the Surety.
- 2. Please attach the Power of Attorney and Certified Copy of the Corporate Resolution for the Surety listed herein.

| STATE OF | .)) ss. | ACKNOWLEDGMENT OF PRINCIPAL |
|---|--|--|
| COUNTY OF |) | |
| (INDIVIDUAL PROPRIETORSHIP) | | |
| The foregoing instrument was acknowledged | before me this _ | day of, |
| by(Name of Perso | | |
| (Name of Perso | on Acknowledge | d) |
| (CORPORATION) | | |
| The foregoing instrument was acknowledged | before me this _ | day of, |
| by (Name of Corporation President) | | , President of |
| (Name of Corporation President) | | |
| | , a | |
| (Name of Corporation) | | (State of Incorporation) |
| corporation, on behalf of the corporation. | | |
| (PARTNERSHIP) | | |
| The foregoing instrument was acknowledged | before me this | day of, |
| | | |
| (Name of Acknowledging Partner) | | , a partner on behalf of |
| | | |
| (Norse of Destaurable) | | , a partnership. |
| (Name of Partnership) | | |
| | | Notary Public |
| | | Comm Eve: |
| NOTARY SEAL Cty: | | Comm. Exp: |
| STATE OF | | |
| COUNTY OF KANE |)ss. | ACKNOWLEDGMENT OF SURETY |
| | | |
| The foregoing instrument was acknowledged | before me this | <u>5th</u> day of <u>May</u> , <u>2021</u> |
| by _Susan A. Welsh, Attorney-in-Fact | | |
| (Name and Title of Officer | or Agent) | |
| | or rigeniy | |
| of Liberty Mutual Insurance Company | 1. | |
| of <u>Liberty Mutual Insurance Company</u> (Name of Corporation Ackr a <u>Massachusetts</u> | nowledging) | on, on behalf of the corporation. |
| of Liberty Mutual Insurance Company (Name of Corporation Ackr | nowledging) | on, on behalf of the corporation. |
| of <u>Liberty Mutual Insurance Company</u> (Name of Corporation Ackr a <u>Massachusetts</u> | nowledging) | KHamp |
| of <u>Liberty Mutual Insurance Company</u> (Name of Corporation Ackr a <u>Massachusetts</u> | nowledging) | on, on behalf of the corporation. |
| of <u>Liberty Mutual Insurance Company</u> (Name of Corporation Ackr a <u>Massachusetts</u> | nowledging) | KHamp |
| of <u>Liberty Mutual Insurance Company</u> (Name of Corporation Ackr a <u>Massachusetts</u> (State of Incorporation) | nowledging) corporatio | Notary Public K Hannigan |
| of <u>Liberty Mutual Insurance Company</u> (Name of Corporation Ackr a <u>Massachusetts</u> (State of Incorporation) | nowledging) corporatio | Notary Public K Hannigan |



LIBERTY MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENT - DECEMBER 31, 2020

Liabilities

| Assets | |
|--|-----------------|
| Cash and Bank Deposits | \$2,058,007,542 |
| *Bonds - U.S Government | 2,209,760,437 |
| *Other Bonds | 15,902,755,586 |
| *Stocks | 18,517,107,230 |
| Real Estate | 193,169,809 |
| Agents' Balances or Uncollected Premiums | 6,970,170,469 |
| Accrued Interest and Rents | 118,399,147 |
| Other Admitted Assets | 12.079.597.645 |
| | |

Total Admitted Assets \$58,048,967,865

| \$8,448,706,991 23,879,216,613 343,068,613 | |
|--|--|
| - TWO 275 (1977) | |
| 343,068,613 | |
| | |
| 1,192,716 | |
| 77,397,000 | |
| | |
| 6.279,510,804 | |
| \$39,029,092,737 | |
| | |
| 8 | |
| | |
| | |
| 19,019,875,128 | |
| \$58,048,967,865 | |
| | 1,192,716 77,397,000 6,279,510,804 |



* Bonds are stated at amortized or investment value; Stocks at Association Market Values. The foregoing financial information is taken from Liberty Mutual Insurance Company's financial statement filed with the state of Massachusetts Department of Insurance.

1. TIM MIKOLAJEWSKI, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2020, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 25th day of March, 2021.

TAMiholajewski

Assistant Secretary



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

> Liberty Mutual Insurance Company The Ohio Casualty Insurance Company West American Insurance Company

Certificate No: 8202968-285057

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Judy A. Andersen; Samantha Chierici; Jessica B. Dempsey; Debra J. Doyle; Kristin L. Hannigan; Jennifer L. Jakaitis; Judith A. Lucky-Eftimov; James B. McTaggart; Sandra M. Nowak; Diane M. O'Leary; Christina L. Sandoval; Susan A. Welsh; Sandra M. Winsted

all of the city of Chicago state of IL each individually if there be more than one named, its true and lawful attorney-in-fact to make. execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 17th day of January 2020





Liberty Mutual Insurance Company The Ohio Casualty Insurance Company West American Insurance Company

By

David M. Carey, Assistant Secretary

guarantees. State of PENNSYLVANIA SS County of MONTGOMERY

letter of credi

residual

Not valid for mortgage, note, loan, currency rate, interest rate or resid

value On this 17th day of 2020 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance January On this <u>17th</u> day of <u>January</u>, <u>2020</u> before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer. Attorney

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.

PAS RY PL

COMMONWEALTH OF PENNSYLVANIA Notarial Seal Teresa Pastella, Notary Public Upper Merion Twp., Montgomery Count My Commission Expires March 28, 2021 nber Pennsylvania Association of Notaries

Pastella, Notary Public

this Power of This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual lidity of Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows;

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe. shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-infact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this INSUR 199 Bv: Renee C. Llewellyn, Assistant Secretary on any business day.

EST

4:30 pm

between 9:00 am and

Val

To confirm the va 1-610-832-8240

LMS-12873 LMIC OCIC WAIC Multi Co_12/19



EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

RELEASE OF CLAIMS AND INDEMNIFICATION AGREEMENT

Camp Bow Wow–2022 FDD Exhibit G–Release of Claims & Indemnification Agmt US.136565018.06

THIS IS A SAMPLE AGREEMENT AND IS SUBJECT TO CHANGE OVER TIME

RELEASE OF CLAIMS AND INDEMNIFICATION AGREEMENT

For and in consideration of the agreements and covenants described below, Camp Bow Wow Franchising, Inc. ("Franchisor"), ______ ("Franchisee"), and ______, the owners and Guarantors of Franchisee ("Guarantors"), enter into this Release of Claims and Indemnification Agreement (the "Agreement"), effective as of the date Franchisor signs below (the "Effective Date").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated ______, as amended, (the "Original Agreement") for the operation of a Camp Bow Wow Camp located in the ______ area (the "Franchised Business"); and,

B. The Original Agreement, as amended, will expire on ______. Franchisee desires to renew the franchise for the Franchised Business, and under the terms of the Original Agreement, has agreed to enter into Franchisor's current form of franchise agreement (the "Franchise Agreement"). One of the renewal conditions under the Original Agreement is that Franchisee sign a general release in the form of this Agreement.

AGREEMENT

1. **Termination of the Original Agreement**. Except for the obligations set forth in this Agreement, the Original Agreement and all rights and obligations thereunder are terminated, as of the Effective Date, with no further force and effect. The Franchise Agreement will become effective as of the Effective Date as part of Franchisee's renewal of its license to operate the Franchised Business.

2. **Release of Claims by Franchisee and Guarantors**. In consideration of the other terms and conditions of this Agreement and Franchisor's willingness to renew the franchise for the Franchised Business, the receipt and sufficiency of which are hereby acknowledged, Franchisee Parties do hereby release and forever discharge Franchisor, in their capacities as such, of and from any and all Claims which Franchisee Parties may now or in the future own orhold, that relate to the Franchised Business, the Original Agreement or any other agreement entered into with Franchisor or its affiliates, or the parties' relationship thereunder, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, business opportunity laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, or any alleged violations of the Franchise Agreement accruing prior to and including the Effective Date.

3. Acknowledgement of Franchisee and Guarantors. The release of claims set forth in Section 2 above is intended by the Franchisee and Guarantors to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Franchisee and Guarantors, regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Franchisee and Guarantors acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Franchisee and Guarantors' intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of CampBowWow-2022 FDD

later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee and Guarantors further acknowledge and agree that no violation of this Agreement shall void the release set forth in Section 2.

Franchisee and Guarantors acknowledge and agree that the release contained in Section 2 is effective as to Claims arising out of or relating to matters or actions occurring prior to and including the Effective Date, and not to any claims with respect to matters or actions arising after the Effective Date or to any claims related to the offer and sale of the Franchise Agreement in connection with the franchise renewal.

4. **Indemnification**. Franchisee and Guarantors, jointly and severally, agree to indemnify, defend and hold Franchisor harmless from and against any and all liability, damage, injury, or loss (including attorneys' fees and all costs) that Franchisor may incur arising out of or relating to (i) any third party claims arising under or relating to the Original Agreement or the operation of the Franchised Business at any time prior to and including the Effective Date (ii) Franchisee or Guarantors' breach of or failure to comply with the provisions of this Agreement.

5. **Representation by Counsel**. Franchisee and Guarantors represent, warrant and acknowledge that: (a) they have had adequate opportunity to be represented by legal counsel of their respective choice concerning the full and legal effect of this Agreement, including the full and final release of Claims set forth herein; (b) they have entered into this Agreement voluntarily and without any coercion; and (c) they have read the terms of this Agreement and fully understand and voluntarily accept the terms.

6. **Entire Agreement**. This Agreement constitutes the entire agreement among the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and among the parties relative to the contents contained in this Agreement are merged into this Agreement.

7. **Governing Law and Jurisdiction**. This Agreement will be construed and enforced pursuant to the law of the state of Colorado, without giving effect to any conflicts of laws provisions.

8. Attorneys' Fees. All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

The parties have entered into this Agreement as of the Effective Date.

| Effective Date: | CAMP BOW WOW FRANCHISING, INC |
|-----------------------|-------------------------------|
| | By: |
| | Its: |
| Dated: | |
| | By: |
| Camp Bow Wow-2022 FDD | |

Its:_____

GUARANTOR:

Name

Signature Page To Release of Claims And Indemnification Agreement



EXHIBIT H TO FRANCHISE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

Camp Bow Wow – 2022 FDD Exhibit H – Multi-Unit Development Agreement US.136565018.06

THIS IS A SAMPLE AGREEMENT AND IS SUBJECT TO CHANGE OVER TIME

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (the "Agreement") is by and between Camp Bow Wow Franchising, Inc., a Delaware corporation with a principal place of business is 7577 W. 103rd Avenue, Unit 209, Westminster, CO 80021 (the "Franchisor"), and ______, a _______, with a principal place of business at _______ (the "Multi-Unit Developer" or "Developer"), and is effective on the date the last party signs below.

RECITALS

WHEREAS, Franchisor has developed a comprehensive system of establishing, operating and promoting specialized services for dogs, which services: (i) are provided out of a fixed store location under the brand name Camp Bow Wow® using Franchisor's System and in association with the Marks, and (ii) consist of day care, boarding, grooming, training, the retail sale of dog food and merchandise and assorted other dog-related services and products specified by Franchisor ("**Franchised Camps**" or the "**Business**");

WHEREAS, Franchisor operates and franchises Franchised Camps under a business format per a unique system, including valuable know-how, information, Trade Secrets, methods, Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development (as defined further below, the "**System**");

WHEREAS, the distinguishing characteristics of the System includes the trademark Camp Bow Wow®, as well as other trademarks and trade names, confidential operating procedures, confidential operations manual, standards and specifications for equipment, services and products, method of Internet usage, proprietary software, methods of service, and management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by Franchisor from time to time. They are Franchisor's "Confidential Information" and "Trade Secrets" and are designated by and identified with the "Marks" as described in the Camp Franchise Agreement (all as defined below);

WHEREAS, Developer acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to Franchisee, Franchisor, and other franchisees of Franchisor;

WHEREAS, Multi-Unit Developer desires to obtain the right to develop Franchised Camps using the Marks under the Camp Development Schedule described in Schedule A attached hereto ("Camp Development Schedule") within the territory described in Schedule B attached hereto ("Camp Development Territory"), under the System and Marks selected above, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

WHEREAS, the Multi-Unit Developer hereby acknowledges that it has read this Agreement and Franchisor's entire Franchise Disclosure Document ("**Disclosure Document**"), and that it has no knowledge of any representations about the Franchised Camp or about Franchisor or its franchising program or policies made by Franchisor or by its officers, directors, shareholders, employees or agents CampBowWow-2022 FDD

Exhibit H – Multi-Unit Development Agreement H-1

which are contrary to the statements in Franchisor's Disclosure Document or to the terms of this Agreement, and that it understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all facilities which operate pursuant to the System and thereby to protect and preserve the goodwill of the System and the Marks; and,

WHEREAS, Multi-Unit Developer understands and acknowledges the importance of Franchisor's uniformly high standards of quality and service and the necessity of operating the Franchised Camps in strict conformity with Franchisor's quality control standards and specifications.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other party set forth herein, and in receipt of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, mutually agree as follows:

I. GRANT.

A. Franchisor hereby grants to Multi-Unit Developer the right and license to develop ______(____) Franchised Camps in strict accordance with the System and under the Marks within the Camp Development Territory described in **Schedule B**. Each Franchised Camp shall be operated according to the terms of the individual Camp Franchise Agreement for that location.

If the Multi-Unit Developer is developing Franchised Camps in compliance with the terms of this Agreement, the Camp Development Schedule and the individual Camp Franchise Agreement for each Franchised Camp, then Franchisor will not franchise or license others, nor will it directly or indirectly develop, own, lease, construct or operate in any manner, any Franchised Camps in the Camp Development Territory during the term of this Agreement. Upon the expiration or termination of this Agreement, the Multi-Unit Developer will no longer have a Camp Development Territory and each Franchised Camp will be limited to operation in its own territory described in the individual Camp Franchise Agreement to be executed prior to the completion of development of the Franchised Camp.

B. Notwithstanding the grant of rights in Section I.A. above, Franchisor and its Affiliates retain the exclusive right, among others:

1. to use, and to license others to use, the Marks and System for the operation of Franchised Camps at any location outside of the Camp Development Territory;

2. to use, license and franchise the use of other trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including within the Camp Development Territory, in association with operations that are the same as, similar to, or different than the Franchise Camp; except that if Franchisor acquires, is acquired by, merges, or otherwise consolidates ("**Merger**") with another pet care business operating at the time of the Merger in the Camp Development Territory, Franchisor (i) will not use or license the use of the Marks and will only use and license the use of other trademarks or service marks in association with a pet care business that is the same as or similar to Franchised Camps in the Camp Development Territory and (ii) Franchisor will use its best efforts to grant Multi-Unit Developer a right of first refusal to acquire the pet care businesses

which are providing substantially the same services as the Franchised Camp in the Camp Development Territory upon mutually agreeable terms. If Franchisor and Multi-Unit Developer cannot agree on these terms within a time period of 60 days from the date the agreement is signed regarding the Merger, Franchisor will retain the right to continue to operate, or license another entity to operate, the pet care business in the Camp Development Territory, without compensation to Developer or franchisee, as applicable, however, that pet care business will not operate under the Marks;

3. to use the Marks and the System in connection with the provision of other services and products or in alternative channels of distribution and those described in Section I.B.(4) below at any location including the Camp Development Territory; and

4. to offer the Services or Products, or grant others the right to offer the Services or Products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, wholesalers, retail outlets or other distribution outlets (other than Franchised Camps using the Marks), or by Internet commerce (e-commerce), mail order or otherwise, whether inside or outside the Camp Development Territory.

C. This Agreement is not a franchise agreement and Multi-Unit Developer shall have no right to use in any manner the Marks or System by virtue hereof including the use of such for the operation of a Franchised Camp. Each Franchised Camp will be governed by the individual Camp Franchise Agreement to be executed by Franchisor and Multi-Unit Developer prior to Multi-Unit Developer securing a camp site for each franchise location subject to this Agreement, as further defined below.

D. The Multi-Unit Developer must contribute some amount of its personal capital to the development of each Franchised Camp and must own at least a fifty-one percent (51%) equity interest in each Franchised Camp that is developed hereunder.

II. TERM.

Unless sooner terminated pursuant to the provisions of Section VII, the term of this Agreement shall expire upon the earlier of (a) _____ years from the Effective Date, or (b) completion of the term of the Camp Development Schedule.

III. CAMP FRANCHISE AGREEMENT, INITIAL FRANCHISE FEE, DEVELOPMENT FEE AND INITIAL TRAINING.

With respect to each Franchised Camp to be developed under this Agreement, Franchisor reserves the right to approve the site location chosen by Multi-Unit Developer and to request as much additional information regarding the site and the proposed franchisee entity as it deems necessary, and Multi-Unit Developer agrees to provide such information immediately upon request. If Franchisor accepts the site location, it will give its written acceptance to the Multi-Unit Developer to proceed with architectural drawings and final site plans, containing such information as Franchisor requires. The acceptance of the site location shall not constitute final acceptance of the site for the Franchised Camp. Upon receipt of the site location acceptance, Multi-Unit Developer should make an offer to secure the site via purchase or lease, which offer must be contingent upon final acceptance by Franchisor of the site, lease or purchase agreement and of the proposed franchisee entity. If Franchisor provides final site acceptance for a Franchised Camp, Franchisor and Multi-Unit Developer should provides final site acceptance for a Franchised Camp, Franchisor and Multi-Unit Developer shall promptly enter into an individual Camp Franchise Agreement

for such Franchised Camp before the date Multi-Unit Developer signs a lease or purchase agreement for the franchise location, which agreement shall be in the form of Franchisor's then-current form of Camp Franchise Agreement. The terms of the individual Camp Franchise Agreement will then govern the further development and build-out of the Franchised Camp.

Multi-Unit Developer shall pay to Franchisor, upon execution of this Agreement:

1. An initial franchise fee of Fifty Thousand Dollars (\$50,000) for the first Franchised Camp, subject to the initial Camp Franchise Agreement;

2. A discounted initial franchise fee of Thirty-Seven Thousand, Five-Hundred Dollars (\$37,500) for the second Franchised Camp subject to the second Camp Franchise Agreement; and,

3. Half of the discounted initial franchise fees for the remaining locations, equal to Eighteen Thousand, Seven-Hundred and Fifty Dollars (\$18,750) per location. Franchise shall pay the other half of the initial franchise fee for these locations, also equal to Eighteen Thousand, Seven-Hundred and Fifty Dollars (\$18,750) per location, upon signing the franchise agreement for each respective location. The total initial franchise fee for each such location is Thirty-Seven Thousand, Five-Hundred Dollars (\$37,500).

If, for example, Franchisee will develop five Camps, Franchisee will pay a total of \$143,750 upon execution of this Agreement. The remaining amounts due for the initial franchise fees on the third through the fifth units shall be due upon Franchisee's execution of the franchise agreement for each location, respectively. All amounts collected are non-refundable.

The terms of the Camp Franchise Agreement notwithstanding, Franchisor shall provide the Multi-Unit Developer with Franchisor's then current initial training program at the time Multi-Unit Developer is scheduled to open its additional location in accordance with the terms of the Camp Franchise Agreement.

IV. CAMP DEVELOPMENT SCHEDULE.

Multi-Unit Developer shall develop the Franchised Camps in accordance with the System, and the Camp Development Schedule set forth in **Schedule A**. In the event that Multi-Unit Developer develops a greater number of Franchised Camps than is required to comply with the current period of the Camp Development Schedule, the requirements of the succeeding period(s) shall be deemed to have been satisfied to the extent of such excess number of Franchised Camps. Multi-Unit Developer may be permitted to develop Franchised Camps in excess of the number of Franchised Camps set forth in the Camp Development Schedule subject to the prior written approval of Franchisor, if Franchisor determines that the Camp Development Territory could support additional Franchised Camps. Multi-Unit Developer shall pay Franchisor the then-current Franchise Fee applicable at the time Franchisor agrees to permit Multi-Unit Developer to develop any additional Franchised Camps.

V. LOCATION OF FRANCHISED CAMPS.

The location of each Franchised Camp shall be selected by the Multi-Unit Developer within the Camp Development Territory, subject to Franchisor's prior acceptance as set forth in Section III hereof, which acceptance shall take into account all relevant demographic information then available to Franchisor. The establishment of any proposed site by Multi-Unit Developer prior to acceptance of Franchisor shall be the sole risk and responsibility of Multi-Unit Developer and shall not obligate Franchisor in any way to approve the same. The acceptance of a proposed site by Franchisor does not in any way constitute a warranty or representation by Franchisor as to the suitability of such site for location of a Franchised Camp or the success of such business.

VI. CAMP FRANCHISE AGREEMENT.

Multi-Unit Developer shall not sign a lease or purchase agreement for, commence construction on, open or operate any Franchised Camp until, among other things, the Initial Franchise Fee for such Franchised Camp has been paid in full and the then-current individual Camp Franchise Agreement for such Franchised Camp has been executed by both the Multi-Unit Developer and Franchisor.

VII. DEFAULT AND TERMINATION.

Multi-Unit Developer shall be in default under this Agreement if Multi-Unit Developer: (a) fails to comply with the Camp Development Schedule; (b) fails to perform any of its obligations under this Agreement or any individual Camp Franchise Agreement; (c) ceases to be a franchisee of Franchisor in good standing under the Camp Bow Wow Franchise Agreement; (d) fails to comply with the provisions on transfer contained herein; or (e) becomes insolvent or admits to its inability to pay its debts as they come due. Upon such default, Franchisor shall have the right, at its option, to do any or all of the following: (a) terminate this Agreement; (b) terminate the territorial protection granted to Multi-Unit Developer; or (c) reduce the size of the Multi-Unit Developer's Camp Development Territory or the number of Franchised Camps Multi-Unit Developer may develop in the Camp Development Territory.

In addition, if any individual Camp Franchise Agreement issued to Multi-Unit Developer, whether or not issued pursuant to this Agreement, is terminated for any reason, Franchisor shall have the right to terminate this Agreement on immediate written notice to Multi-Unit Developer. Upon termination or expiration of the term of this Agreement, this Agreement shall be of no further effect, and Franchisor shall have the right to itself open, or license others to open, Franchised Camps within the Camp Development Territory. For purposes of this Section VII, any Camp Franchise Agreement issued by Franchisor to Multi-Unit Developer or its affiliates, or any corporation, partnership or joint venture, or their affiliates, in which Multi-Unit Developer or any stockholder, partner or joint venturer of Multi-Unit Developer, has any direct or indirect ownership or participation interest, shall be deemed a Camp Franchise Agreement issued to Multi-Unit Developer.

VIII. ASSIGNMENT.

1. <u>By Franchisor</u>. Franchisor shall have the absolute right to transfer or assign all or any part of its rights or obligations hereunder to any person or entity which assumes its obligation under this Agreement and Franchisor shall thereby be released from any and all further liability to Multi-Unit Developer.

2. <u>By Multi-Unit Developer</u>. Multi-Unit Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Multi-Unit Developer and are granted in reliance upon the personal qualifications of Multi-Unit Developer or Multi-Unit Developer's principals. Multi-Unit Developer has represented to Franchisor that Multi-Unit Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of

transferring the development and option rights hereunder. Multi-Unit Developer may not sell any area development rights or territorial rights separate from the sale of Multi-Unit Developer's Franchised Camps located in the Camp Development Territory.

Neither Multi-Unit Developer nor any partner, member, or shareholder thereof shall, without Franchisor's prior written consent, directly or indirectly assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in Multi-Unit Developer. Any such proposed assignment occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement.

Any assignment, transfer or other disposition by the Multi-Unit Developer of a Franchised Camp within the Camp Development Territory will be governed by the Camp Franchise Agreement to which such Franchised Camp is bound, and the Transfer fee defined in each respective Camp Franchise Agreement shall apply.

Subject to the other provisions of Section VIII herein, if Multi-Unit Developer wishes to sell, transfer or otherwise assign any portion, or all, of the Camp Development Territory, the Multi-Unit Developer shall notify Franchisor which may approve or disapprove the same, and in addition Franchisor may require any or all of the following as conditions of its approval:

a. All of the Multi-Unit Developer's accrued monetary obligations and all other outstanding obligations to Franchisor, its affiliates and suppliers must be fully paid and satisfied;

b. The Multi-Unit Developer must not be in default of any provision of its Camp Franchise Agreement(s), any amendments thereof or successors thereto, or any other agreement between the Multi-Unit Developer and Franchisor, its subsidiaries or affiliates;

c. The Multi-Unit Developer and each of its affiliates, shareholders, members, partners, officers and directors must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

d. The transferee must enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of the Multi-Unit Developer's obligations under the relevant Camp Franchise Agreements and, if deemed necessary by Franchisor, the transferee's principals, individually, shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

e. The transferee must demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Camps (as may be evidenced by prior related experience or otherwise); has at least the same managerial and financial acumen required of new Multi-Unit Developers and shall have sufficient equity capital, as determined by Franchisor, to operate the Franchised Camps;

f. At Franchisor's option, the transferee must execute (and, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of the Camp Franchise Agreement(s) and with such renewal term as may be provided by the Camp Franchise Agreement(s), the standard form of Camp Franchise Agreement and Multi-Unit Development Agreement

then being offered to new Multi-Unit Developers and such other ancillary agreements as Franchisor may require for the Franchised Camp(s), which agreements shall supersede the Camp Franchise Agreement(s) between the Multi-Unit Developer and Franchisor in all respects and the terms of which agreements may differ from the terms of the Camp Franchise Agreements and Multi-Unit Development Agreement, including, without limitation, the implementation of other fees and different royalty rates;

g. The Multi-Unit Developer and its principals must remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Camps prior to the effective date of transfer and will continue to remain responsible for their obligations of nondisclosure, noncompetition and indemnification as provided in the Camp Franchise Agreement(s) and Guaranty, and shall execute any and all instruments reasonably requested by Franchisor to further evidence such liability; and,

h. Multi-Unit Developer or its approved transferee shall pay to Franchisor, at the time of the transfer, a transfer fee as provided for in the Camp Franchise Agreement for each Franchised Camp to be transferred to cover Franchisor's administrative and other expenses in connection with the transfer of the Franchised Camp(s) by the Multi-Unit Developer.

3. <u>Entity Ownership</u>. Each shareholder, member, or partner of the corporation, limited liability company, or partnership which is granted the rights to serve as the Multi-Unit Developer hereunder shall be a party to a shareholders' agreement, operating agreement, or partnership agreement which shall provide, inter alia, that upon any dissolution of the corporation, limited liability company, or partnership, or upon any divorce decree among the parties who are also shareholders, members, or partners, that ownership of the shares, membership interest, or partnership interest shall be transferred to the shareholder, member, or partner for agreed upon consideration, which has primary responsibility for sales and marketing activities, typically the President, following any such dissolution or decree. The form and content of the shareholders' agreement, operating agreement, or partnership agreement must be approved by Franchisor prior to execution. Multi-Unit Developer's failure to comply with this Section VIII(3) shall constitute a material default of this Agreement.

IX. FORCE MAJEURE.

In the event that Multi-Unit Developer is unable to comply with the Camp Development Schedule due to strike, riot, civil disorder, war, failure to supply, fire, natural catastrophe, government ordered shutdown, or other similar events beyond its control, and upon notice to Franchisor, the Camp Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed ninety (90) days; provided, however, that this Section IX shall not extend the time for payment of any monetary obligations owed to Franchisor.

X. CONFIDENTIALITY.

Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Multi-Unit Developer any trade secrets, techniques, methods or processes except the material contained in Franchisor's manuals and training materials, and then only pursuant to the terms, conditions and restrictions contained in the applicable Camp Franchise Agreement. Multi-Unit Developer acknowledges that its knowledge of Franchisor's know-how, processes, techniques, information and other proprietary data are derived entirely from information disclosed to it by Franchisor and that such information is proprietary, confidential and a trade secret of Franchisor. Multi-Unit Developer agrees to adhere fully and strictly to the confidentiality of such information and to exercise the highest degree of diligence in safeguarding Franchisor's trade secrets during and after the term of this Agreement. Multi-Unit Developer shall divulge such material only to its employees and agents and only to the extent necessary to permit the efficient operation of the Franchised Camps. It is expressly agreed that the ownership of all such items and property is and shall remain vested solely in Franchisor.

The Multi-Unit Developer agrees that all terms of this Agreement shall remain confidential and shall not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures other than the existence of this Agreement without the prior written consent of Franchisor unless compelled by law or ordered to do so by a court of competent jurisdiction. It is agreed and understood that Multi-Unit Developer may disclose the terms of this Agreement to its professional advisors and lenders. Franchisor shall be free to make such disclosure of the terms of this Agreement as it determines, to be in the best interest of Franchisor or the System.

XI. NONCOMPETITION.

Multi-Unit Developer has specifically acknowledged that Multi-Unit Developer will receive valuable specialized Confidential Information and information regarding the business of Franchisor and the System. Multi-Unit Developer covenants that during the term of this Agreement and subject to the post-term provisions contained herein, except as otherwise approved in writing by Franchisor, Multi-Unit Developer shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partners or corporations:

1. Divert or attempt to divert any business or customer of the Franchised Camps or other franchisees of Franchisor, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Marks or the System; or

2. Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business which is the same as or substantially similar to the Franchised Camp or other franchises offered by Franchisor.

Multi-Unit Developer further covenants that Multi-Unit Developer shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business which is the same as or substantially similar to the Franchised Camp or other franchises offered by Franchisor and which is located within a radius of fifty (50) miles of the Camp Development Territory, or in any Camp Bow Wow franchise territory, multi-unit development territory, or any company-owned camp territory which is in existence on the date of expiration or termination of this Agreement.

Notwithstanding anything to the contrary contained herein, this Section XI shall not prevent Multi-Unit Developer from owning less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

The parties agree that each of the foregoing covenants shall be construed as independent of any

other covenant or provision of this Agreement. If any or all portions of the covenants in this Section XI is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.

Multi-Unit Developer understands and acknowledges that Franchisor shall have the right, to reduce the scope of any covenant set forth in this Section XI of the Agreement, or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof, and Multi-Unit Developer agrees that it shall forthwith comply with any covenant as so modified, which shall be fully enforceable.

Multi-Unit Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XI. Multi-Unit Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section XI provided Franchisor prevails in any or all of its claims against Multi-Unit Developer.

Multi-Unit Developer acknowledges that Multi-Unit Developer's violation of the terms of this Section XI would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Multi-Unit Developer accordingly consents to the issuance of an injunction by any court of competent jurisdiction or arbitrator having jurisdiction over the Agreement prohibiting any conduct by Multi-Unit Developer in violation of the terms of this Section XI.

At Franchisor's request, Multi-Unit Developer shall require and obtain execution of covenants similar to those set forth in this Section XI (including covenants applicable upon the termination of a person's relationship with Multi-Unit Developer) from any or all of the following persons: (a) all directors and Managers of each Franchised Camp; (b) all officers, directors and holders of a beneficial interest of Multi-Unit Developer and of any corporation directly or indirectly controlling Multi-Unit Developer if Multi-Unit Developer is a corporation; and the members or general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of any corporation which controls, directly or indirectly, any general or limited partner) if Multi-Unit Developer is a limited liability company or partnership. All covenants required by this Section XI shall be in forms satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Failure by Multi-Unit Developer to obtain execution of a covenant required by this Section XI shall constitute a default under Section VII hereunder.

XII. ENTIRE AGREEMENT.

This Agreement constitutes the entire understanding of the parties with respect to the development of the Camp Development Territory, and shall not be modified except by a written agreement signed by the parties hereto. Where this Agreement and any Camp Franchise Agreement between the parties conflict with respect to initial training, the amount or payment terms of Initial Franchise Fees or equity interests held by the franchisee or operating partners and unit managers, the terms of this Agreement shall govern. Under no circumstances do the parties intend that this Agreement be interpreted

in such a way as to grant Multi-Unit Developer any rights to grant sub-franchises in the Camp Development Territory. Nothing in this Agreement or any related agreement is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document (including its exhibits).

XIII. MONTHLY REPORTS.

Multi-Unit Developer agrees that it shall provide to Franchisor a monthly report of its activities and progress in developing and establishing Franchised Camps as provided herein. The monthly reports shall be submitted no later than the thirtieth (30th) day following the end of the preceding month during the term of this Agreement or as otherwise agreed by the parties in writing.

XIV. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

Multi-Unit Developer and Franchisor are independent contractors and nothing contained herein shall be construed as constituting Multi-Unit Developer as the agent, partner or legal representative of Franchisor for any purpose whatsoever. Multi-Unit Developer shall enter into contracts for the development of the Camp Development Territory contemplated by this Agreement at its sole risk and expense and shall be solely responsible for the direction, control and management of its agents and employees. Multi-Unit Developer acknowledges that it does not have authority to incur any obligations, responsibilities or liabilities on behalf of Franchisor, or to bind Franchisor by any representations or warranties, and agrees not to hold itself out as having such authority.

Multi-Unit Developer agrees to protect, defend, indemnify and hold Franchisor harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with Multi-Unit Developer's carrying out its obligations hereunder.

XV. COMPLIANCE WITH APPLICABLE LAWS.

Multi-Unit Developer shall develop all Franchised Camps in the Camp Development Territory in accordance and compliance with all applicable federal, state and local statutes, laws, zoning, ordinances and regulations and agrees to promptly pay all financial obligations incurred in connection therewith.

XVI. CHANGE IN CAMP DEVELOPMENT TERRITORY.

The parties acknowledge that the development of the Camp Development Territory as anticipated hereunder has been determined according to the needs of the Multi-Unit Developer's targeted market in the Camp Development Territory, as determined by Franchisor, as of the date of execution of this Agreement. In the event Multi-Unit Developer is unable to develop all of the Franchised Camps according to the Development Schedule, and Franchisor elects to extend the Development Schedule, Franchisor may elect, as a condition to the extension, to alter the Camp Development Territory to reflect any then-current changes in demand, demographics, or other relevant factors. Multi-Unit Developer agrees that such right to alter the Camp Development Territory in lieu of termination is an adequate and appropriate remedy, which may be exercised in addition to and not in lieu of any other remedy available to Franchisor under this Agreement or the law.

XVII. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

XVIII. APPLICABLE LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et. seq.). The parties expressly consent to personal jurisdiction in the State of Colorado and agree that, except as otherwise set forth in Section XXII, the state and federal court(s) located in Denver, Colorado will have exclusive jurisdiction for the purposes of carrying out this provision.

XIX. RECEIPT OF DOCUMENTS.

Multi-Unit Developer acknowledges receipt of the Disclosure Document, Camp Franchise Agreement, financial statements and other contracts for the Franchised Camp at least 14 calendar days prior to execution hereof or payment of any monies.

XX. NOTICE.

Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the other party at the addresses set forth below, unless written notice is given of a change of address. Any notice, request, demand, approval, consent or other communication which the parties may be required or permitted to be given under this Agreement shall be in writing and shall be given to the party for whom it is intended by personal delivery, facsimile transmission or delivering it to such party by mailing it by prepaid registered mail or by any mail or courier service that provides confirmation of delivery:

| Notices to Franchisor: | Camp Bow Wow Franchising, Inc. |
|------------------------|--------------------------------|
| | 7577 W. 103rd Avenue, Unit 209 |
| | Westminster, CO 80021 |
| | Attn: Legal Department |

Notices to Multi-Unit Developer:

Attn:

Phone: _____

Email: _____

XXI. DISPUTE RESOLUTION.

This dispute resolution clause applies to claims by and against all parties and their affiliates, successors, owners, managers, officers, directors, employees, agents and representatives, as to claims arising out of or relating to this Agreement, or of violation of any applicable law or regulation, except as stated below. This dispute resolution clause shall survive the termination or expiration of this Agreement.

1. The parties will first attempt to resolve any dispute relating to or arising out this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution. Any dispute resolution must be submitted to non-binding mediation. Mediation will be before a single skilled independent mediator mutually and reasonably agreed on by the parties. The parties will equally bear the costs of mediation. Mediation will be conducted in accordance with the procedures of United States Arbitration and Mediation Service, Inc. (USA&M) at the option of the party initiating mediation or other mediation service agreed to by Franchisee and Franchisor. The mediation will be conducted in the city that USA&M has an office nearest Franchisor's headquarters office, unless otherwise mutually agreed.

2. If the parties cannot settle their dispute through mediation, except as otherwise provided in this Section XXII, any controversy or dispute arising out of, or relating to the area development rights or this Agreement shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute, including, but not limited to, any claim by Multi-Unit Developer or any person in privity with or claiming through, on behalf of or in the right of Multi-Unit Developer, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Multi-Unit Developer, any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor, any claim of breach of this Agreement, and any claims arising under state or federal laws. "Persons in privity" with or claiming through, on behalf of or in the right of Franchisee include but are not limited to, spouses and other family members, heirs, executors, representatives, successors, and assigns. Subject to this Section XXII, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act and arbitration shall take place according to the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. However, arbitration will not be required to be used for any dispute which involves Multi-Unit Developer's misuse of any of the Marks or the System, business concept or any issue involving injunctive relief against Multi-Unit Developer or any issues related to disclosure or misuse of Confidential Information or Trade Secrets, all of which issues may be submitted to a court within the State of Colorado. The parties expressly consent to personal jurisdiction in the State of Colorado and agree that such courts will have exclusive jurisdiction over any such issues not subject to arbitration. No claim between the parties may be commenced after one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim, or such claim shall be barred. The arbitration shall be held in Denver, Colorado, and be heard by one arbitrator who has a minimum of five (5) years of experience in franchise law. The parties each shall bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award of the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision and they waive any objections that they would otherwise have concerning such matters. Parties to arbitration under this Agreement shall include, by consolidation, joinder or in any other manner, any person in privity with or claiming through, in the right of or on behalf of Multi-Unit Developer or Franchisor, unless both parties Camp Bow Wow-2022 FDD

Exhibit H – Multi-Unit Development Agreement H-12

consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Multi-Unit Developer and Franchisee or any such person in privity with or claiming through, in the right of or on behalf of Multi-Unit Developer or Franchisor. The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between Franchisor and Multi-Unit Developer (as noted in this Section) and no other franchisees or parties. Multi-Unit Developer agrees not to join or attempt to join other Multi-Unit Developers, franchisees or parties.

3. The parties and their affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

XXII. ACKNOWLEDGEMENTS.

1. Multi-Unit Developer acknowledges and recognizes that different terms and conditions, including different fee structures, may pertain to different area development agreements and franchise agreements offered in the past, contemporaneously herewith, or in the future, and that Franchisor does not represent that all area development agreements or franchise agreements are or will be identical.

2. Multi-Unit Developer acknowledges that it is not, nor is it intended to be, a third party beneficiary of this Agreement or any other agreement to which Franchisor is a party.

3. Multi-Unit Developer represents to Franchisor that it has the business acumen, corporate authority, and financial wherewithal to enter into this Agreement and to perform all of its obligations hereunder and furthermore that the execution of this Agreement is not in contravention of any other written or oral obligation of the Multi-Unit Developer.

Multi-Unit Developer acknowledges and accepts that THE SUCCESS OF THE MULTI-4. UNIT DEVELOPER IN DEVELOPING MULTIPLE FRANCHISED CAMPS IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, MULTI-UNIT DEVELOPER'S INDEPENDENT BUSINESS ABILITY. MULTI-UNIT DEVELOPER HAS BEEN GIVEN THE OPPORTUNITY AND BEEN ENCOURAGED TO OBTAIN INDEPENDENT ADVICE FROM LEGAL AND OTHER PROFESSIONALS PRIOR TO ENTERING INTO THIS AGREEMENT. THIS OFFERING IS NOT A SECURITY AS THAT TERM IS DEFINED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE OBLIGATION TO TRAIN, MANAGE, PAY, RECRUIT AND SUPERVISE EMPLOYEES OF THE FRANCHISED CAMPS RESTS SOLELY WITH MULTI-UNIT DEVELOPER. MULTI-UNIT DEVELOPER HAS NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY FRANCHISOR TO INDUCE MULTI-UNIT DEVELOPER TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED HEREIN. FRANCHISOR HAS NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO MULTI-UNIT DEVELOPER AND CANNOT, EXCEPT UNDER THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER MULTI-UNIT DEVELOPER'S BUSINESS. MULTI-UNIT DEVELOPER ACKNOWLEDGES AND AGREES THAT IT HAS NO KNOWLEDGE OF ANY REPRESENTATION MADE BY FRANCHISOR OR ITS REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement on the day and year first written above.

MULTI-UNIT DEVELOPER:

FRANCHISOR:

| a | _, CAMP BOW WOW FRANCHISING, INC., a Delaware Corporation |
|-----------------|--|
| By: | By: |
| Printed Name: | Printed Name: |
| Title: | Title: |
| Date: | Date: |
| Date: | |
| STATE OF) COUNT | Y OF) |

Be it remembered, that on this _____ day of, 20____, before me, the subscriber, a Notary Public in and for said State, personally appeared _______, president/general partner/managing member of _______, the corporation/partnership/other entity (A business entity whose name is subscribed to and which executed the foregoing instrument, and for himself and as such officer and for and on behalf of said business entity, acknowledged the signing and execution of said instrument, and that the signing and execution of said instrument is his free and voluntary act and deed as such officer, and the free and voluntary act and deed of said business entity, for the uses and purposes in said instrument mentioned.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year last aforesaid.

My Commission Expires:

Notary Public

SCHEDULE A TO MULTI-UNIT DEVELOPMENT AGREEMENT CAMP DEVELOPMENT SCHEDULE

NUMBER OF MONTHS FROM DATE OF THIS AGREEMENT

TOTAL NUMBER OF FRANCHISED CAMPS OPEN FOR BUSINESS

<u>SCHEDULE B</u> <u>TO MULTI-UNIT DEVELOPMENT AGREEMENT</u> <u>DESCRIPTION OF THE CAMP DEVELOPMENT TERRITORY</u>

SCHEDULE C TO MULTI-UNIT DEVELOPMENT AGREEMENT <u>GUARANTY</u>

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement, and any revisions, modifications, addenda and amendments thereto, (hereinafter collectively the "Agreement") dated______, 20____, by and between Camp Bow Wow Franchising, Inc., a Delaware corporation, ("Franchisor") and ______, a _____("Multi-Unit Developer"), each of the undersigned Guarantors agrees as follows:

AGREEMENT

In consideration of, and as an inducement to, Franchisor's execution of the Agreement, each of the undersigned hereby personally and unconditionally, jointly and severally:

1. Guarantees to Franchisor and its successors and assigns that Franchisee will punctually pay and perform each and every undertaking, agreement, covenant, and obligation set forth in the Agreement, whether now existing or hereafter incurred;

2. Agrees to be personally bound by, and liable for Multi-Unit Developer's breach of, each and every provision in the Agreement;

3. Waives (a) notice of acceptance of this Guaranty; (b) notice of any demand for payment, performance, or indebtedness delivered to Franchisee; (c) protest and notice of default or termination delivered to Multi-Unit Developer; (d) any right to require that action first be brought against Multi-Unit Developer or any other person in order to trigger the undersigned's liability under this Guaranty, or to require that Franchisor resort to any security interest or to balance of any account or credit in favor of Multi-Unit Developer or any other person; and (e) all other notices and legal or equitable defenses to which the undersigned might be entitled. This Guaranty shall remain effective regardless of the insolvency of Multi-Unit Developer by operation or law, reorganization, merger, or consolidation, or any other change in ownership of Multi-Unit Developer.

4. Agrees to render payment or performance required under the Agreement upon demand, if Multi-Unit Developer fails or refuses to do so in compliance with the Agreement;

5. Agrees that the undersigned's liability is not contingent upon Franchisor's pursuit of its remedies against Multi-Unit Developer, and is not diminished, relieved, or otherwise affected by any extension of time or credit Franchisor may grant to Multi-Unit Developer or any other person, including without limitation acceptance of any partial payment or performance or the compromise or release of any claims, none of which will modify or amend this Guaranty;

6. Agrees to be bound by the restrictive covenants, confidentiality, and indemnification provisions in the Agreement, which are hereby incorporated into this Guaranty by reference, in their entirety;

7. Agrees that within 10 days of receipt of Franchisor's written request, it shall: (a) furnish evidence of execution of this Guaranty; or (b) provide Franchisor with current financial statements as may be requested from time to time. Failure to comply with this Section will constitute a default by Multi-Unit Developer under the Agreement;

8. Represents and warrants that Multi-Unit Developer is a(n) *(please check which applies),* and the following individuals or entities have a direct or indirect, legal, and/or beneficial interest in the Agreement:

- Individual
- Partnership
- Corporation

| Name | Address | Phone | Date of Birth MM/DD/YY | % Ownership |
|------|---------|-------|------------------------------|----------------|
| | | | | |
| | | | | |

9. If Multi-Unit Developer is an entity, the undersigned represents and warrants that Multi-Unit Developer was formed under the laws of the State of ______; and

10. Represents and warrants that it has carefully read the Agreement and this Guaranty and all related documents to be executed in conjunction with this Guaranty, has obtained the advice of counsel before executing this Guaranty, understands the nature of this Guaranty, and intends to comply with and be bound by this Guaranty.

11. Miscellaneous:

a. All capitalized terms that are not defined in this Guaranty have the meaning assigned to them in the Agreement.

b. This Guaranty is continuing and irrevocable during the Term and shall remain in full force and effect during any period of time post-expiration, termination, non-renewal, or Transfer of the Agreement with respect to provisions of the Agreement which expressly or by their nature survive expiration or termination of the same, and irrespective of any interruptions in business.

c. Franchisor's failure, neglect, or delay in enforcing or exercising any of its rights under this Guaranty shall not affect or diminish Franchisor's right to strictly enforce each provision of this Guaranty at any time, whether at law, in equity, for injunctive relief or specific performance, or otherwise. Franchisor's waiver of performance of any provision of this Guaranty shall not constitute a waiver of Franchisor's right to enforce that provision in the future. No waiver shall be binding unless in writing and signed by Franchisor.

d. This Guaranty is governed by the choice of law and venue provision in the Agreement.

Camp Bow Wow–2022 FDD Exhibit H – Multi-Unit Development Agreement H-18 IN WITNESS, WHEREOF, the undersigned, intending to be legally bound by this Guaranty, has duly executed and delivered this Guaranty on the date Guarantor(s) signs below.

<u>GUARANTOR</u>:

Signed: _____

| Printed Name: | |
|---------------|--|
|---------------|--|

| Date: | |
|-------|--|
| | |

SCHEDULE D

TO MULTI-UNIT DEVELOPMENT AGREEMENT

STATE SPECIFIC ADDENDA TO CAMP MULTI-UNIT DEVELOPMENT AGREEMENT

Camp Bow Wow – 2022 FDD Exhibit H – Multi-Unit Development Agreement H-22

ADDENDUM TO CAMP BOW WOW MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE <u>STATE OF CALIFORNIA</u>

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, the Agreement is amended as follows:

1. The Multi-Unit Development Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.

2. The Multi-Unit Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

3. The Multi-Unit Development Agreement requires application of the laws of the State of Colorado. This may not be enforceable in the State of California.

4. The Multi-Unit Development Agreement requires you to 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 3100 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, including the termination, transfer or nonrenewal of a franchise).

5. California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, provide rights to the franchise 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.

6. During the term of its Multi-Unit Development Agreement with Multi-Unit Developer, Franchisor may enter into an Area Representative Agreement with an Area Representative which includes Multi-Unit Developer's Authorized Territory. Under the terms of the Multi-Unit Development Agreement, the Area Representative may be required to provide Multi-Unit Developer with certain services and support that Franchisor otherwise would provide under the terms and conditions of the Multi-Unit Development Agreement. In particular, the Area Representative may provide Multi-Unit Developer with support or assistance relating to Multi-Unit Developer's sales and operations. If an Area Representative will begin providing such services in Multi-Unit Developer's Authorized Territory, Franchisor will explicitly notify Multi-Unit Developer. If during the Term of the Multi-Unit Development Agreement the Area Representative fails to perform any of its duties or obligations owed to Multi-Unit Developer, Franchisor will perform these obligations.

7. In all other respects, the Multi-Unit Development Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and CampBowWow-2022 FDD Exhibit H – Multi-Unit Development Agreement H-23 consents to be bound by all of its terms.

Multi-Unit Developer Initials

Franchisor Initials

Camp Bow Wow – 2022 FDD Exhibit H – Multi-Unit Development Agreement H-24

ADDENDUM TO CAMP BOW WOW MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE <u>STATE OF ILLINOIS</u>

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything that may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

- 1. Article II of the Multi-Unit Development Agreement is amended by adding the following;
 - II <u>Illinois Law</u>. Your rights upon non-renewal may be affected by Illinois law, 815ILCS 705/19 and 705/20.
- 2. Article VII of the Multi-Unit Development Agreement is amended by adding the following:
 - VII <u>Illinois Law</u>. the conditions under which your franchise can be terminated may be affected by Illinois law, 815ILCS 7051/19 and rule 200.608.

3. Article XVIII of the Multi-Unit Development Agreement is deleted in its entirety, and in its place is added:

XVIII This Agreement shall be interpreted under the laws of the State of Illinois except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 *et seq.*). Litigation governed by the Illinois Franchise Disclosure Act will take place in the State of Illinois. Any provision in the Multi-Unit Development Agreement that designates jurisdiction, limitation on actions, or venue in a forum outside the State of Illinois is amended to state that Illinois law governs the franchise relationship.

The governing law clause contained in the Multi-Unit Development Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable.

5. In all other respects, the Multi-Unit Development Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Multi-Unit Director Initials

ADDENDUM TO CAMP BOW WOW MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE <u>STATE OF MARYLAND</u>

This Addendum applies to Maryland residents and to franchises to be located in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything that may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

1. Any provision in the Franchise Agreement, Multi-Unit Development Agreement or in the Statement of Franchisee that constitutes a general release of claims is amended to provide that, pursuant to COMAR 02.02.08.16l, the general release that may be 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 Franchise Agreement and Multi-Unit Development Agreement are amended to provide that Franchisee/Multi-Unit Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Section III of the Multi-Unit Development Agreement is amended to include the following statement: The Maryland Securities Commissioner has required a financial assurance. Therefore, we have posted a surety bond, which is on file with the Maryland Securities Division. A copy of the bond is attached as Exhibit F-1.

4. Section 20.1 of the Franchise Agreement and Section XVIII of the Multi-Unit Development Agreement are amended to provide that these representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

5. The Multi-Unit Development 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.*).

6. In all other respects, the Multi-Unit Development Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Multi-Unit Director Initials

ADDENDUM TO CAMP BOW WOW MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE <u>STATE OF MINNESOTA</u>

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything that may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

1. Franchisor will undertake the defense of any claim of infringement by third parties involving the CAMP BOW WOW Mark and Multi-Unit Director will cooperate with the defense in any reasonable manner prescribed by Franchisor with any direct cost of such cooperation to be borne by Franchisor.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Multi-Unit Development Agreement.

3. Nothing in the Multi-Unit Development Agreement can abrogate or reduce any of Multi-Unit Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Multi-Unit Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, Minn. Stat.§ 80C.21 and Minn. rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota.

4. Minnesota Rule 2860.4400D prohibits Franchisors from requiring franchisees to assent to a general release. The Multi-Unit Development Agreement is modified accordingly, to the extent required by Minnesota law.

5. In all other respects, the Multi-Unit Development Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Multi-Unit Director Initials

ADDENDUM TO CAMP BOW WOW MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE <u>STATE OF NORTH DAKOTA</u>

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything that may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

1. The Sections of the Multi-Unit Development Agreement requiring that you sign a general release, as a condition of renewal and or assignment, may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

2. The Multi-Unit Development Agreement and Non-disclosure and Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law.

3. The section of the Multi-Unit Development Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

4. The sections of the Multi-Unit Development Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

5. The section of the Multi-Unit Development Agreement requiring franchisees to consent to a waiver of trial by jury, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

6. Except as amended herein, the Multi-Unit Development Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Multi-Unit Developer Initials

ADDENDUM TO CAMP BOW WOW MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE <u>STATE OF WASHINGTON</u>

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything that may be contained in the body of the Multi-Unit Development Agreement to the contrary, the Agreement is amended as follows:

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

2. A release or waiver of rights executed by the Multi-Unit Developer shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

4. In all other respects, the Multi-Unit Development Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Multi-Unit Developer Initials



EXHIBIT I TO FRANCHISE DISCLOSURE DOCUMENT

LEASE ADDENDUM

Camp Bow Wow – 2022 FDD Exhibit I – Lease Addendum US.136565018.06

THIS IS A SAMPLE AGREEMENT AND IS SUBJECT TO CHANGE OVER TIME

FRANCHISE LEASE ADDENDUM

This Franchise Lease Addendum (the "Addendum") is entered by and among ______, a _____ ("Landlord"), ______, a _____, a _____ ("Tenant"), and Camp Bow Wow Franchising, Inc., a Delaware corporation ("Franchisor"), and is effective as of the date the last party signs below.

RECITALS

A. Landlord and Tenant have entered into a lease agreement dated ______ (the "**Lease**"), pertaining to the premises located at ______ (the "**Premises**").

B. Landlord acknowledges that Tenant will operate a Camp Bow Wow® franchised business (a "**Camp**") from the Premises pursuant to a "**Franchise Agreement**" between Tenant and Franchisor, and that Tenant could not legally operate a Camp from the Premises without a Franchise Agreement.

C. The Franchise Agreement requires that this Addendum be executed for Tenant to receive Franchisor's approval to develop and operate, or to continue operating, a Camp from the Premises.

D. Landlord and Tenant hereby modify the Lease pursuant to the terms and conditions set below, to include the terms necessary for Franchisor to allow Tenant to operate a Camp from the Premises.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. <u>Contingencies</u>. If Tenant is unable to obtain the zoning, building permits, occupancy permits, or other entitlements necessary to develop or operate the Camp from the Premises, Tenant may elect to terminate the Lease upon written notice to Landlord within 15 days of Tenant's determination of the same. Upon such termination, both parties shall thereafter be released from all obligations under the Lease. Landlord expressly waives the remedies of specific performance and damages.

2. <u>Approved Use</u>. Subject to applicable law, and the terms of the Lease, Tenant is expressly permitted to keeps dogs on the Premises, and to use the Premises for dog daycare and boarding, grooming, training, the administration of medication incidental to dog daycare and boarding, and the retail sale of pet products.

3. <u>Franchise Requirements</u>. Landlord and Tenant acknowledge that the Franchise Agreement requires Tenant to comply with Franchisor's standards, procedures, specifications, and directions as may be updated from time to time. Landlord agrees that Tenant may remodel, equip, paint, and decorate the

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interior of the Premises and display Franchisor's proprietary marks and signs on the interior and, subject to the Lease and all applicable laws, ordinances, and restrictive covenants, the exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement, Franchisor's directives, or any successor franchise agreement under which Tenant may operate a Camp at the Premises. Notwithstanding the foregoing, any structural alterations to the Premises shall require Landlord's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed.

4. <u>Modifications to the Lease</u>. Neither the parties nor their principals or affiliates shall amend, assign, sublease, renew, terminate or otherwise modify the Lease or enter into a side or separate lease (or similar agreement or arrangement) for the Premises without Franchisor's prior written consent, which shall not be unreasonably withheld. The parties shall memorialize any approved modification or agreement in a writing signed by both parties, expressly referencing this Addendum. Tenant shall provide Franchisor with a copy of the executed document(s) promptly upon request. Any amendment, assignment, sublease, renewal, termination or other modification of the Lease without Franchisor's prior written consent shall be null and void and of no force and effect. This Lease Addendum shall apply to any renewal terms of the Lease. Landlord and Tenant acknowledge that Tenant does not have the right to assign, in whole or in part, its rights in and to the Franchise Agreement as security for the Lease. Any such assignment shall be null and void and of no force and effect.

5. <u>Right of Recapture</u>. Notwithstanding anything to the contrary in the Lease, upon any default by Tenant, Landlord shall not recapture or retake possession of the Premises or refuse to allow Tenant access to the Premises unless and until every dog is returned to its owner and safely removed from the Premises. Landlord shall have the right to be present during any such transition period, at its option, but the parties recognize and agree that safe removal of the dogs requires some period of transition before the Premises can be recaptured.

6. <u>Noise and Nuisance</u>. Any noise, odor, disturbance, or nuisance from barking dogs shall not constitute a default or grounds for termination under the Lease. So long as Tenant is in compliance with any applicable noise and nuisance laws and ordinances regulating dog kennels, Landlord shall not impose any fine, default, termination, eviction or other sanction against Tenant for any noise, disturbance, or nuisance related to barking dogs, it being acknowledged that barking is inevitable in a dog-related business.

7. <u>Rules and Regulations</u>. Landlord shall not make any rule or regulation after the mutual execution of this Addendum that interferes with Tenant's approved use of the Premises, renders Tenant unable to conduct its business in the ordinary course, or requires Tenant to modify the Premises at Tenant's cost in order to continue operating its business in the ordinary course.

8. <u>Operation as a Franchise</u>. Tenant (or its affiliate(s)) shall operate the Camp as a Camp Bow Wow® franchise throughout the term of the Lease. The Premises may be used only for the purposes specified in Section 2 above, and only under the Camp Bow Wow® trade name.

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9. <u>Franchisor's Right to Assume the Lease</u>. Upon any of the following events (collectively, "**Triggering Events**"), Franchisor or its affiliate(s) may assume all of Tenant's right, title and interest in and to the Lease upon written notice to the Landlord: (a) termination of the Franchise Agreement; (b) a default or series of defaults under the Franchise Agreement that gives rise to termination of the Franchise Agreement; (c) Franchisor's acquisition of the Camp or substantially all of the assets used in operation of the Camp; (d) Tenant's default under the Lease; or (e) termination of the Lease for any reason (excepting eminent domain or casualty loss). Franchisor shall provide Landlord with notice of intent to assume the Lease within thirty (30) days of notice of a Triggering Event. Tenant hereby absolutely and unconditionally assigns all of its right, title, and interest in the Lease to Franchisor or its designated affiliate(s), effective upon the occurrence of any Triggering Events and Franchisor's delivery of notice to Landlord that it intends to exercise this right. No assumption will be effective until Franchisor gives Landlord written notice of its assumption and Landlord delivers possession of the Premises to Franchisor ("Effective Date of Assumption").

Landlord will give Tenant and Franchisor simultaneous written notice of any Triggering Event or any other event that, with the passage of time, would constitute a default under the Lease or provide grounds for termination. Franchisor shall have 30 days from receipt of notice to (a) exercise its right, but not obligation to cure the default; or (b) exercise its right to assume the Lease pursuant to this Section.

a. In the event of termination of the Lease for any reason, Franchisor shall have the opportunity to revive and assume the Lease by providing Landlord with written intent to assume the Lease within thirty (30) days of termination.

b. In the event of an assumption under this Section, Tenant shall remain liable for its responsibilities and obligations under the Lease, including, without limitation, any amounts owed to Landlord prior to the Effective Date of Assumption. Franchisor agrees to observe and perform all of the terms, conditions and agreements on the part of Tenant arising on or after the Effective Date of Assumption. Franchisor's right to assume the Lease is not conditioned and Franchisor shall not be required to cure Tenant's defaults, if any, under the Lease or to perform or discharge any obligation of Tenant under the Lease, including, without limitation, paying rent or any other financial obligation due and unpaid under the Lease prior to the Effective Date of Assumption.

c. Unless and until Franchisor exercises its right to assume the Lease under this Section, nothing in this Addendum renders Franchisor a party to the Lease, or guarantor thereof, or creates any liability or obligation on the part of Franchisor.

10. <u>Franchisor's Right to Assign the Lease</u>. At any time after Franchisor assumes the Lease pursuant to Section 9 above, and so long as Franchisor is not then in default under the Lease, Franchisor may assign the Lease to a new or different franchisee, with Landlord's consent, which shall not be unreasonably withheld, conditioned, or delayed, provided the new franchisee meets or exceeds the financial

requirements for acceptance as a Camp Bow Wow® franchisee. Upon such reassignment, Franchisor shall be fully released from any and all liability under the Lease and this Addendum, with the exception of any liability for unpaid rent that accrued prior to the effective date of assignment. However, Franchisor shall continue to have the same rights as it has under this Addendum with regard to the new franchisee/assignee.

11. Franchisor's Intellectual Property and De-Identification. Within 30 days of Franchisor's receipt of notice of expiration, termination, or cancellation of the Lease or within 30 days of expiration, termination, or cancellation of the Franchise Agreement, for any reason, Landlord will cooperate with and allow Franchisor to enter the Premises, at Franchisor's expense, without being guilty of trespass and without incurring any liability to Landlord or Tenant, to remove all of Franchisor's Intellectual Property (as defined below) and de-identify the Premises. For purposes of this Section 11, Franchisor's "Intellectual Property" includes, without limitation, the Operations Manual(s) (and all sub-manuals), trademarks, service marks, trade dress, patents, trade secrets, copyrighted materials, and all equipment or materials bearing the same. Landlord agrees that Franchisor or its designee may complete the items listed in Schedule 11 to this Addendum as part of this de-identification. Franchisor will initiate any repair of damage it causes to the Premises in removing its Intellectual Property within 30 days. If Franchisor fails to remove its Intellectual Property within 30 days of Franchisor's receipt of expiration, termination, or cancellation of the Lease, Landlord may dispose of the Intellectual Property without liability to Franchisor but shall not be entitled to use, lease, purchase (via UCC sale or any other means), sell or otherwise permit Landlord or any third party to use Franchisor's Intellectual Property, it being recognized that such actions would infringe upon Franchisor's Federally protected Intellectual Property rights. Landlord and Tenant acknowledge and agree that Franchisor's right to remove its Intellectual Property is material and, if violated or refused, or if any party not authorized by Franchisor is permitted to use, lease, purchase, sell, or otherwise come into possession of Franchisor's Intellectual Property, Franchisor shall be subject to irreparable and continuing injury which warrants the issuance of temporary, preliminary, and permanent injunctive relief. Neither Landlord nor Tenant has any right, title, or interest in Franchisor's Intellectual Property and nothing in this Addendum, including but not limited any action or inaction by Franchisor, shall be construed as granting any right, title, or interest in and to its Intellectual Property on Tenant or Landlord.

12. <u>Franchisor's Right to Purchase the Assets</u>. In the event of expiration, termination, or cancellation of the Lease or Franchise Agreement, Franchisor has the first option to purchase Tenant's assets. Franchisor shall provide Landlord notice of its intent with regard to the assets within 30 days of expiration, termination, or cancellation of the Lease or Franchise Agreement and will close on such purchase within a reasonable period of time given the facts and circumstances and any required involvement of Tenant's lender, or any other third-party lien-holder, as applicable. Upon notice that Franchisor intends to exercise its right under the Franchise Agreement to purchase the assets or substantially all of the assets of Tenant, Landlord will permit Franchisor to leave the assets on the Premises until such purchase can be completed without signing a lease or assuming the Lease. Landlord shall permit Franchisor to remove the purchased assets from the Premises when the purchase transaction closes. Franchisor will repair any damage it causes to the Premises in removing the purchased assets.

13. <u>Right to Inspect</u>. Upon expiration, termination, or cancellation of the Lease or Franchise Agreement for any reason, Landlord shall cooperate with and allow Franchisor or Franchisor's representative to enter and inspect the Premises to ensure that the Premises are properly de-identified pursuant to this Addendum. Nothing in this Addendum shall act as a waiver of Franchisor's right to inspect.

14. <u>Limitation on Use</u>. During the term of the Lease, including any extensions or renewals, Landlord covenants not to allow the Premises or any other space in the building complex in which the Premises are located to be used by a person or entity who derives 10% or more of its gross sales from the sale of dog daycare, boarding, training, or animal grooming services, collectively or individually (the "**Restricted Services**"). Franchisor agrees that Landlord may lease space in the building complex to a veterinarian practice without violating this provision, provided Landlord expressly prohibits the veterinarian practice and its owners, employees, and affiliates from deriving 10% or more of its gross sales from the Restricted Services. Nothing in this section is intended to prevent the veterinarian from providing licensed professional veterinarian services or medical boarding for the needs of its clients. Additionally, the parties agree that this provision is not intended to reduce or alter any rights of other tenants in the complex as they exist at the time of mutual execution of this Addendum.

15. <u>Tenant's Obligation to Indemnify Franchisor</u>. Tenant agrees to indemnify, defend and hold Franchisor harmless against and from any liability, loss, damage, cost or expense (including reasonable attorneys' fees) that Franchisor may incur under the Lease or this Addendum and against and from any and all claims and demands that may be asserted against Franchisor by reason of any alleged obligation or undertaking by Franchisor to perform or discharge any of the terms, covenants or agreements in the Lease or Addendum.

16. <u>Notice</u>. Except as otherwise stated below, notices under this Addendum shall be in writing and delivered: (a) personally; (b) via reputable courier services, charges pre-paid; or (c) via first-class registered or certified mail, postage pre-paid, using the contact information below. The parties may also deliver notices via email. The parties may update their contact information below by giving notice in writing to the other parties.

<u>To Franchisor</u>: Camp Bow Wow Franchising, Inc. Attn: Legal Department

7577 W. 103rd Ave. Unit 209 Westminster, CO 80021 Email: legal@campbowwow.com

To Franchisee:

Attn:

Camp Bow Wow–2022 FDD Exhibit I – Lease Addendum US.136565018.06

| Phone: | |
|--------------|--|
| Email: | |
| To Landlord: | |
| Attn: | |
| | |
| Phone: | |
| Email: | |

Notices under this Section will be effective: (a) on the date of hand delivery, if applicable; or, upon the earlier of (b) the other party's receipt, (c) if mailed, 3 business days after dispatch, or (d) if sent via overnight courier, 1 business day after dispatch. Notices sent via email will be effective as of the date and time stamp recorded on the sent email.

17. <u>Consideration; No Liability</u>.

a. Landlord acknowledges that this Addendum is required pursuant to the Franchise Agreement, and that Tenant would not lease the Premises without Landlord's agreement to this Addendum.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, create any liability on behalf of, or otherwise bind Franchisor or any of its affiliates in any way. Landlord has entered this Addendum with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or its affiliates.

18. <u>Landlord-Tenant Dispute Resolution</u>. Disputes between Landlord and Tenant and disputes arising between Landlord and Franchisor after Franchisor assumes the lease pursuant to this Addendum (if applicable) shall be resolved in accordance with the dispute resolution provisions of the Lease.

19. <u>Landlord-Franchisor Dispute Resolution</u>. In the event Franchisor has not assumed the Lease pursuant to this Addendum, disputes between Landlord and Franchisor that involve or otherwise affect Franchisor's rights in and to this Addendum, directly or indirectly, shall be exclusively resolved as follows.

a. Disputes under this Section shall first be submitted to mediation administered by the American Arbitration Association ("AAA") under its then-current mediation rules. The mediation shall be conducted at the AAA offices in Denver, Colorado, remotely via videoconference, or such other location agreed on by all parties. Any party may initiate mediation by providing written notice to the other parties. Each party shall have 3 business days from receipt of written notice of mediation to state whether it will participate. Failure to respond constitutes a waiver of mediation and permits the requesting party to proceed as set forth below. Unless it would be impossible to do so, Mediation shall be conducted and completed within 45 days of the written request for mediation. CampBow Wow-2022 FDD

b. If any dispute covered by this Section cannot be fully and finally resolved in mediation, the dispute shall be exclusively resolved by binding arbitration administered by the AAA under its then-current commercial arbitration rules. The arbitration shall be conducted by a single arbitrator at the AAA offices in Denver, Colorado, remotely via videoconference, or such other location agreed on by all parties. The parties' written discovery rights shall be limited to requests for production of documents (including electronically stored information), and the parties shall be limited to 1 deposition of no more than 2 representatives of each party and 2 experts, not to exceed 4 hours per deposition. The arbitrator shall have sole discretion to decide if the parties will be allowed depositions of non-party witnesses, and the sole discretion to modify these discovery rights upon a showing of good cause. The arbitration award may be confirmed and enforced by the state and federal courts in the jurisdiction where the Premises are located. The prevailing party in any arbitration or action in court to confirm or enforce an arbitration award shall be entitled to recover, in addition to all other remedies or damages, its reasonable attorneys' fees, arbitration costs, and court costs.

c. Notwithstanding anything to the contrary in this Section, the parties expressly agree that without waiting for completion of mediation and without waiving mediation or arbitration, Franchisor has the right to seek injunctive or other equitable relief, either in arbitration or in a court of competent jurisdiction, to protect and enforce its rights under this Addendum.

20. <u>Miscellaneous</u>.

a. *Counterparts*. This Addendum may be executed in counterparts, each of which when executed shall be deemed an original, and all of which when taken together shall constitute one full and complete document. Any signature hereon may be transmitted by facsimile, email, or electronic signature, and such signature shall be valid and accepted for all purposes.

b. *Governing Law.* This Addendum shall be governed by and construed and enforced pursuant to the laws of the state where the Premises are located.

c. *Amendments*. No amendment to this Addendum or the Lease shall be binding unless made in writing and signed by the parties to this Addendum.

d. *Entire Agreement*. This Addendum shall supersede and replace all prior agreements, promises and understandings, oral or written, between the parties with respect to the subject matter hereof.

e. *Subordination*. Any security interest granted to the Landlord by the Tenant is expressly made subordinate to the lien granted by the Tenant to the Franchisor pursuant to the Franchise Agreement. Such subordination shall be self-operative and shall not require any additional action by the parties to be effective.

f. *Severability*. If any term, section or other provision of this Addendum is held to be invalid or unenforceable, the invalidity or unenforceability of such term, section or other provision will not affect any of the remaining provisions of this Addendum.

g. *Successors and Assigns*. This Addendum will be binding upon and inure to the benefit of the parties and their respective successors and assigns.

h. *Further Cooperation*. Landlord and Tenant each agree to execute upon request of Franchisor any and all instruments requested by Franchisor to carry out the terms and conditions of this Addendum or the assignment and assumption intended hereby.

i. *Conflicts*. Except as amended or modified herein, the terms of the Lease remain in full force and effect as originally written. In the event of a conflict between the Lease and this Addendum, the terms of this Addendum shall control.

j. *Authority*. Each person signing this Addendum represents and warrants that he or she is duly authorized to execute and deliver this Addendum, and each party represents and warrants that the execution and delivery of this Addendum has been duly authorized and that the Addendum is binding on such party and enforceable in accordance with its terms.

k. *No Construction Against Drafting Party*. This Addendum shall not be construed more strictly against one party than the other merely by virtue of the fact that it has been prepared by counsel for one of the parties, it being recognized that the Landlord and Tenant have had the opportunity to review this Addendum with legal counsel and contribute substantially and materially to the terms and preparation of the Addendum.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have entered this Addendum as of the date the last party signs below.

| LANDLORD: | TENANT: |
|---|---------------|
| , a | , a |
| | |
| Signed: | Signed: |
| Printed Name: | Printed Name: |
| Title: | Title: |
| Date: | Date: |
| <u>FRANCHISOR</u>: CAMP BOW WOW FRANCHISING, INC, a Delaware corporation | |
| Signed: | |
| Printed Name: | |
| Title: | |
| Date: | |

SCHEDULE 11 TO FRANCHISE LEASE ADDENDUM DE-IDENTIFICATION REQUIREMENTS

Franchisor, or its designee, is allowed (but not required) to perform the following actions in the process of removing its Intellectual Property and de-identifying the Premises:

1. Remove the logo, hours of operation, and contact information from the front door and post a sign on the door regarding the closure, with then-current contact information for any questions;

2. Remove exterior signage;

3. Remove any item(s) bearing the Camp Bow Wow® logo, or any other trademark or proprietary symbol or copyrighted work of Franchisor or its affiliate(s), including without limitation all floor mats, logo disks, whiteboards, signage, displays, etc.;

4. Remove all log trim in the camp, including but not limited to trim around the front door, on the desk, around the data poles, in the lobby, and throughout the camp;

5. Remove all: (a) lobby artwork, retail shelving, cabinets, directional signage, emergency supply boxes, dry erase boards, boarding card holders on cabins, and leash holders; (b) log furniture and shelving, and the fireplace; (c) dog beds, cots, and mats; (d) puppy playground equipment, dog pools, and toys; (e) shade sails and other shade structures; (f) cleaning supplies and dispensing systems; (g) any servers, monitors (computer, television, etc.) and software; and, (h) dog cabins (kennels) and play yard fencing (both indoor and outdoor).

6. Prime the walls of the lobby;

7. Significantly alter the front desk layout to remove the check in/check out areas, the gates and signs, and the data poles; and,

8. Remove any materials that are specific to the brand, including but not limited to items such as galvanized steel or sound baffling.

If Landlord holds any liens on the assets that Franchisor elects to purchase or remove pursuant to this Addendum or the Franchise Agreement, Landlord agrees to negotiate the purchase of the encumbered assets reasonably and in good faith. If any third-party liens exist on the assets, Landlord shall provide Franchisor with contact information for the lienholders.



EXHIBIT J TO FRANCHISE DISCLOSURE DOCUMENT

RIGHT OF FIRST REFUSAL AND OPTION AGREEMENT

Camp Bow Wow – 2022 FDD Exhibit J – ROFR and Option Agreement US.136565018.06

THIS IS A SAMPLE AGREEMENT AND IS SUBJECT TO CHANGE OVER TIME

RIGHT OF FIRST REFUSAL AND OPTION AGREEMENT

This RIGHT OF FIRST REFUSAL AND OPTION AGREEMENT ("Agreement") is by and between ______, a ______ ("Grantor"), and Camp Bow Wow Franchising, Inc., a Delaware corporation ("Grantee"), and is effective as of the date the last party signs below.

RECITALS

A. Grantor owns real property located at ______ and legally described on Exhibit A to this Agreement (the "**Property**").

B. Grantor or its affiliate(s) operates or intends to operate a Camp Bow Wow® franchise (a "Camp") on the Property pursuant a "Franchise Agreement" between Grantee (as Franchisor) and Grantor (as Franchisee).

C. The Franchise Agreement requires that Grantee approve Grantor's purchase of any real property for operation of the Camp, and this Agreement is a material condition to Grantee's approval.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that any agreement to sell, assign, transfer or otherwise dispose of all or a portion of the Property (as defined above) shall be subject to Grantee's rights under this Agreement:

1. <u>Right of First Refusal</u>.

a. Grantee shall have a right of first refusal to purchase the Property (or any portion identified in the Purchase Offer) upon Grantor's receipt of a written "**Purchase Offer**" for all or a portion of the Property from a bona fide, arm's length third-party purchaser. Grantor shall submit an exact copy of any such Purchase Offer to Grantee, fully disclosing the purchaser and purchase price, within 5 days of receipt. Grantee shall have 30 days from its receipt of the Purchase Offer to elect in writing to purchase the Property (or any portion identified in the Purchase Offer) at the same price as in the Purchase Offer (the "**Exercise Period**").

b. If Grantee does not timely elect to purchase the Property, Grantor may transfer the Offered Interest to the proposed purchaser, if and only if such transfer is on the same terms and conditions as the Purchase Offer and such transfer is completed within 90 days of the end of the Exercise Period. If the terms of the transfer change in any way, Grantee shall have a right of first refusal to purchase the Offered Interest on the revised terms, in which case Section 1(a) shall apply. If the transfer is not completed within 90 days, Grantee will again have the right of first refusal provided in Section 1(a).

c. Grantee may elect to pay the cash equivalent of any non-cash payments contemplated by the Purchase Offer.

2. <u>Option</u>. Grantor hereby grants Grantee the irrevocable right, privilege and option to purchase the Property upon termination, cancellation, expiration or non-renewal of the Franchise Agreement for any reason (a "**Triggering Event**"). Grantee shall have 60 days following a Triggering Event to exercise this option by providing Grantor written notice of its intent to exercise the option. The Property shall be conveyed by Special Warranty Deed free and clear of all liens, security interests or other monetary encumbrances.

The purchase price will be the "Fair Market Value," which is the amount a willing a. buyer would pay and a willing seller would accept for a comparable transaction, both having reasonable knowledge or the relevant facts and being free from duress or coercion. The parties will consider, among other things, the nature, location, condition and quality of the Property and any improvements, and any concessions commonly being offered for comparable transactions. If the parties are unable to agree on the Fair Market Value within 30 days of Grantee's written notice of intent to exercise the option, each party shall have 10 days to elect an independent MAI appraiser with at least 5 years of commercial real estate experience relevant to the area where the Property is located. Each appraiser shall have 30 days to submit its appraisal to each party simultaneously. If the lower appraisal is 90% or more of the higher appraisal, the Fair Market Value shall be the average of the two appraisals. If the lower appraisal is 89% or less than the higher appraisal, the two independent MAI appraisers shall together appoint a third MAI appraiser with at least 5 years of commercial real estate experience relevant to the area where the Property is located, who shall have 30 days to submit its appraisal to each party simultaneously. The Fair Market Value shall be the average of the closest 2 appraisals. Each party shall bear the costs of its selected appraiser, and if a third appraiser is needed, the parties shall split the cost of the third appraiser evenly. Each party shall bear its own attorneys' fees and fees of other advisors or consultants.

b. This Agreement shall remain in full force and effect for the Term of the Franchise Agreement (as defined therein), including any extensions or renewals.

3. <u>Title to Property</u>. Grantor represents and warrants that it has good and marketable fee simple title to the Property, that Grantor is duly authorized and empowered to execute and perform this Agreement, and that execution of this Agreement will not result in any breach of or default under any contract or agreement to which Grantor is a party.

4. <u>Dispute Resolution</u>. All disputes shall exclusively be resolved pursuant to the terms of the Franchise Agreement, which is incorporated herein by reference.

5. <u>Miscellaneous</u>.

a. All notices under this Agreement shall be given in accordance with the Franchise Agreement.

b. This Agreement can only be modified or amended by written agreement signed by both parties.

c. This Agreement shall be governed by and interpreted, construed and enforced in accordance with the laws of the State of Colorado, without regard to its conflict of law principles.

d. Grantee may record this Agreement in the real property records of the county where the Property is located. Grantee may also communicate with third parties who have interests in the Property, such as lenders and other secured parties, without liability to or complaint from Grantor.

e. This Agreement may be executed in counterparts, each of which when executed shall be deemed an original, and all of which when taken together shall constitute one full and complete document. Any signature hereon may be transmitted by facsimile, email, or electronic signature, and such signature shall be valid and accepted for all purposes.

f. Grantee may assign its rights and obligations under this Agreement to a corporate affiliate, parent, subsidiary, joint venturer, or any entity in which Grantee maintains a controlling interest at any time without prior approval of Grantor. The provisions of this Agreement, including all benefits and burdens, run with the land. Each benefit and burden will inure to and be binding upon the parties and their respective heirs, executors, administrators, representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date the last party signs below.

| <u>GRANTOR</u> : | | <u>GRANTEE</u>: CAMP BOW WOW FRANC | CHISING, |
|------------------|-------|--|----------|
| a | | INC., a Delaware corporation | , |
| Signed: | | Signed: | |
| Printed | Name: | Printed | Name: |
| Title: | | Title: | |
| Date: | | Date: | |

[NOTE: This form is not for use in an SBA-financed transaction.] [Signature Page to Right of First Refusal and Option Agreement]

EXHIBIT A

TO RIGHT OF FIRST REFUSAL AND OPTION AGREEMENT

Insert legal description of property



EXHIBIT K TO FRANCHISE DISCLOSURE DOCUMENT

LEASEBACK AGREEMENT

Camp Bow Wow – 2022 FDD Exhibit K – Leaseback Agreement US.136565018.06

THIS IS A SAMPLE AGREEMENT AND IS SUBJECT TO CHANGE OVER TIME

LEASEBACK AGREEMENT

This LEASEBACK AGREEMENT ("Lease") is by and among ______, a ______ ("Franchisee" or "Landlord"); Camp Bow Wow Franchising, Inc., a Delaware corporation ("Franchisor"); and CBW Operating, Inc., a Delaware corporation ("Tenant"), and is effective on the date the last party signs below (the "Effective Date").

Recitals

A. Franchisee and Franchisor are parties to that certain "Franchise Agreement" dated whereby Franchisor granted Franchisee a license to develop and operate a Camp Bow Wow Franchised Business (the "**Franchise Agreement**").

B. Landlord owns real property located at _____ (the "**Premises**") and intends to or does operate a Camp Bow Wow® franchised business from the Premises pursuant to the Franchise Agreement.

C. The Franchise Agreement requires Franchisee to enter into this Agreement to provide certain rights to Franchisor, in exchange for Franchisor's approval of the Premises for the Camp Site (as defined in the Franchise Agreement).

D. The parties now wish to enter this Lease to establish certain rights and obligations concerning the Premises as further set forth herein.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. Definitions.

a. "**Premises**" – In addition to the definition above, approximately ______ square feet of space located at ______, together this the parking lot and all other improvements located on the property and any and all appurtenant rights relating thereto, subject to all easements, covenants, restrictions, and other encumbrances of record.

b. "**Default Rate**" – An annual rate of interest equal to 7%.

2. <u>Lease of Premises</u>. Upon termination, expiration, or non-renewal of the Franchise Agreement, or upon Franchisor's exercise of its Right of First Refusal to purchase the Camp pursuant to Section 13 of the Franchise Agreement (each a "**Triggering Event**"), Tenant or its designee (collectively "Tenant") shall have the option to lease the Premises from Landlord on the terms provided in this Lease. Tenant shall have 30 days from any Triggering event (not including the day of the Triggering Event) to provide Landlord with written notice of its intent to exercise its option. Notwithstanding anything to the contrary in this Lease, neither Tenant nor Franchisor has any liability or obligation under this Lease unless and until Tenant exercises its option to lease the Premises in writing, and Landlord delivers possession of the Premises to Tenant. Tenant's right to take possession shall not be conditioned, and Tenant shall have no obligation to cure any default or perform or discharge any duty or liability of the prior tenant.

3. <u>Term and Renewal Options</u>. The Lease shall commence upon Landlord's delivery of possession of the Premises to Tenant (the "**Commencement Date**"), and shall continue for 10 years, unless earlier terminated pursuant to the terms of this Lease (the "**Term**"). Tenant shall have two additional 5-year options to renew under the same terms, conditions, and covenants set forth in this Lease, and can exercise such options by providing written notice to Landlord no later than 120 days prior to expiration of the Term.

4. <u>Security Deposit</u>. Upon mutual execution of this Lease, Tenant shall pay Landlord a security deposit equal to the first month's Base Rent (the "**Security Deposit**"). If, at any time during the Term, Tenant defaults under this Lease and fails to cure within any applicable cure period, Landlord may apply the Security Deposit or so much of it as is necessary to recover the past due amounts, if any, or to recoup damages incurred by Landlord by reason of Tenant's default. In such an event, upon written demand from Landlord, Tenant shall remit an amount to Landlord sufficient to restore the Security Deposit to its original amount. Landlord may commingle the Security Deposit with its other funds. The Security Deposit will be refunded to Tenant within 30 days of the end of the Term. If Landlord sells its interest in the Premises, Landlord shall deliver the Security Deposit to the purchaser and thereafter, Landlord shall be discharged from further liability for the Security Deposit.

5. <u>Base Rent</u>.

a. Tenant shall pay rent to Landlord in monthly installments, in advance, on the first day of each and every calendar month during the Term of this Lease ("Base Rent"). Base Rent shall be the then-current Market Rate (defined below) at the time Franchisor elects to assume the Lease pursuant to Section 21. For purposes of this Section 5, "Market Rate" shall be the amount a willing tenant would pay and a willing landlord would accept in the open market, at arm's length, for spaces comparable in zoning, size, quality, and build, as indicated by current rents paid for comparable spaces in the area. In order to determine "Market Rate," each party shall hire an independent, arm's length, third-party commercial real estate broker to propose a Market Rate. In the event the parties cannot agree on an appraised value from the brokers' appraisals, the two appraisers shall jointly select a third appraiser to perform his own independent appraisal and review of the prior appraisals and supporting data. The parties shall be bound to accept the independent appraisal in the following manner 1) if the value determined by the independent appraisal is equal to or exceeds the highest value of the two prior appraisals, the parties shall accept the highest value of the two original appraisals, 2) if the value determined by the independent appraisal is equal to or lower than the lowest value of the original two appraisals, the parties shall accept the lowest value of the two original appraisals, and 3) if the value of the independent appraisal is between the values of the two original appraisals, the parties shall accept the value of the independent appraisal. The cost of the independent appraiser shall be paid in equal shares by each party. Each party shall also bear the costs of its respective broker. Notwithstanding anything to the contrary, if the Market Rate is determined via the method outlined above, and such Market Rate is more than Franchisor is able or willing to pay, then Franchisor may elect

not to assume the Lease and shall have thirty (30) days from the date of its election to de-identify the premises pursuant to Section 23.

b. If the Commencement Date occurs on any day other than the first day of the month, Base Rent for the first month shall be prorated for the remaining days in the calendar month.

c. Base Rent shall be paid in U.S. Dollars ("USD") at the address of Landlord set forth below, or at such other place as Landlord may designate in writing from time to time.

6. <u>Tenant's Share of Operating Costs</u>. In addition to Base Rent, Tenant shall pay its proportional share of the Operating Costs (defined below) in monthly installments, simultaneously with Base Rent. Tenant's proportional share is currently ______% of the Premises.

a. "Operating Costs" include the annual actual costs associated with: (a) services provided directly by Landlord in connection with the operation or maintenance of the Premises (which must be billed at reasonable market rates); (b) to the extent not separately metered or billed, all charges for water and utilities furnished to the Premises as set forth in Section 8 below; (c) all market-based insurance premiums for commercial property, casualty, general liability, boiler, flood, earthquake, and all other types of insurance provided by Landlord related to the Premises; (d) all government taxes, assessments, fees, and charges (other than Landlord's income taxes), whether general, special, ordinary or extraordinary, due or assessed from time to time during the Term and any extensions thereof in connection with the ownership, leasing, or operation of the Premises (including any reasonable expenses incurred by Landlord in contesting such taxes or assessments, or the assessed value of the Premises; and (e) dues, fees, or other costs and expenses of any nature due and payable to any association that governs or controls any aspect of the ownership and operation of the Premises and to which Landlord belongs in is capacity as owner of the Premises.

b. Operating Costs do not include: (a) capital improvements; (b) costs incurred in the original construction of the Premises; (c) depreciation, interest, and principal payments on mortgages, liens, or other debts; (d) any amounts attributable to maintenance, repair, or replacement of the Premises that Tenant is not otherwise required to make in accordance with Section 15(b), (e) costs for which Landlord is reimbursed by insurance proceeds; (f) wages and benefits of any employees, agents, or contractors of Landlord; (g) the cost of structural repairs or repairs to the parking lot; (h) fines, penalties, and interest incurred as a result of Landlord's negligence, inability, or unwillingness to make payments when due; (i) any expense resulting from a violation of law by Landlord or its agents, contractors, employees or invitees; or (j) Landlord's general overheard and administrative expenses.

c. Prior to the beginning of each calendar year, Landlord shall estimate the Operating Costs for the coming calendar year, and shall deliver written notice to Tenant of its proportional share for the coming calendar year. Tenant shall pay one twelfth of the annual estimated Operating Costs each month.

d. Within 90 days after the end of each calendar year, Landlord shall calculate the actual Operating Costs for the prior year and shall provide the same to Tenant together with copies of all paid receipts and invoices substantiating the same. If the amount of Operating Costs paid by Tenant was less than the actual Operating Costs paid by Landlord, Tenant shall pay the deficiency within 30 days of receipt of an invoice. If the amount of Operating Costs paid by Tenant was more than the actual Operating Costs paid by Landlord, the excess shall be credited against the next month's Operating Costs. If Tenant has paid the excess in the final Lease year, Landlord shall refund the excess to Tenant within 30 days of the end of the Term.

e. Tenant may dispute the calculation of Operating Costs for the prior year within 90 days of receipt of Landlord's final calculation. Tenant has the right to inspect all documents, itemized receipts, statements, and accounting records used to support Landlord's calculations, and to demand an audit by a firm of independent certified public accountants. Tenant shall bear the cost of the audit unless the audit discloses an error overstating Operating Costs by 2% or more, in which case Landlord shall bear the cost of the audit. Landlord shall promptly refund any overpayment, and Tenant shall promptly remit any underpayment based on the results of the audit.

7. <u>Late Payments</u>. In the event monies due under this Lease are not paid within 10 days of their due date, a late charge equal to 5% of the delinquent installment may be imposed and shall be due within 7 days of written assessment.

8. <u>Utilities</u>. On or before the Commencement Date, Landlord shall furnish or cause to be furnished or installed at the Premises the following services: (i) a heating and air conditioning system (HVAC), (ii) domestic running water, (iii) electricity (if not separately metered for the Premises), (iv) septic or sewer, (v) trash removal, and (vi) if applicable, snow removal. Costs for such utility expenses shall be calculated as part of Tenant's Share of the Operating Costs. Tenant shall directly contract and pay for all utilities not otherwise provided by Landlord serving the Premises, including, but not limited to gas, steam, fuel oil, electricity (if separately metered), water usage (if separately metered), and telephone and communications systems.

9. <u>Use</u>. Tenant is expressly permitted to keeps dogs on the Premises, and to use the Premises for dog daycare and boarding, grooming, training, the administration of medication incidental to dog daycare and boarding, and the retail sale of pet products.

10. <u>Quiet Enjoyment</u>. Landlord covenants and agrees that Tenant shall not be disturbed in its possession of the Premises by Landlord or any other person lawfully claiming through or under Landlord.

11. <u>Noise and Nuisance</u>. Any noise, odor, disturbance, or nuisance from barking dogs shall not constitute a default or grounds for termination under the Lease. So long as Tenant is in compliance with any applicable noise and nuisance laws and ordinances regulating dog kennels, Landlord shall not impose any fine, default, termination, eviction or other sanction against Tenant for any noise, disturbance, or nuisance related to barking dogs, it being acknowledged that barking is inevitable in a dog-related business.

12. <u>Access to Premises</u>. Landlord shall provide Tenant with 24 hours' notice if it wishes to enter the Premises for any reason, and if Landlord does need to enter, Landlord shall not endanger the safety or health of the animals on the Premises. Except in the case of emergency, Landlord and its agents shall not enter the Premises without the presence of Tenant or Tenant's agent. If Landlord's entry into the Premises interferes with Tenant's business so as to render Tenant unable to operate without significant hindrance, Base Rent shall be abated until Tenant is able to resume operations unhindered.

13. <u>Acceptance and Landlord's Work</u>. Except for all latent defects, defects in the original construction, and any Landlord's Work to be performed, Tenant accepts the Premises on an "AS-IS" basis. Landlord agrees to complete the items listed in <u>Exhibit A</u> to this Lease prior to the Commencement Date ("Landlord's Work"). Landlord shall perform and complete all Landlord's Work, if any, in a good and workmanlike manner with new, first-quality materials in compliance with all applicable laws and requirements of Franchisor. For purposes of this Section, Landlord's Work is deemed complete when Landlord has completed the work necessary to secure a certificate of occupancy, has provided Tenant with evidence of lien waivers completed by all of Landlord's contractors, and the Premises are ready for occupancy.

14. <u>Alterations</u>. Tenant may remodel, equip, paint, and decorate the Premises and display such proprietary marks and signs on the interior and exterior of the Premises as Tenant is required to do pursuant to the Camp Bow Wow® system requirements ("**Tenant Work**"). Tenant shall perform and complete all Tenant's Work in a good and workmanlike manner with new, first-quality materials in compliance with all applicable laws. Upon request by Landlord, Tenant shall provide certificates issued by applicable insurance companies evidencing that workmen's compensation, public liability, and property damage insurance are in full force and effect and maintained by all contractors engaged by Tenant to perform such work. All personal property, trade fixtures, movable fixtures, machinery, equipment, cabinet work, furniture, and partitions owned or installed by Tenant shall remain Tenant's property and may be removed by Tenant at any time, provided Tenant repairs any damage to the Premises caused by removal. Landlord shall not take a security interest in any of Tenant's property, trade fixtures or Franchisor's Intellectual Property.

15. Maintenance and Repairs.

a. Landlord shall be responsible for all Landlord's Work and for maintenance, repair, and replacement of the following: roof, foundation, exterior plumbing and electric, boilers, sprinkler systems, structural walls, sky lights, parking lot, landscaping, drainage, garage doors, subfloor, piles, sewer or septic systems, and, except as provided in Section 15(b) below, the HVAC system and units. Landlord shall ensure that the Premises comply with all laws, orders, or regulations, including but not limited to the Americans with Disabilities Act, which (a) relate to the design or construction of the Premises; (b) relate to the structural portions of the Premises; or (c) may require structural alterations, changes, repairs or additions, all of which shall be Landlord's obligation at its sole cost and expense. If Landlord fails to make any repairs, restorations, or replacements at the reasonable cost of Landlord, and to reduce Base Rent accordingly for the subsequent months until it has recovered all of its costs and expenses.

b. All repairs and maintenance other than those set forth in Section 15(a) above shall be made by Tenant, and Tenant agrees to maintain the Premises and all improvements, fixtures, and equipment on the Premises in good repair, including but not limited to the floors, non-structural walls, interior plumbing and electric, and windows and to keep the interior of the Premises painted and clean. Tenant shall keep the sidewalks in front of the Premises free from ice and snow, litter, and debris.

16. <u>Mechanic's Liens</u>. Tenant shall keep the Premises free and clear of all mechanic's liens and other liens because of Tenant's Work. Tenant shall provide Landlord with written notice of any liens filed or recorded against the Premises due to Tenant's contracts with third parties, and shall cause all such liens to be removed within 10 days after filing. If final judgment establishing the validity or existence of a lien is entered, Tenant shall pay and satisfy the same promptly and completely.

17. Casualty. If the Premises are damaged by fire or other casualty, Landlord shall promptly repair the damage and restore and rebuild the Premises (except Tenant's personal property). Landlord shall use its diligent, good faith efforts to make such repair or restoration promptly and in such manner as not to unreasonably interfere with Tenant's use and occupancy of the Premises. If the Premises are totally destroyed by fire or other casualty and repair or restoration would require (a) more than 180 days; or (b) Landlord to spend more than 80% of the full insurable value of the Premises immediately prior to the casualty, Landlord and Tenant shall each have the option to terminate this Lease by advising the other in writing within 10 days after learning of the extent of the required repair or restoration. Additionally, if the damage is 10-79% of the full insurable value of the Premises immediately prior to the casualty, and it occurs during the last 2 years of the Lease, each party shall also have the option to terminate this Lease by advising the other in writing within 10 days after learning of the extent of the required repair or restoration. Termination under this Section shall be deemed effective when the non-terminating party receives proper notice from the terminating party. Provided that any damage is not caused by Tenant or the result of acts or omissions by Tenant or its agents or invitees, Base Rent and Tenant's share of Operating Costs shall be abated to the extent of actual loss of the Premises by Tenant until the Premises are restored to their condition prior to the damage.

18. <u>Eminent Domain</u>. In the event the whole of the Premises shall be taken under the power of eminent domain, or sold to prevent the exercise thereof (collectively, a "**Taking**"), this Lease shall automatically terminate as of the date of such Taking. Base Rent and all other sums due under this Lease shall be duly apportioned as of the date of the Taking, and Tenant shall surrender the Premises. In the event that only a portion of the Premises is subject to a Taking, Tenant may elect to reduce the scope of this Lease to the portion of the Premises that remains tenantable, in which case Base Rent, Tenant's share of Operating Costs, and all other sums due under this Lease shall be reduced proportionately, or terminate this Lease upon 30 days' written notice. In the event of a Taking or conveyance, Landlord shall receive the entire award or consideration for the Premises so taken and Tenant hereby waives all claims against Landlord for or on account of the Taking. Tenant and/or Franchisor may separately claim and recover from the condemnor: (a) the value of any respective personal property which either party was entitled to remove pursuant to this Lease, and (b) any relocation expenses that are separately awardable.

19. Indemnity.

Camp Bow Wow – 2022 FDD Exhibit K – Leaseback Agreement US.136565018.06

a. Landlord hereby agrees to indemnify, defend, and hold harmless Tenant and its respective affiliates, owners, partners, members, directors, officers, invitees, successors, independent contractors, agents, employees and assigns (collectively "Tenant Indemnified Parties") from and against any and all claims, demands, expenses, actions, judgments, damages (actual, but not consequential), penalties, fines, liabilities, losses of every kind and nature, suits, administrative proceedings, costs and fees, including, without limitation, attorneys' and consultants' reasonable fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any or all of the following: (i) the conduct or management of the Premises; (ii) Landlord's Work or any conditions created by Landlord on or about the Premises prior to the Commencement Date; (iii) any act, omission or negligence of Landlord or its agents; (iv) any accident, injury or damage occurring in, at or on the Premises caused by Landlord or its agents; (v) Landlord's breach of any warranty, representation, or covenant under this Lease; (vi) the creation or existence of any hazardous materials in, at, under or on the Premises if and to the extent brought there or caused by Landlord or its agents before, during, or after the Term; and (vii) any actual or alleged violation of any law by Landlord or its agent(s) (collectively, "Landlord's Indemnified Matters"). Landlord shall resist and defend any action or proceeding brought or threatened against Tenant or the Tenant Indemnified Parties arising from or relating to Landlord's Indemnified Matters, and shall do so through counsel reasonably satisfactory to, or selected by, Tenant. This section shall survive the expiration, termination, or non-renewal of this Lease.

b. Tenant hereby agrees to indemnify, defend, and hold harmless Landlord and its respective affiliates, owners, partners, members, directors, officers, invitees, successors, independent contractors, agents, employees and assigns (collectively "Landlord Indemnified Parties") from and against any and all claims, demands, expenses, actions, judgments, damages (actual, but not consequential), penalties, fines, liabilities, losses of every kind and nature, suits, administrative proceedings, costs and fees, including, without limitation, attorneys' and consultants' reasonable fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any or all of the following: (i) Tenant's Work or any conditions created by Tenant on or about the Premises during the Term; (ii) any act, omission or negligence of Tenantorits agents; (iii) any accident, injury or damage occurring in, at or on the Premises caused by Tenant or its agents; (iv) Tenant's breach of any warranty, representation, or covenant under this Lease; (v) any actions necessary to protect Landlord's interest in the Premises in a bankruptcy proceeding for Tenant; and (vii) any actual or alleged violation of any law by Tenant or its agent(s) (collectively, "Tenant's Indemnified Matters"). Tenant shall resist and defend any action or proceeding brought or threatened against Landlord or the Landlord Indemnified Parties arising from or relating to Tenant's Indemnified Matters, and shall do so through counsel reasonably satisfactory to, or selected by, Landlord. This section shall survive the expiration, termination, or non-renewal of this Lease.

20. Insurance.

a. Tenant shall maintain: (i) public liability insurance for claims of personal injury, death, and property damage with minimum limits of liability of \$1,000,000 combined single limit and \$2,000,000 umbrella coverage; and (ii) fire and extended coverage on all of Tenant's personal property to the extent of at least 90% of their insurable value. All such policies shall name Landlord as an additional insured and

shall be with insurance companies and on forms reasonably satisfactory to Landlord. Tenant shall furnish Landlord with certificates of insurance upon request, and all policies shall require 30 days' written notice to Landlord and Franchisor prior to amendment or termination.

b. Landlord shall maintain: (i) public liability insurance for claims of personal injury, death, or property damage with minimum limits of liability of \$1,000,000 combined single limit; and (ii) with respect to all structures and improvements on the Premises, including Landlord's Work, "all-risk" coverage to the extent of at least 100% of the replacement value of the Premises and all of Landlord's personal property thereon. Such policies shall also include rental value insurance that shall provide payment of net rental and other charges due under this Lease to Landlord for at least 1 year following a casualty, regardless of whether this Lease is terminated as a result of such casualty.

c. Landlord and Tenant mutually agree to release one another from any and all claims with respect to any loss covered (or which should have been covered) by the insurance coverages required by this Lease. They also agree that their respective insurance companies shall have no right of subrogation against the other on account thereof. This release and waiver remains effective despite either party's failure to obtain insurance. If either party fails to obtain or maintain insurance, it bears the full risk of its own loss.

21. Assignment and Subletting.

a. <u>Landlord's Right to Assign</u>. Landlord is entitled to sell, transfer, or assign its rights and obligations under this Lease, in whole or in part, provided the transferee assumes all of Landlord's obligations under the Lease.

b. <u>Tenant's Right to Assign</u>. Tenant is entitled to assign all of its right, title, and interest in the Lease to Franchisor or its successor or designated affiliate at any time during the Term or any extensions or renewals thereof, without Landlord's prior consent. Neither Franchisor nor its affiliates guarantee Tenant's performance under this Lease, and nothing contained in this Lease shall designate Franchisor or its affiliates as party to this Lease or create any duty or obligation on Franchisor or its affiliates unless and until either such party assumes the Lease in writing pursuant to this Section. After its assumption, Franchisor will observe the terms, conditions and agreements on the part of Tenant to be performed under the Lease. Tenant will remain liable for its responsibilities and obligations under the terms of the Lease including, without limitation, amounts owed to Landlord. Franchisor's right to take an assignment will not be conditioned and Franchisor will have no obligation to cure any default or to perform or discharge any duty or liability under this Lease, including, without limitation, paying any amounts owed to Landlord prior to the date of the assumption.

c. <u>Franchisor's Right to Assign</u>. At any time after Franchisor or its designated affiliate assumes the Lease pursuant to Section 21(b) above, Franchisor may assign the Lease to a third-party franchisee without Landlord's consent, provided such franchisee meets or exceeds Franchisor's then-current financial requirements for new or similarly situated franchisees and assumes all of Franchisor's obligations under the Lease. Upon such reassignment, Franchisor shall be fully released from its liability under this Lease.

22. <u>Limitations on Use</u>. During the term of the Lease, including any extensions or renewals, Landlord covenants not to allow the Premises or any other space in the building complex in which the Premises are located to be used by a person or entity who derives 10% or more of its gross sales from the sale of dog daycare, boarding, training, or animal grooming services, collectively or individually (the "**Restricted Services**"). Franchisor agrees that Landlord may lease space in the building complex to a veterinarian practice without violating this provision, provided Landlord expressly prohibits the veterinarian practice and its owners, employees, and affiliates from deriving 10% or more of its gross sales from the Restricted Services. Nothing in this section is intended to prevent the veterinarian from providing licensed professional veterinarian services or medical boarding for the needs of its clients.

23. Surrender and Holdover.

a. On the last day of the Term, or upon earlier termination of this Lease, Tenant shall quit and surrender the Premises to Landlord in "broom clean" condition. Tenant shall remove all of its personal property from the Premises and shall surrender any keys, access cards, computer codes, or other items needed to access the Premises. Landlord expressly agrees that Tenant or its designee may:

i. Remove the logo, hours of operation, and contact information from the front door and post a sign on the door regarding the closure, with then-current contact information for any questions;

ii. Remove exterior signage;

iii. Remove any item(s) bearing the Camp Bow Wow® logo, or any other trademark or proprietary symbol or copyrighted work of Franchisor or its affiliate(s), including without limitation all floor mats, logo disks, whiteboards, signage, displays, etc.;

iv. Remove all log trim in the camp, including but not limited to trim around the front door, on the desk, around the data poles, in the lobby, and throughout the camp;

v. Remove all: (a) lobby artwork, retail shelving, cabinets, directional signage, emergency supply boxes, dry erase boards, boarding card holders on cabins, and leash holders; (b) log furniture and shelving, and the fireplace; (c) dog beds, cots, and mats; (d) puppy playground equipment, dog pools, and toys; (e) shade sails and other shade structures; (f) cleaning supplies and dispensing systems; (g) any servers, monitors (computer, television, etc.) and software; and, (h) dog cabins (kennels) and play yard fencing (both indoor and outdoor).

vi. Prime the walls of the lobby;

vii. Significantly alter the front desk layout to remove the check in/check out areas, the gates and signs, and the data poles; and,

viii. Remove any materials that are specific to the brand, including but not limited to items such as galvanized steel or sound baffling.

In the event Tenant fails to remove such items within 30 days of expiration, cancellation or termination of the Lease, Landlord may dispose of the same without liability to Tenant or Franchisor.

b. If Tenant or any party claiming through Tenant remains in possession of the Premises (or any portion of it) after the termination of the Lease, and Landlord continues to accept Base Rent and Operating Cost payments, then Tenant or such party shall be deemed a month-to-month tenant on the terms and conditions of this Lease, except Base Rent shall be 110% of the amount of the Base Rent in the final Lease year.

24. <u>Subordination</u>. This Lease is subordinate to any mortgages or encumbrances that may now or hereafter affect all or any portion of the Premises and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause is self-operative and no further instrument of subordination shall be required to effectuate it. However, Tenant agrees to promptly execute and deliver any certificate or other assurance of such subordination if requested. This Lease is also subordinate and subject to the terms of that certain "Right of First Refusal and Option Agreement" between Landlord and Franchisor.

25. <u>Landlord's Representations and Warranties</u>. Landlord represents and warrants that it has no knowledge of any (i) hazardous or toxic materials, wastes or substances ("**Hazardous Materials**") located in or which have been treated, stored, generated or disposed of on the Premises; (ii) violation of any state, federal or local law enacted for the protection of the environment or the safety of workers at the Premises; or (iii) present violations of applicable federal, state, or local laws or regulations, including all laws related to toxic and Hazardous Materials. Landlord further represents and warrants that: (iv) it has lawful title to the Premises; (v) it has the full right, power and authority to enter this Lease; and, (vi) the original construction on the Premises (including the parking lot) complies with all applicable laws, ordinances and regulations. Landlord covenants that the Landlord's Work shall also comply with all applicable laws, ordinances and regulations.

26. <u>Tenant's Default</u>. The following shall constitute a default under the Lease:

a. Tenant's failure to pay Base Rent or its portion of the Operating Costs or any other sum payable under this Lease, and failure to remedy it within 10 days of receipt of notice of the same;

b. Tenant's failure to perform any of the other covenants contained in this Lease and failure to cure within 30 days of receipt of notice of the same (or within such time frame as may be reasonable if the default cannot reasonably be cured within 30 days);

c. Entry of a court order, judgment, or decree approving a reorganization of Tenant under any bankruptcy or insolvency law or appointing a receiver, trustee or liquidator of Tenant of all or substantially all of Tenant's property, the Premises, or Tenant's interest in the Lease, or adjudicating Tenant as bankrupt or insolvent and failure by Tenant to have the judgment or decree vacated, set aside, or stayed within 90 days from the date of entry; or,

d. Tenant makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee or liquidator of Tenant of all or substantially all of Tenant's property, the Premises, or Tenant's interest in the Lease, files a petition in bankruptcy or takes advantage of any insolvency law, or admits to the material allegations in any bankruptcy, reorganization, or insolvency proceedings.

27. <u>Landlord's Remedies</u>. If Tenant defaults under the Lease and fails to cure within the applicable time period, then subject to Franchisor's notice and assumptions rights under the Lease, Landlord may terminate the Lease, in which case Tenant shall be liable for the Base Rent and Operating Costs accrued and unpaid as of the date of termination, plus 25% of the remainder of Base Rent for the Term. Landlord shall use commercially reasonable efforts to mitigate its damages. If Tenant fails to pay any third party as required to do pursuant to this Lease, Landlord may, but is not required to pay such third party on Tenant's behalf and deduct the same plus the Default Rate from the security deposit. No such payment shall be deemed a waiver of default nor shall it affect any other remedy Landlord may have for such default.

28. <u>Landlord's Default and Tenant's Remedies</u>. If Landlord fails to perform any of its covenants or obligations contained in this Lease and fails to cure within 30 days of receipt of notice of the same (or within such time frame as may be reasonable if the default cannot reasonably be cured within 30 days), Tenant may, at its option, cure the same on behalf of Landlord and may offset its costs and expenses in doing so plus the Default Rate from the next subsequent Base Rent payment(s) until Tenant has been paid in full. Tenant may also seek enforcement by specific performance or injunctive relief as applicable.

29. <u>Dispute Resolution</u>. Subject to the exceptions contained in Section 29(c), this dispute resolution provision is mandatory and applies to, governs and provides the exclusive method for resolving any and all disputes and claims relating in any manner to this Lease, its terms, or the parties' dealings with each other. This dispute resolution provision will survive the termination or expiration of the Lease (each a "**Dispute**").

a. <u>Mediation</u>. All parties involved in a Dispute shall first submit the Dispute to mediation to be administered by the American Arbitration Association under its mediation rules then in effect. The mediation shall be conducted at the offices of the American Arbitration Association in Denver, Colorado, or such other location agreed on by all parties. Any party to this Agreement may initiate mediation by written request to all other parties. Each party that receives a written request for mediation must respond, in writing, within three (3) business days of receipt of the request and state unequivocally whether that party will participate in mediation. Failure to respond constitutes a waiver of the right to mediate and permits the requesting party to proceed as set forth herein. Absent rare, exceptional circumstances, the mediation shall be conducted and completed within forty-five (45) days of the written request for mediation. The parties shall participate in good faith in the entire mediation, including the mediation conference, with the intention of resolving the dispute. The parties shall each send at least one representative to the mediation conference who has authority to enter into a binding contract on that party's behalf and on behalf of all principals of that party who are required by the terms of the parties' settlement to be personally bound by it. The parties recognize and agree, however, that the mediator's recommendations shall not be binding on the parties.

b. <u>Arbitration</u>. If the parties are unable to reach resolution of any Dispute through mediation as provided in Section 29(a) above, any Dispute shall be governed and exclusively resolved by final and binding arbitration administered by the American Arbitration Association. Subject to this Section 29(b), the right and duty of the parties to this Agreement to resolve any disputes by arbitration will be governed exclusively by the Federal Arbitration Act, and arbitration will take place according to the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed.

c. <u>Exceptions to Mandatory Arbitration Requirement</u>. Franchisor, in its sole discretion, is permitted to pursue claims in a court of competent jurisdiction located in the State of Colorado that involve (a) Landlord's misuse of any of the Camp Bow Wow® intellectual property, business concept or any issue involving injunctive relief against Landlord; and (b) Franchisor's enforcement of its rights under this Agreement and any agreement attached hereto.

d. Arbitration Procedures.

i. *Hearing locale*. The arbitration hearing will be held at the offices of the American Arbitration Association in Denver, Colorado, or such other location as the parties agree. Absent extraordinary circumstances or agreement of the parties, the hearing on the merits shall be commenced within 180 days of the date the demand for arbitration (or other initiating document) is submitted to the American Arbitration Association.

ii. *Arbitrator*. The arbitration hearing will be conducted by a single arbitrator who has a minimum of five (5) years of experience in commercial real estate. The fees of the arbitrator and the American Arbitration Association will be divided equally between the parties. The arbitrator will have no authority to amend or modify the terms of this Agreement.

iii. *Award*. The arbitrator shall issue a reasoned award. The award of the arbitrator will be final and binding on the parties and may be enforced by judgment or order of the state and federal courts located in Denver, Colorado.

iv. *Discovery*. The parties' written discovery rights in arbitration shall be limited to requests for production of documents (including electronically-stored information). The parties' deposition rights in arbitration shall be limited to (1) depositions of two representatives of each party not to exceed 4 hours per deposition, and (2) depositions of experts, if any, limited to 4 hours per deposition. Whether depositions of non-parties will be allowed will be decided by the arbitrator in his or her sole discretion. The arbitrator has the discretion to modify these discovery rights upon a showing of good cause. All discovery activities in arbitration including, but not limited to, production of documents and depositions, shall be conducted and maintained at all times as strictly confidential. Discovery information and documentation shall not be used for any purpose other than the pending arbitration action and shall not be disclosed – directly or indirectly – to any person or entity. At the conclusion of the action, a party that has produced documents may request the return of all documents previously produced, and the recipient of such request shall return all produced

documents, including copies, and provide written verification that all documents have been returned to the requesting party within 30 days of receipt of the request.

v. *Prevailing Party Rights*. The prevailing party in any arbitration or action in court to confirm or enforce an arbitration award shall be entitled to recover, in addition to all other remedies or damages, its reasonable attorney's fees, arbitration costs and court costs.

vi. *Collateral Estoppel.* To the extent permitted by applicable law, no issue of fact or law will be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee or any person claiming through, in the right of or on behalf of Franchisee or Franchisor.

e. <u>Franchisor's Rights</u>. Notwithstanding the foregoing, Franchisor shall have the right, at its election, to seek, in arbitration or a court of competent jurisdiction, the issuance of injunctive and other equitable relief to protect and enforce its rights to its intellectual property violating or waiving its right to require mediation or arbitration.

30. <u>Notices</u>. Any notice, demand, or communication concerning the Lease shall be in writing and shall be deemed delivered (a) on the date of personal delivery to the receiving party or any of its officers; (b) three days after being sent by certified mail, postage prepaid and return receipt requested; or (c) 1 business day after being sent by a nationally recognized overnight courier service. Notices shall be sent to the following addresses, which may be modified by either party at any time upon notice to the other party:

Tenant:

CBW Operating, Inc. 7577 W. 103rd Ave. Suite 209 Westminster, CO 80021

Franchisor:

Camp Bow Wow Franchising, Inc. 7577 W. 103rd Ave. Suite 209 Westminster, CO 80021

Landlord:

Landlord agrees to provide Franchisor notice of any default or termination under this Lease at the same time it provides such notice to Tenant.

31. Miscellaneous.

a. *Choice of Law and Venue*. The parties expressly consent to personal jurisdiction and venue in the State of Colorado and agree that such courts will have exclusive jurisdiction over any issues not subject to arbitration, and that Colorado law will apply.

b. *Counterparts*. This Lease may be executed in counterparts, each of which when executed shall be deemed an original, and all of which when taken together shall constitute one full and complete document. Any signature hereon may be transmitted by facsimile, email, or electronic signature, and such signature shall be valid and accepted for all purposes.

c. *Severability*. If any term of this Lease is held to any extent to be illegal, otherwise invalid, or unenforceable, such term shall be excluded to the extent of such invalidity or unenforceability and all other terms of this Lease shall remain in full force and effect.

d. *Failure to Act; Customs; Waiver*. Neither party's failure, neglect, or delay in enforcing or exercising any of its rights under this Lease shall affect or diminish its right to strictly enforce each provision of this Lease at any time, whether at law, in equity, for injunctive relief or specific performance, or otherwise. None of the parties' customs, usage, or practices with regard to this Lease precludes the strict enforcement of this Lease according to its terms. No waiver shall be binding unless in writing and signed by the party waiving.

e. *Entire Agreement*. This Lease, together with all exhibits, attachments, and addenda, constitutes the entire understanding and agreement between the parties and supersedes all prior understandings, whether oral or written, pertaining to this Lease or the Premises.

f. *Headings*. The headings in this Lease are for reference only, and do not define or limit the contents of the section or subsection.

g. Time is of the Essence. Time is of the essence with respect to every provision of this Lease.

h. *Force Majeure*. Neither party is liable for any loss or damage due to delay in performance caused by strike, lockout, or other labor relations issue; fire; riot; war; embargo; civil commotion; or act of God. In any such event, performance will be delayed only so long as the event is in progress.

i. *Further Actions*. Both parties will execute and deliver such further instruments, contracts, forms and other documents, and perform such further acts, as may be necessary or desirable to carry out, complete and perform all terms, covenants, and obligations under this Lease.

j. *Binding Effect.* This Lease is binding upon, and shall inure to the benefit of, the successors, assigns, heirs and personal representatives of the parties.

k. *Personal Liability*. Fulfillment of Tenant's obligations is Tenant's sole responsibility, and none of Tenant's agents, representatives, employees, or individuals associated with Tenant will be personally liable to Landlord for any reason.

1. *Modifications*. This Lease can only be modified or amended by written agreement signed by both parties.

m. *Jointly Drafted*. This Lease shall be construed as if drafted jointly by all parties, and no presumptions or burdens of proof will arise in favor of any party by virtue of the fact that it was authored primarily by an attorney for one party, it being recognized that both parties have been advised to seek legal counsel prior to entering this Lease and have had the opportunity to contribute to the terms and conditions in this Lease.

n. *Brokers*. Each party represents and warrants that no brokers have negotiated this Lease or are entitled to any commission in connection with this Lease.

o. *Recording*. This Lease shall not be recorded, but at Tenant's option and expense, the parties shall execute and record a memorandum of this Lease in the Office of the Clerk and Recorder for the county in which the Premises are located.

p. *Rules and Regulations*. Landlord shall not make any rule or regulation affecting the Premises that interferes with Tenant's intended use or renders Tenant unable to conduct its business in the ordinary course without modification to the Premises or its business practices.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date the last party signs below.

| LANDLORD: | TENANT: | | |
|---------------|--|-------|--|
| | CBW Operating, Inc., a Delaware corporation | | |
| Sign: | Sign: | | |
| Printed Name: | Printed | Name: | |
| Title: | Title: | | |
| Date: | Date: | | |
| | | | |

EXHIBIT A

LANDLORD'S WORK



EXHIBIT L TO FRANCHISE DISCLOSURE DOCUMENT

ACH FORM

Camp Bow Wow – 2022 FDD Exhibit L – ACH Form US.136565018.06

ACH FORM

The undersigned depositor ("**Depositor**") hereby authorizes Camp Bow Wow Franchising, Inc. ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checkingand/or savings account(s) indicated below and the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions.

| Depositor Branch | | |
|-------------------------------|---------------|--|
| Account Name | | |
| Address City, State, ZIP Code | | |
| Bank Transit Number | AccountNumber | |

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

| Depo | sitor: |
|------|--------|
|------|--------|

Depository:

| By: | |
|--------|--|
| Title: | |
| Date: | |
| | |

| Bank of America, N.A. |
|-----------------------|
| PO Box 15284 Blvd |
| Wilmington, DE 19850 |



EXHIBIT M TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES PAGE

Camp Bow Wow – 2022 FDD Exhibit M – State Effective Dates Page US.136565018.06

STATE EFFECTIVE DATES

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

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

| STATE | EFFECTIVE DATE |
|---------------|----------------|
| California* | March 22, 2022 |
| Hawaii | [PENDING] |
| Illinois* | March 22, 2022 |
| Indiana | [PENDING] |
| Maryland* | [PENDING] |
| Michigan | March 22, 2022 |
| Minnesota | [PENDING] |
| New York* | March 22, 2022 |
| North Dakota* | [PENDING] |
| Rhode Island | [PENDING] |
| South Dakota | [PENDING] |
| Virginia* | [PENDING] |
| Washington* | [PENDING] |
| Wisconsin | [PENDING] |

*States where Exemption Notice filed.

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.



EXHIBIT N TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

Camp Bow Wow – 2022 FDD Exhibit N – Receipts US.136565018.06

RECEIPT – YOUR COPY

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this Disclosure Document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

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.

Iowa and Michigan require that we give you this Disclosure Document at least 10 business days or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if this Disclosure Document contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in <u>Exhibit A.</u>

The franchisor and the name, principal business address and telephone number of each franchise seller offering the franchise are as follows:

Franchisor: Camp Bow Wow Franchising, Inc., a Delaware corporation, 7577 W. 103rd Avenue, Unit 209, Westminster, Colorado 80021, 877-700-BARK.

| Julie Turner | 7577 W. 103 rd Ave., Unit 209 Westminster, CO 80021 | (877) 700-2275 |
|-----------------|---|----------------|
| Todd Haavind | 7577 W. 103 rd Ave., Unit 209 Westminster, CO 80021 | (877) 700-2275 |
| Trevor Robinson | 7577 W. 103rd Avenue, Unit 209 Westminster, CO 80021 | (720) 746-8890 |
| Amy Baum | 7577 W. 103rd Avenue, Unit 209 Westminster, CO 80021 | (720) 360-0452 |

Franchise Sellers:

Issuance Date: March 22, 2022

We authorize the respective state agencies identified on <u>Exhibit A</u> to receive service of process for us in the particular state.

I have received a Disclosure Document dated March 22, 2022, that included the following Exhibits on the date above my signature:

Camp Bow Wow-2022 FDD Exhibit N-Receipts US.136565018.06

| Exhibit A: | List of State Agencies and Agents for Service of Process |
|-------------------|--|
| <u>Exhibit B:</u> | Franchise Agreement (with Attachments) |
| Exhibit C: | Financial Statements |
| Exhibit D: | Operations Manual Table of Contents |
| <u>Exhibit E:</u> | List of Franchisees |
| Exhibit F: | State-Specific Addenda to the Disclosure Document |
| Exhibit G: | Release of Claims and Indemnification Agreement |
| <u>Exhibit H:</u> | Multi-Unit Development Agreement |
| <u>Exhibit I:</u> | Lease Addendum |
| <u>Exhibit J:</u> | Right of First Refusal and Option Agreement |
| Exhibit K: | Leaseback Agreement |
| <u>Exhibit L:</u> | ACH Form |
| Exhibit M: | State Effective Dates Page |
| Exhibit N: | Receipts |

| Date | Signature of Prospective Franchisee | Printed Name |
|------|--|--------------|
| | | |
| | | |
| | | |
| | | |

RECEIPT – OUR COPY

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this Disclosure Document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

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.

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If we do not deliver this Disclosure Document on time or if this Disclosure Document contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in <u>Exhibit A.</u>

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| Exhibit L: | ACH Form |
| Exhibit M: | State Effective Dates Page |
| Exhibit N: | Receipts |

| Date | Signature of Prospective Franchisee | Printed Name |
|------|--|--------------|
| | | |
| | | |
| | | |
| | | |

Please return this copy to us. You may sign it electronically via Docusign, mail the executed original to the above address, fax a signed copy to the fax number shown above, or email a pdf of the signed copy to your franchise seller.