

FRANCHISE DISCLOSURE DOCUMENT



DOG KRAZY FRANCHISING, LLC
10007 Patriot Hwy Suite 115, Fredericksburg, Virginia 22407
Franchising@dogkrazy.com
www.dogkrazy.com
540-429-0908

As a Dog Krazy franchisee, you will operate a specialty retail store featuring products and services for dogs. The total investment necessary to begin operation of one Dog Krazy franchise is \$257,275 to \$389,533. This includes \$40,900 that must be paid to the franchisor.

The total investment necessary to begin operation under a three-unit Multi-Unit Development Agreement (including the first unit) is \$327,275 to \$459,533. This includes \$110,900 that must be paid to the franchisor. The initial franchise fee for second and third franchises is reduced to \$35,000. There is a three-unit minimum of Dog Krazy stores that you are required to develop under the Multi-Unit Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Christopher Guinn, Franchising@dogkrazy.com, 540-429-0908.

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

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

Issuance date: May 1, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Virginia. 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 Virginia than in your own state.
2. **Out-of-State Dispute Law.** The franchise agreement states that Virginia law governs the agreements, and this law may not provide the same protections and benefits as local law, you may want to compare these laws.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your 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.

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

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

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Exhibits

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Exhibits)
 - C. Multi-Unit Development Agreement
 - D. Form of General Release
 - E. Financial Statements
 - F. Operations Manual Table of Contents
 - G. Current and Former Franchisees
 - H. State Addenda to Disclosure Document
 - I. State Addenda to Agreements
- State Effective Dates
Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

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

Us, Any Parents, and Certain Affiliates

Our name is Dog Krazy Franchising, LLC. We are a Texas limited liability company that was formed on July 20, 2023. Our principal business address is 10007 Patriot Hwy Suite 115 Fredericksburg, Virginia 22407. We do business under the name Dog Krazy. We do not have any predecessors or a parent company. Our agent for service of process in the Virginia is Clerk of the State Corporation Commission, 1300 East Main Street, 1st Floor, Richmond, VA 23219. Our agents for service of process for certain other states is disclosed on Exhibit A.

Our Business Experience.

We have offered Dog Krazy franchises since October 15, 2024. Neither we nor any of our affiliates have offered franchises in any other line of business. We do not operate a business of the type being franchised. We have an affiliate, Dog Krazy, Inc., which has operated Dog Krazy stores since 2006. As of the May 1, 2025, we operate 8 Dog Krazy stores in Virginia. The affiliated-operated stores are substantially similar to the franchise offered by this Disclosure Document.

The Franchise offered.

If you sign a franchise agreement with us, you will open and operate a specialty retail store featuring products and services for dogs. If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will develop multiple Dog Krazy outlets, on an agreed-upon schedule. For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

Your products and services will be offered year-round to the general public. The specialty pet food and care market is very well developed. You will compete for customers with independent owners, national chains, regional chains, and franchised stores featuring and advertising dog and pet care products and services and similar items.

Laws and Regulations

You will be subject to general business, employment and other laws and regulations such as the Americans With Disabilities Act (“ADA”), Occupational Safety and Health Act (“OSHA”), Fair and Accurate Credit Transactions Act (“FACTA”), privacy of consumer, employee and

transactional information, payment card industry data security standards, wage and hour laws, and business licensing and permit requirements. You should consult with your attorney and local, state and federal government agencies opening your business, or any business, to determine all legal requirements and consider their effects on you and the cost of compliance. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

Item 2

BUSINESS EXPERIENCE

Nancy Faye Guinn, President. Nancy Faye Guinn has been our President since inception. She is also President of our affiliate, Dog Krazy, Inc and the founder of the Dog Krazy concept and has been operating Dog Krazy stores in Virginia since 2006.

Christopher Guinn Vice-President, Christopher Guinn has been our Vice-President since inception. He has been operating Dog Krazy stores in Virginia since 2015.

Anne Marie Moore, Trainer . Anne Marie Moore has been our trainer since inception. She has seven years of experience as a store manager with our affiliate's Dog Krazy stores in Virginia.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us \$40,000 as the initial franchise fee. This fee is uniform and is not refundable.

Opening Inventory

You must purchase bakery cookies from us or our affiliates. The cost of your opening inventory will vary based on several factors, including the size of your store, the mix of items supplied, the season in which you will first open, our supplier's costs, shipping charges and market conditions. However, we

estimate that as of May 1, 2025, the cost for purchasing bakery cookies from us, or our affiliates, will be approximately \$900 for one Dog Krazy store.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. Your franchise fees will be reduced to \$ \$35,000 for additional franchises after the first franchise. You will pay all franchise fees upon signing the MUDA. The fees are uniform and not refundable.

Item 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	5% of your gross sales	Monthly	See Note 1 and Note 2.
Marketing Fund Contribution	1% of your gross sales	Monthly	See Item 11 for a detailed discussion about these funds. Amounts due will be withdrawn by electronic funds transfer from your designated bank account.
Market Cooperative Contribution	As determined by co-op. Currently, we do not have any cooperatives	As determined by the co-op	We have the right to establish local or regional advertising cooperatives. Any location owned by us, or any affiliate will have the same voting rights as our franchisees. Dues will be imposed by a majority vote. Contributions to a cooperative may offset the corresponding amount of any required local advertising.
Local Marketing/Required Spending	2% of your gross sales	Monthly	See Note 3. You may only use promotional materials that we have provided to you or approved.
Replacement / Additional Training fee	Currently, 250 per day plus expenses for travel, food, lodging	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee/ Reimbursement for curing non-compliance	\$1,500 or amount that we spend on your behalf, plus 10%	On demand	We may charge you \$1,500 if your store is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. If we pay any amount that you owe or are required to pay to a third party or if we cure non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), you must reimburse us our costs plus a 10% administrative fee
Customer complaint or governmental report	Our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your store. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.

Type of Fee	Amount	Due Date	Remarks
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you underreported gross sales by more than 3% for any 4-week period.
Transfer fee	\$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us. All fees are imposed by us and collected by us. All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we consider appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. “Gross Sales” is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) discounts (iv) sale of used equipment not in the ordinary course of business, or (v) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method.

3. Your expenditures for local advertising and marketing are made to third parties, not to us.

Item 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$ 40,000	\$ 40,000	Lump sum	Upon signing the franchise agreement	Us
Real Estate/Rent (see Note 2)	\$ 3,125	\$ 13,333	As incurred	Upon signing lease	Landlord
Utilities	\$ 500	\$ 1,000	As incurred	Upon ordering service	Utility providers
Leasehold Improvements	\$ 30,000	\$ 60,000	As arranged	As incurred	Contractors
Market Introduction Program	\$ 10,000	\$ 15,000	As incurred	As incurred or when billed	Vendors
Furniture, Fixtures, and Equipment	\$ 50,000	\$ 80,000	As arranged	As incurred	Vendors

Type of expenditure	Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
Computer Systems/hardware and software and Point-of-Sale (see Note 3)	\$ 4,600	\$ 7,200	As incurred	As incurred	Vendors
Insurance	\$ 500	\$ 2,500	Lump sum	Upon ordering	Insurance company
Signage	\$ 3,000	\$ 8,000	Lump sum	Upon ordering	Vendor
Office Expense	\$ 500	\$ 1,000	As incurred	As incurred	Vendors
Inventory	\$ 59,100	\$ 64,100	As incurred	Upon ordering	Vendors
Proprietary Dog Biscuits	\$ 900	\$ 900	As incurred	Upon ordering	Us
Licenses and Permits	\$ 50	\$ 500	Lump sum	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	\$ 1,000	\$ 3,000	As arranged	As incurred or when billed	Professional service firms
Training	\$ 4,000	\$ 8,000	As incurred	As incurred	Airlines, hotels, and restaurants for two weeks of training
Additional funds (for first 3 months) (see Note 4)	\$ 50,000	\$ 75,000	Varies	Varies	Employees, suppliers, utilities
Total (See Note 5)	\$257,275	\$ 389,533			

YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

Type of expenditure	Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
First franchise (see table above)	\$ 40,000	\$40,000	Lump sum	Upon signing the MUDA	Us
Additional initial franchise fees for additional two franchises	\$ 70,000	\$70,000	Lump sum	Upon signing the MUDA	Us
Estimated initial investment to open the first location and for first three months of operation (excluding the first initial franchise fee.)	\$217,275	\$349,533	Varies	As Incurred	Various
Total (see Note 6)	\$327,275	\$459,533			

Notes

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

2. Dog Krazy stores range in size from 2,500 to 4,000 square feet, depending on the market and availability, and will be located in strip centers or stand-alone buildings. We estimate rent will be approximately \$15 to \$20 per square foot. However, rental rates can vary significantly depending on your local market and the location of your franchise. You should thoroughly investigate your local real estate market. You may be required to pay a security deposit with your lease, usually equal to one-month rent. You may be able to negotiate a period of free rent for the time reasonably required to build out the space. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different.

3. This estimate is based on the cost of the current hardware and software including the Franpos Point Of Sale (“POS”) software. We reserve the right to change hardware and software requirements.

4. This includes any other required expenses you will incur before operations begin and during the first three months of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on our experience in the development of Dog Krazy stores by our affiliates, and our general knowledge of the business.

5. This is the total estimated initial investment to open and commence operating your initial location for the first three months. We relied on our affiliate’s experience opening and operating Dog Kray stores to compile this estimate. The estimate does not include the monthly cost of debt service. The estimate includes such items as initial payroll taxes, ongoing franchise fees, Marketing Fund contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers’ compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting expenses, state tax, depreciation/amortization, deposits and prepaid expenses where applicable and other miscellaneous items. Additional operating expenses may be incurred in connection with the ongoing operation of your business and periodic reinvestment may be necessary following the initial start-up phase.

6. This estimate assumes you sign a Multi-Unit Development Agreement for three franchises. The franchise fee for your first unit is counted in the “Estimated Initial Investment – Franchise Agreement” table. Your initial franchise fees are reduced to \$35,000 for the third and each additional franchise after the first. You will pay all franchise fees upon signing the MUDA.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

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

A. Real Estate. Your store location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement which is attached to this disclosure document as Exhibit 5 to the Franchise Agreement.

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

C. Point-of-sale software and hardware, and related software and hardware. You must purchase or lease the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details. We may periodically change any software requirements to adapt to changing capabilities by written notice to you or by updating our Manual.

D. Equipment, inventory and supplies. You must purchase equipment, inventory and supplies from our affiliate or our Approved Vendors, including purchasing from our affiliate certain merchandise and supplies.

E. Certain Items. You may be required to purchase from us or our affiliate such as bakery cookies. We may periodically add and remove items that you must purchase from us or our affiliate.

Us or our Affiliates as Supplier

As of the date of this Disclosure Document, our affiliate is a supplier of some items that you must purchase. Our officers own an interest in the supplier.

Alternative Suppliers

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

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

No purchasing or distribution cooperative currently exists. We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future. We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

We estimate that items purchased or leased from us, our affiliates or our other designated or approved suppliers, or in accordance with our specifications will represent approximately 90% to 100% of total purchases you will make to begin operations of your store, and approximately 1% to 3% of the ongoing costs to operate your store.

All items that you purchase from approved suppliers must meet our specifications. This includes advertising and marketing materials, forms, and promotional items. In addition, you must purchase the signs used to identify the store from a vendor we approve utilizing designs we approve. Except for our affiliate, none of our officers own an interest in any supplier.

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

We and our affiliates reserve the right to receive fees, payments, rebates, commissions or other consideration from third party manufacturers, suppliers, and/or distributors on their sales of products, services, equipment, goods and supplies to our affiliate and our franchisees. Except as described below, we and our affiliates will retain and use any fees, payments, rebates, commissions or other consideration as we deem appropriate or as required by a particular manufacturer, supplier or distributor. We may place fees, payments, rebates, commissions, allowances or other consideration we receive from some vendors with whom you do business in either the System-wide Advertising and Marketing Fund or a separate fund to cover the cost of franchisee conferences and conventions and franchisee incentive programs. We expect the amount and availability of such funds to vary from time to time based upon factors outside our control. We did not receive any revenue from franchisee purchases of goods, products and services from us or our affiliates in 2024.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Franchise Agreement (FA): §§ 6.1, 6.2 Multi-Unit Development Agreement (MUDA): Not Applicable	Item 11
b. Pre-opening purchase/leases	FA: §§ 6.2, 6.3 MUDA: Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 6 MUDA: §1(a), 3	Items 5, 7, 8 and 11
d. Initial and ongoing training	FA: §§ 5.4, 6.4, 7.6 MUDA: Not Applicable	Items 5, 6, 8 and 11
e. Opening	FA: §§ 6.5, 6.6 MUDA: §1(a)	Items 7, 8 and 11
f. Fees	FA: Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6 MUDA: §1(a)	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA: §§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1 MUDA: Article 1	Items 8, 11 and 14
h. Trademarks and proprietary information	FA: Article 12, § 13.1 MUDA: Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	FA: § 7.3 MUDA: Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	FA: §§ 7.3, 7.8, 7.9 MUDA: Not Applicable	Item 8

Obligation	Section in agreement	Disclosure document item
k. Territorial development and sales quotas	FA: Not applicable MUDA: §1(a), 4(ii)	Item 12
l. Ongoing product/service purchases	FA: Article 8 MUDA: Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	FA: §§ 7.12, 7.13 MUDA: Not Applicable	Items 6, 7 and 8
n. Insurance	FA: § 7.15 MUDA: Not Applicable	Items 6, 7 and 8
o. Advertising	FA: Article 9 MUDA: Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	FA: Article 16 MUDA: Not Applicable	Items 6 and 8
q. Owner's participation/management/staffing	FA: § 2.4 MUDA: Not Applicable	Items 15
r. Records and reports	FA: Article 10 MUDA: Not Applicable	Item 11
s. Inspections and audits	FA: §§ 10.5, 11.2 MUDA: Not Applicable	Items 6 and 11
t. Transfer	FA: Article 15 MUDA: Article 7	Items 6 and 17
u. Renewal	FA: § 3.2 MUDA: Not Applicable	Item 17
v. Post-termination obligations	FA: Article 13, § 14.3 MUDA: Not Applicable	Item 17
w. Non-competition covenants	FA: § 13.2 MUDA: Not Applicable	Item 17
x. Dispute resolution	FA: Article 17 MUDA: Article 7	Items 6 and 17

Item 10 FINANCING

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

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

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

Our Pre-Opening Obligations

A. *Your site.* We will review and advise you regarding potential locations for a site that you submit to us. (Franchise Agreement - Sections 5.1 and Section 6). We will approve or disapprove your proposed site within 30 days after you submit all of our required documents and information. If you do not have a site when you sign the franchise agreement, then we will specify in your franchise agreement the area in which you must select a location (Franchise Agreement, Summary Page). We do not have any duty under the Franchise Agreement to assist you in conforming the site to local ordinances and building codes. You would be in default of the Franchise Agreement if we fail to agree upon a suitable site by the Opening Date set forth in the Franchise Agreement. If you sign a Multi-Territory Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

B. *Territory.* When a site is approved, we will designate your territory. (Franchise Agreement -Section 6.1)

C. *Plans.* We will provide you with specifications for your store layout and products. (Franchise Agreement - Section 5.1)

D. *Necessary furniture, signs, fixtures, equipment, computer system, vehicle and supplies.* We will provide you with a list of our specifications and approved suppliers for signs, fixtures, equipment, parts computer system, vehicle and supplies. (Franchise Agreement - Section 5.1)

E. *Hiring and training employees.* We will provide you with our suggested staffing levels (Franchise Agreement - Section 5.1), operational instructions in the Manual which you can use as part of training new employees (Franchise Agreement - Section 5.1), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

F. *Inventory.* We will supply you with your opening purchase of inventory of bakery cookies. (Franchise Agreement - Section 5.1)

G. *Operations Manual.* We will give you access to our Operations Manual and any updates and revisions to the Manual (Franchise Agreement - Section 5.1).

H. *Initial Training Program.* We will conduct our initial training program. (Franchise Agreement - Section 5.1) The current initial training program is described below.

I. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Franchise Agreement - Section 5.1)

J. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Franchise Agreement - Section 5.1)

K. *On-site opening support.* We will send a representative to your location for support and additional training before you open. (Franchise Agreement - Section 5.1)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your store is from six to twelve months depending on when you lease or otherwise acquire a location. Other factors besides acquiring a lease that may affect the time period include your ability to obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Resolving operating problems you encounter and additional training.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide additional training in response to your request, we may charge a fee of \$250 per diem plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Franchise Agreement - Section 5.2)

C. *Inventory.* We will provide you with your purchases of your inventory of bakery cookies as reasonably requested by you; (Franchise Agreement - Section 5.2)

D. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you with our recommended procedures for administration, bookkeeping, accounting, and inventory control (Franchise Agreement - Section 5.2). We may make any such procedures part of required (and not merely recommended) procedures for our system.

E. *Pricing.* We will provide you with recommended pricing for your products and services, which may include required maximum prices and customer loyalty programs with required promotional pricing and discounts. (Franchise Agreement - Section 5.2).

F. *Marketing Fund.* We will administer the Marketing Fund when it is formed (Franchise Agreement - Section 5.2). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

G. *Website.* We will maintain a website for the Dog Krazy brand, which will include your business information and telephone number. (Franchise Agreement - Section 5.2)

Advertising

You must spend not less than two percent (2%) of your gross sales per month on advertising and promotional activities during each calendar year, in such types as we approve or as described in the Operations Manual or otherwise in writing. We encourage you, however, to spend additional amounts on local advertising and promotional activities beyond the minimum amounts required under the Franchise Agreement. Your local advertising expenditures will include advertising, merchandising, sales promotion and other forms of advertising at the local level. Each month, you must provide us with an accounting of the monies that you spent and documentation of the local advertising and promotional activities you executed during the preceding calendar year. If you fail to spend the required minimum amount during any calendar year on approved local advertising and promotional activities, you must pay us the difference between what you should have spent on approved local advertising and promotional activities during that year, and what you actually spent on those items during that year.

You must obtain our approval (in writing) of all marketing, advertising and promotional materials before use, including any of your own materials, at least 10 days before the deadline for running or using the marketing, advertising or promotional materials. Any marketing, advertising or promotional materials not approved by us within 14 days will be deemed disapproved. At any time, we may require you to stop any marketing, advertising or promotion. You must use marketing, advertising and promotional materials that depict any of our trademarks only in connection with your sale of approved services and products in connection with your store. Any marketing, advertising and promotional materials you use must be current, in good taste and in good condition and communicate the brand position and character that we have established for franchised stores. We may periodically make available for purchase, from us or our affiliates or designated or approved suppliers, certain advertising, marketing and promotion materials.

You may use only approved advertising and promotional materials for your local advertising. If you desire to use any unapproved advertising or promotional materials bearing the trademarks or other Marks proprietary to us, or any portion of those items, you must obtain our prior written approval before using those materials. Any advertising or promotional materials not approved by us within 10 days will be deemed to be disapproved. You must use your best efforts to promote and advertise your store and will participate in all advertising and promotional programs we establish in the manner we direct as described in the Operations Manual or otherwise in writing.

Market Introduction Advertising and Marketing. We recommend you spend not less than \$10,000 on initial advertising and promotional materials and advertising, promotion, and events to promote and execute the opening of your Dog Krazy store, which must be coordinated with us and must occur not more than 60 days before or 30 days after the first day you open your store. We must approve all Market introduction advertising and marketing. Your minimum expenditure on market introduction advertising is in addition to the local advertising requirements described above.

Brand Fund. You are not required at this time to pay us an advertising fee or contribute to an advertising fund that we administer. However, we reserve the right to establish a system-wide advertising and marketing fund. If we establish an advertising and marketing fund (the Fund), we will provide you with thirty (30) days' advance notice of the establishment of the Fund. If we establish this fund, you will contribute one per cent (1%) of your Gross Sales each month to the Fund. All franchisees will contribute to the Fund at the same rate. Any locations in which we or our affiliates have an ownership interest, may, but are not obligated to, contribute to the Fund.

The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the or any advertising fees we receive. We have no obligation to make expenditures on your behalf that are equivalent or proportionate to your contributions to the Fund, to ensure that any particular franchisee benefits directly or pro rata from marketing or advertising we develop or place or to ensure that any advertising directly impacts your business or penetrates your territory.

We may use the Fund to defray expenses incurred in connection with the cost of creating, formulating, developing and implementing marketing, advertising and promotional programs, campaigns and materials, and any other activities we, in our sole judgment, believe are appropriate to enhance, promote and protect the brand. These items and activities may include (i) preparing marketing and advertising materials; (ii) preparing and maintaining World Wide web pages and sites, and other activities related to advertising and promotion via the Internet and/or other public computer networks; (iii) preparing and conducting television, radio, magazine, newspaper and World Wide web/Internet advertising campaigns and other public relations activities; (iv) employing public relations firms and advertising agencies to assist in the activities described above, including without limitation the placement of print, broadcast or World Wide web/Internet advertising; (v) conducting new product development and research; (vi) conducting market research, sponsorships, mystery shopper programs, and client surveys and interviews; (vii) collecting and accounting for the marketing and advertising payments from our franchisees; and (viii) preparing accountings for the Fund. We may use the Fund to defray administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration of the Fund, including without limitation the salaries and benefits paid to our and our affiliates employees engaged in advertising-related functions. We may use any media, create any programs, campaigns and materials, and allocate advertising and promotional expenditures locally, regionally or nationally and to any regions or localities that we consider appropriate. We may use in-house personnel and/or outside national, regional or local public relations firms and agencies to create and place marketing and advertising for the brands and otherwise perform the activities described above.

If requested by you in writing no sooner than 120 days after the end of our fiscal year, we will provide you with an annual unaudited statement of contributions and expenditures of the Advertising Fund for our most recently completed fiscal year. We will not be required to audit the Fund. If we expend less than the total contributions available in the Fund during any fiscal year, we will retain the remaining amount in the Fund and expend the unused sum during the following fiscal year. If we expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. Although the Fund is intended to be of perpetual duration, we have the right to discontinue the Advertising Fund. We decide whether to form and whether to terminate the Fund. If we terminate the Fund, we may require that you spend an equivalent amount on local advertising in addition to the amount you are required to spend on local advertising. We will not discontinue the Fund, however, until we have expended all money in the Fund for advertising and promotional purposes. We may or may not use the Fund part of the fund for advertising that is directed primarily at soliciting the sale of new franchisees.

Advertising Cooperatives. As of the issuance date of this disclosure document, May 1, 2025, there were no advertising cooperatives. We have the power, however, to form, approve the franchisee formation of, change, dissolve or merge local or regional advertising cooperatives, and to establish the rules under which these cooperatives will operate. You must participate in and contribute to any local or regional advertising cooperative we form or approve in the area where your store is located. As of the issuance date of this disclosure document, May 1, 2025, there was no advertising council for the Dog Krazy System. We have the power, however, to form, change, or dissolve any advertising council. Any advertising council we form will serve in only an advisory capacity.

System Website and Social Media

We may provide you with materials for use on social media sites such as a Facebook page. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains or is associated with your Dog Krazy store or our registered trademarks without our prior written approval. You may not establish a Facebook®, Myspace®, Twitter®, TikTok® or similar pages, post through Instagram® or on YouTube®, or utilize other, similar social media, without our prior written approval. You may not establish a Twitter® feed or other social media that are associated with or refer to your Dog Krazy business without our prior, written approval. We retain the right to approve all social media content that displays or is associated with our trademarks or your business. We may require you to withdraw and/or discontinue the use of any social media posts, even if previously approved.

Point of Sale and Computer Systems

We require you to buy or lease and use a computer system to help manage the business. Currently, we require you to use the Franpos point-of-sale (“POS”) system with 2 registers packages, 3 additional standalone android tablets with a cell signal, and 3 barcode scanners. You will also need a laptop, desktop printer and barcode label printer. The Franpos POS system will generate sales data, inventory, customer information, track any customer loyalty program, and integrate with QuickBooks for sales reports. The

current purchase price for the POS and other hardware and software is approximately \$3,000 to \$ 5,000. We do require you enter into a subscription contract for the POS System and any other applicable software/apps. The software subscription fees, maintenance, upgrades and update costs are approximately 2,400 to 3,000 annually.

We may change any required hardware and software requirements upon notice to you. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

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

Operations Manual

See Exhibit F for the table of contents of our Operations Manual as of the date of this Disclosure Document, with the number of pages devoted to each subject. The Manual has 186 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to the Brand and Business Model - Culture - Operations - History - Community	1		10007 Patriot Hwy, Fredericksburg, VA 22407
Apps & Technology	2		10007 Patriot Hwy, Fredericksburg, VA 22407
Management Procedures	15	5	10007 Patriot Hwy, Fredericksburg, VA 22407
Daily Retail Operations	6	10	10007 Patriot Hwy, Fredericksburg, VA 22407

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Daily Grooming Operations	1		10007 Patriot Hwy, Fredericksburg, VA 22407
Basic Dog & Cat Knowledge	2		10007 Patriot Hwy, Fredericksburg, VA 22407
Pet Health	5		10007 Patriot Hwy, Fredericksburg, VA 22407
Nutrition Foundation	3		10007 Patriot Hwy, Fredericksburg, VA 22407
Product Knowledge	20		10007 Patriot Hwy, Fredericksburg, VA 22407
Store Readiness		10	10007 Patriot Hwy, Fredericksburg, VA 22407
TOTALS:	55	25	

Training classes will be scheduled in accordance with the needs of new franchisees. ,. The franchise owner and manager must attend training. Training classes will be generally held at our location in Fredericksburg, Virginia but we may choose alternate locations or provide portions of the training virtually. The instruction materials consist primarily of our Operations Manual and other materials. Training classes will be led by Anne Marie Moore and Jamie Stegle who have seven years of experience with Dog Krazy stores. We anticipate initial training will take approximately one to two weeks.

You must complete training to our satisfaction at least two months before opening your store. Should you fail to pass the test or complete the initial training, we have the right to terminate the franchise agreement without refunding the initial franchise fee.

We will send a representative to your location for up to seven days to assist you around the time you open. You must pay the meal, travel and lodging expenses of our representative to come to your location.

Your store must at all times be under your on-site supervision or under the on-site supervision of a manager who has completed our training program. If you hire a new manager, you must send that person to our next scheduled training class or such other training class as we may require. We may also require additional training programs or refresher courses.

Item 12 TERRITORY

Your Location

We must approve the location for your business. To obtain our approval, you must provide all information and documents about the site that we require. If you do not have a location when you sign the franchise agreement, we will specify in your franchise agreement the area in which you must select a location. The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. We generally do not own your premises.

We will approve or disapprove your proposed site within 30 days after you submit all of our required documents and information. If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your franchise agreement. We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

Grant of Territory

Your franchise agreement will specify a territory which will be determined by us. Your territory will generally be comprised of an area consisting of a population of approximately 200,000 people in the area of the location of your store. We may use a lesser population base in urban areas with significant pedestrian traffic. Your territory will be delineated by geographical boundaries, zip codes, political boundaries, streets, geographical features or trade area, depending on the density and demographics of the population in your area.

Relocation; Establishment of Additional Outlets

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

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right to establish a mutually agreed number of additional outlets on a mutually agreed schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open,

operate, and manage each additional Dog Krazy store, (3) you must be in compliance with all brand requirements at your open Dog Krazy stores, and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. You are not obligated to develop additional outlets under the MUDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

Options to Acquire Additional Franchises

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

Territory Protection

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

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

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

Soliciting by You Outside Your Territory

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

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13 TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by our affiliate, Dog Krazy, Inc. The trademark is registered on the Principal Register of the United States Patent and Trademark Office as follows:

Trademark	Registration Date	Registration Number
DOG KRAZY	June 5, 2018	5486080

We have filed all required declarations for this trademark and intend to file when due all required affidavits and declarations, including for renewal.

We do not have a trademark registration or applications pending with the United States Patent and Trademark Office for the design shown on the cover page of this Disclosure Document. However, we have common law rights to the design.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings, or any pending material litigation involving the trademark that is relevant to your ability to use the trademark in connection with the business. There are no agreements that significantly limit our rights to use or license you to use the trademark in any manner material to the business.

Protection of Rights

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

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

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

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

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

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

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

Copyrights

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

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

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

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

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

Proprietary Information

We have a proprietary, confidential Operations Manual and related materials that include guidelines, standards and policies for the development and operation of your store. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the store, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

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

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate one person as your “Principal Executive.” The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 10% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

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

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision of your business. However, we strongly recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

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

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved and not offer any goods or services we have disapproved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. We do not restrict your access to customers, except that all sales must be made at or from your store.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1 Multi-Unit Development Agreement (MUDA): none	10 years from date of franchise agreement.
b. Renewal or extension of the term	FA: § 3.2 MUDA: none	You may obtain two successor franchise agreement renewals for 5-year terms each.
c. Requirements for franchisee to renew or extend	FA: § 3.2 MUDA: none	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal

Provision	Section in franchise or other agreement	Summary
		guaranty); sign general release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 5-year term.
d. Termination by franchisee	FA: § 14.1 MUDA: § 4	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. If you sign a MUDA, you may terminate it at any time.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	FA: § 14.2 MUDA: § 4	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity. If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA.
g. “Cause” defined--curable defaults	FA: § 14.2 MUDA: none	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. “Cause” defined--non-curable defaults	FA: § 14.2 MUDA: § 4	FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our store inspection; cease operations for more

Provision	Section in franchise or other agreement	Summary
		than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.3 – 14.6 MUDA: none	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	FA: § 15.1 MUDA: § 7	Unlimited
k. "Transfer" by franchisee - defined	FA: Article 1 MUDA: Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	FA: § 15.2 MUDA: § 7	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	FA: § 15.2 MUDA: none	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; pay transfer fee, buyer completes training program; you sign a general release; store

Provision	Section in franchise or other agreement	Summary
		complies with then-current system specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5 MUDA: none	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	FA: §§ 2.4, 15.4 MUDA: none	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	FA: § 13.2 MUDA: none	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2 MUDA: none	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within twenty-five miles of your former territory or the territory of any other Dog Krazy store operating on the date of termination.
s. Modification of the agreement	FA: § 18.4 MUDA: § 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	FA: § 18.3 MUDA: § 7	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise

Provision	Section in franchise or other agreement	Summary
		agreement (or MUDA) may not be enforceable. However, no claim made in any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	FA: § 17.1 MUDA: § 7	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	FA: §§ 17.1; 17.5 MUDA: § 7	Arbitration in Fredericksburg, Virginia (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8 MUDA: § 7	Virginia (subject to applicable state law).

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

Item 18 PUBLIC FIGURES

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

Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We make this financial performance representation of the Gross Profit of each store from the Profit and Loss statements based upon the historical information from the six Dog Krazy stores operated by our affiliate in Virginia that were, “fully operational” and recorded sales and expenses for the entire year from January 1, 2024, through December 31, 2024. The stores are located in downtown Fredericksburg, Cosner’s Corner, Stafford, Carytown, Short Pump, Stony Point, Gayton Crossing and Chancellor Commons.. “Fully operational” means that a store was selling the complete range of products and services according to the System and was open and operating throughout the relevant time period shown.

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY DOWNTOWN FREDERICKSBURG #202381	TOTAL
Income		
4000 Sales	1,452,935.81	\$1,452,935.81
Discounts	-103,916.35	\$ -103,916.35
Total Income	\$1,349,019.46	\$1,349,019.46
Cost of Goods Sold		
COGS	544,786.33	\$544,786.33
Total Cost of Goods Sold	\$544,786.33	\$544,786.33
GROSS PROFIT	\$804,233.13	\$804,233.13
Expenses		
51100 Freight and Shipping Costs	1,722.34	\$1,722.34
6160 Dues and Subscriptions	89.48	\$89.48
6180 Insurance		\$0.00
6185 Health Insurance	1,016.60	\$1,016.60
6586 Downtown Sales Health Insurance	-2,423.40	\$ -2,423.40
6588 Downtown Groomer Health Insurance	-1,244.14	\$ -1,244.14
Total 6185 Health Insurance	-2,650.94	\$ -2,650.94
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-1,680.40	\$ -1,680.40
6230 Licenses and Permits	3,290.18	\$3,290.18
6240 Merchant Fees	17,626.15	\$17,626.15
6300 Office Expenses	224.37	\$224.37
Grooming Supplies	419.47	\$419.47
Total 6300 Office Expenses	643.84	\$643.84
6560 Payroll Expenses	50,131.46	\$50,131.46
6561 Payroll Expenses - Manager	16,923.06	\$16,923.06
6562 Grooming Payroll	57,791.44	\$57,791.44
6581 Downtown Manager Payroll Expense	27,491.10	\$27,491.10
6582 Downtown Groomer Payroll Expense	83,737.90	\$83,737.90
7580 Downtown Sales Payroll Expense	68,621.67	\$68,621.67
Collected Payroll Tips	-18,983.19	\$ -18,983.19
Payroll Taxes	9,831.03	\$9,831.03
6583 Downtown Sales Payroll Taxes	5,177.02	\$5,177.02
6584 Downtown Manager Payroll Taxes	2,103.05	\$2,103.05
6585 Downtown Groomer Payroll Taxes	8,860.55	\$8,860.55
Total Payroll Taxes	25,971.65	\$25,971.65
Total 6560 Payroll Expenses	311,685.09	\$311,685.09
6600 Rent	69,514.53	\$69,514.53
6610 Repairs		\$0.00
6620 Building Repairs	1,138.00	\$1,138.00
Total 6610 Repairs	1,138.00	\$1,138.00
6650 Taxes		\$0.00
Personal Property Taxes	592.35	\$592.35
Total 6650 Taxes	592.35	\$592.35

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	DOG KRAZY DOWNTOWN FREDERICKSBURG #202381	TOTAL
6900 Utilities		\$0.00
Cell Phone	139.00	\$139.00
Electric	9,236.05	\$9,236.05
Gas	878.65	\$878.65
Internet	417.00	\$417.00
Pest Control	520.00	\$520.00
Telephone	278.00	\$278.00
Trash	143.49	\$143.49
Water	336.49	\$336.49
Total 6900 Utilities	11,948.68	\$11,948.68
Freight Expense	997.20	\$997.20
Internet Fees	417.00	\$417.00
Total Expenses	\$417,984.44	\$417,984.44
NET OPERATING INCOME	\$386,248.69	\$386,248.69
Other Expenses		
Cash Drawer Overage/Shortage	429.18	\$429.18
Total Other Expenses	\$429.18	\$429.18
NET OTHER INCOME	\$ -429.18	\$ -429.18
NET INCOME	\$385,819.51	\$385,819.51

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY SPOTSYLVANIA COSNERS CORNER #202330	TOTAL
Income		
4000 Sales	1,779,271.44	\$1,779,271.44
Discounts	-130,613.95	\$ -130,613.95
Total Income	\$1,648,657.49	\$1,648,657.49
Cost of Goods Sold		
COGS	653,971.33	\$653,971.33
Total Cost of Goods Sold	\$653,971.33	\$653,971.33
GROSS PROFIT	\$994,686.16	\$994,686.16
Expenses		
51100 Freight and Shipping Costs	1,968.83	\$1,968.83
6110 Automobile Expense		\$0.00
Fuel	731.76	\$731.76
Parking & Tolls	210.00	\$210.00
Total 6110 Automobile Expense	941.76	\$941.76
6130 Bank Service Charges	4.58	\$4.58
Chargeback	9.72	\$9.72
Total 6130 Bank Service Charges	14.30	\$14.30
6140 Charitable Contributions	860.42	\$860.42
6160 Dues and Subscriptions	19.50	\$19.50
6180 Insurance	88.88	\$88.88
6185 Health Insurance	1,072.70	\$1,072.70
6596 Cosner's Sales Health Insurance	-45.96	\$ -45.96
6597 Cosner's Manager Health Insurance	-4,160.42	\$ -4,160.42
Total 6185 Health Insurance	-3,133.68	\$ -3,133.68
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-2,074.26	\$ -2,074.26
6240 Merchant Fees	21,330.62	\$21,330.62
6300 Office Expenses	350.32	\$350.32
6350 Postage and Delivery	1,996.17	\$1,996.17
Total 6300 Office Expenses	2,346.49	\$2,346.49
6560 Payroll Expenses	64,670.22	\$64,670.22
401K Employer Match	1,571.75	\$1,571.75
6561 Payroll Expenses - Manager	20,803.35	\$20,803.35
6562 Grooming Payroll	120,230.68	\$120,230.68
6590 Cosner's Sales Payroll Expense	79,755.87	\$79,755.87
6591 Cosner's Manager Payroll Expense	32,403.54	\$32,403.54
6592 Cosner's Groomer Payroll Expense	158,336.44	\$158,336.44
Bakery Payroll Expenses	32,919.85	\$32,919.85
Collected Payroll Tips	-33,804.60	\$ -33,804.60
Payroll Taxes	17,416.90	\$17,416.90
6573 Bakery Payroll Taxes	1,276.54	\$1,276.54
6593 Cosner's Sales Payroll Taxes	1,324.68	\$1,324.68
6594 Cosner's Manager Payroll Taxes	15,926.96	\$15,926.96

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	DOG KRAZY SPOTSYLVANIA COSNERS CORNER #202330	TOTAL
Total Payroll Taxes	35,945.08	\$35,945.08
Total 6560 Payroll Expenses	512,832.18	\$512,832.18
6600 Rent	176,667.64	\$176,667.64
CAM's	20,071.75	\$20,071.75
Insurance	1,561.12	\$1,561.12
Off Site CAM	2,662.00	\$2,662.00
RE Taxes	12,220.78	\$12,220.78
Total 6600 Rent	213,183.29	\$213,183.29
6610 Repairs		\$0.00
6620 Building Repairs	1,881.37	\$1,881.37
6640 Equipment Repairs	453.50	\$453.50
Automobile	657.06	\$657.06
Total 6610 Repairs	2,991.93	\$2,991.93
6650 Taxes		\$0.00
Personal Property Taxes	3,899.39	\$3,899.39
Total 6650 Taxes	3,899.39	\$3,899.39
6900 Utilities		\$0.00
Electric	17,381.44	\$17,381.44
Gas	2,864.19	\$2,864.19
Internet	918.54	\$918.54
Pest Control	582.00	\$582.00
Water	2,042.13	\$2,042.13
Total 6900 Utilities	23,788.30	\$23,788.30
Customer related	147.00	\$147.00
Freight Expense	1,066.50	\$1,066.50
Internet Fees	1,156.42	\$1,156.42
Total Expenses	\$784,472.67	\$784,472.67
NET OPERATING INCOME	\$210,213.49	\$210,213.49
Other Expenses		
Cash Drawer Overage/Shortage	76.87	\$76.87
Total Other Expenses	\$76.87	\$76.87
NET OTHER INCOME	\$ -76.87	\$ -76.87
NET INCOME	\$210,136.62	\$210,136.62

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY STAFFORD #202382	TOTAL
Income		
4000 Sales	1,193,235.29	\$1,193,235.29
Discounts	-90,687.28	\$ -90,687.28
Total Income	\$1,102,548.01	\$1,102,548.01
Cost of Goods Sold		
COGS	419,196.93	\$419,196.93
Total Cost of Goods Sold	\$419,196.93	\$419,196.93
GROSS PROFIT	\$683,351.08	\$683,351.08
Expenses		
51100 Freight and Shipping Costs	1,542.63	\$1,542.63
6180 Insurance		\$0.00
6185 Health Insurance	477.59	\$477.59
6608 Stafford Groomer Health Insurance	-2,282.10	\$ -2,282.10
Total 6185 Health Insurance	-1,804.51	\$ -1,804.51
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-833.97	\$ -833.97
6240 Merchant Fees	14,066.27	\$14,066.27
6300 Office Expenses		\$0.00
Grooming Supplies		\$0.00
Vet Expenses	336.00	\$336.00
Total Grooming Supplies	336.00	\$336.00
Total 6300 Office Expenses	336.00	\$336.00
6560 Payroll Expenses	41,934.56	\$41,934.56
6561 Payroll Expenses - Manager	3,802.21	\$3,802.21
6562 Grooming Payroll	69,654.22	\$69,654.22
6601 Stafford Manager Payroll Expense	29,508.59	\$29,508.59
6602 Stafford Groomer Payroll Expense	91,731.77	\$91,731.77
7600 Stafford Sales Payroll Expense	56,355.20	\$56,355.20
Collected Payroll Tips	-18,680.22	\$ -18,680.22
Payroll Taxes	9,262.95	\$9,262.95
6603 Stafford Sales Payroll Taxes	4,557.19	\$4,557.19
6604 Stafford Manager Payroll Taxes	2,287.34	\$2,287.34
6605 Stafford Groomer Payroll Taxes	9,058.87	\$9,058.87
Total Payroll Taxes	25,166.35	\$25,166.35
Total 6560 Payroll Expenses	299,472.68	\$299,472.68
6600 Rent	145,934.96	\$145,934.96
6610 Repairs		\$0.00
6620 Building Repairs	1,381.58	\$1,381.58
6640 Equipment Repairs	393.20	\$393.20
Total 6610 Repairs	1,774.78	\$1,774.78
6650 Taxes		\$0.00
Personal Property Taxes	1,022.86	\$1,022.86
Total 6650 Taxes	1,022.86	\$1,022.86

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	DOG KRAZY STAFFORD #202382	TOTAL
6900 Utilities		\$0.00
Electric	9,010.25	\$9,010.25
Internet	269.11	\$269.11
Pest Control	180.00	\$180.00
Trash	3,854.70	\$3,854.70
Water	2,091.79	\$2,091.79
Total 6900 Utilities	15,405.85	\$15,405.85
Freight Expense	997.00	\$997.00
Internet Fees	820.78	\$820.78
Total Expenses	\$480,539.84	\$480,539.84
NET OPERATING INCOME	\$202,811.24	\$202,811.24
Other Expenses		
Cash Drawer Overage/Shortage	-71.68	\$ -71.68
Total Other Expenses	\$ -71.68	\$ -71.68
NET OTHER INCOME	\$71.68	\$71.68
NET INCOME	\$202,882.92	\$202,882.92

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY CARYTOWN #202383	TOTAL
Income		
4000 Sales	1,260,027.33	\$1,260,027.33
Discounts	-71,014.82	\$ -71,014.82
Total Income	\$1,189,012.51	\$1,189,012.51
Cost of Goods Sold		
COGS	481,342.93	\$481,342.93
Total Cost of Goods Sold	\$481,342.93	\$481,342.93
GROSS PROFIT	\$707,669.58	\$707,669.58
Expenses		
51100 Freight and Shipping Costs	1,564.99	\$1,564.99
6140 Charitable Contributions	-192.00	\$ -192.00
6180 Insurance		\$0.00
6185 Health Insurance	1,186.57	\$1,186.57
6616 Carytown Sales Health Insurance	-323.12	\$ -323.12
6618 Carytown Groomer Health Insurance	-2,797.94	\$ -2,797.94
Total 6185 Health Insurance	-1,934.49	\$ -1,934.49
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-963.95	\$ -963.95
6230 Licenses and Permits	2,591.61	\$2,591.61
6240 Merchant Fees	14,401.10	\$14,401.10
6560 Payroll Expenses	42,451.38	\$42,451.38
6561 Payroll Expenses - Manager	18,434.59	\$18,434.59
6562 Grooming Payroll	52,140.21	\$52,140.21
6611 Carytown Manager Payroll Expense	23,693.79	\$23,693.79
6612 Carytown Groomer Payroll Expense	73,968.61	\$73,968.61
7610 Carytown Sales Payroll Expense	65,104.29	\$65,104.29
Collected Payroll Tips	-15,522.55	\$ -15,522.55
Payroll Taxes	8,800.35	\$8,800.35
6613 Carytown Sales Payroll Taxes	1,016.56	\$1,016.56
6614 Carytown Manager Payroll Taxes	1,812.56	\$1,812.56
6615 Carytown Groomer Payroll Taxes	7,314.74	\$7,314.74
Total Payroll Taxes	18,944.21	\$18,944.21
Total 6560 Payroll Expenses	279,214.53	\$279,214.53
6600 Rent	61,550.64	\$61,550.64
6610 Repairs		\$0.00
6620 Building Repairs	10,028.10	\$10,028.10
6640 Equipment Repairs	251.55	\$251.55
Total 6610 Repairs	10,279.65	\$10,279.65
6650 Taxes		\$0.00
Personal Property Taxes	499.51	\$499.51
Total 6650 Taxes	499.51	\$499.51
6900 Utilities		\$0.00
Electric	5,121.30	\$5,121.30

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	DOG KRAZY CARYTOWN #202383	TOTAL
Gas	95.39	\$95.39
Internet	379.38	\$379.38
Pest Control	444.00	\$444.00
Trash	897.02	\$897.02
Water	2,187.92	\$2,187.92
Total 6900 Utilities	9,125.01	\$9,125.01
Freight Expense	943.00	\$943.00
Internet Fees	1,028.03	\$1,028.03
self wash supplies	150.00	\$150.00
Total Expenses	\$380,192.12	\$380,192.12
NET OPERATING INCOME	\$327,477.46	\$327,477.46
Other Expenses		
Cash Drawer Overage/Shortage	-51.70	\$ -51.70
Total Other Expenses	\$ -51.70	\$ -51.70
NET OTHER INCOME	\$51.70	\$51.70
NET INCOME	\$327,529.16	\$327,529.16

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY SHORT PUMP #202384	TOTAL
Income		
4000 Sales	606,710.10	\$606,710.10
Discounts	-39,429.11	\$ -39,429.11
Total Income	\$567,280.99	\$567,280.99
Cost of Goods Sold		
COGS	253,310.30	\$253,310.30
Total Cost of Goods Sold	\$253,310.30	\$253,310.30
GROSS PROFIT	\$313,970.69	\$313,970.69
Expenses		
51100 Freight and Shipping Costs	1,295.04	\$1,295.04
6110 Automobile Expense		\$0.00
Parking & Tolls	246.40	\$246.40
Total 6110 Automobile Expense	246.40	\$246.40
6180 Insurance		\$0.00
6185 Health Insurance	427.80	\$427.80
6626 Short Pump Sales Health Insurance	-327.26	\$ -327.26
6627 Short pump Manager Health Insurance	-551.10	\$ -551.10
Total 6185 Health Insurance	-450.56	\$ -450.56
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	519.98	\$519.98
6230 Licenses and Permits	655.97	\$655.97
6240 Merchant Fees	8,508.45	\$8,508.45
6300 Office Expenses	13.24	\$13.24
6560 Payroll Expenses	34,393.37	\$34,393.37
6561 Payroll Expenses - Manager	17,881.68	\$17,881.68
6562 Grooming Payroll	26,908.72	\$26,908.72
7620 Short Pump Sales Payroll Expense	50,977.00	\$50,977.00
7621 Short pump Manager Payroll Expense	28,095.81	\$28,095.81
Collected Payroll Tips	-6,345.03	\$ -6,345.03
Payroll Taxes	6,368.63	\$6,368.63
6623 Short Pump Sales Payroll Taxes	4,014.22	\$4,014.22
6624 Short pump Manager Payroll Taxes	2,157.20	\$2,157.20
Total Payroll Taxes	12,540.05	\$12,540.05
Total 6560 Payroll Expenses	164,451.60	\$164,451.60
6600 Rent	109,770.83	\$109,770.83
administrative	991.69	\$991.69
CAM's	5,804.19	\$5,804.19
Insurance	787.50	\$787.50
RE Taxes	5,950.00	\$5,950.00
Total 6600 Rent	123,304.21	\$123,304.21
6610 Repairs		\$0.00
6620 Building Repairs	3,605.16	\$3,605.16
6621 HVAC Repair	1,215.00	\$1,215.00

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	DOG KRAZY SHORT PUMP #202384	TOTAL
Total 6620 Building Repairs	4,820.16	\$4,820.16
6640 Equipment Repairs	249.50	\$249.50
Total 6610 Repairs	5,069.66	\$5,069.66
6650 Taxes	898.82	\$898.82
Personal Property Taxes	898.82	\$898.82
Total 6650 Taxes	1,797.64	\$1,797.64
6900 Utilities	1,785.00	\$1,785.00
Electric	7,722.40	\$7,722.40
Gas	383.08	\$383.08
Internet	852.81	\$852.81
Pest Control	612.00	\$612.00
Trash	1,854.74	\$1,854.74
Water	475.52	\$475.52
Total 6900 Utilities	13,685.55	\$13,685.55
Freight Expense	942.00	\$942.00
Internet Fees	284.27	\$284.27
Total Expenses	\$320,774.01	\$320,774.01
NET OPERATING INCOME	\$ -6,803.32	\$ -6,803.32
Other Expenses		
Cash Drawer Overage/Shortage	-24.53	\$ -24.53
Total Other Expenses	\$ -24.53	\$ -24.53
NET OTHER INCOME	\$24.53	\$24.53
NET INCOME	\$ -6,778.79	\$ -6,778.79

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY STONY POINT #202385	TOTAL
Income		
4000 Sales	1,081,054.76	\$1,081,054.76
Discounts	-64,762.55	\$ -64,762.55
Moving Stony Point	10,000.00	\$10,000.00
Total Income	\$1,026,292.21	\$1,026,292.21
Cost of Goods Sold		
COGS	422,710.94	\$422,710.94
Total Cost of Goods Sold	\$422,710.94	\$422,710.94
GROSS PROFIT	\$603,581.27	\$603,581.27
Expenses		
51100 Freight and Shipping Costs	1,466.00	\$1,466.00
6180 Insurance		\$0.00
6185 Health Insurance	1,034.54	\$1,034.54
6636 Stony Point Sales Health Insurance	-1,329.90	\$ -1,329.90
6637 Stony Point Manager Health Insurance	-1,480.95	\$ -1,480.95
6638 Stony Point Groomer Health Insurance	-2,347.63	\$ -2,347.63
Total 6185 Health Insurance	-4,123.94	\$ -4,123.94
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-3,153.40	\$ -3,153.40
6230 Licenses and Permits	1,882.34	\$1,882.34
6240 Merchant Fees	11,717.98	\$11,717.98
6300 Office Expenses	125.06	\$125.06
6560 Payroll Expenses	41,433.72	\$41,433.72
6561 Payroll Expenses - Manager	20,827.01	\$20,827.01
6562 Grooming Payroll	38,556.47	\$38,556.47
6631 Stony Point Manager Payroll Expense	30,025.92	\$30,025.92
6632 Stony Point Groomer Payroll Expense	55,104.14	\$55,104.14
7630 Stony Point Sales Payroll Expense	72,155.96	\$72,155.96
Collected Payroll Tips	-8,682.87	\$ -8,682.87
Payroll Taxes	7,928.59	\$7,928.59
6633 Stony Point Sales Payroll Taxes	1,212.93	\$1,212.93
6634 Stony Point Manager Payroll Taxes	2,183.69	\$2,183.69
6635 Stony Point Groomer Payroll Taxes	5,510.53	\$5,510.53
Total Payroll Taxes	16,835.74	\$16,835.74
Total 6560 Payroll Expenses	266,256.09	\$266,256.09
6600 Rent	99,921.64	\$99,921.64
CAM's	6,460.00	\$6,460.00
Insurance	605.00	\$605.00
RE Taxes	1,852.65	\$1,852.65
Total 6600 Rent	108,839.29	\$108,839.29
6610 Repairs		\$0.00
6620 Building Repairs	2,375.70	\$2,375.70
6640 Equipment Repairs	249.50	\$249.50

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	DOG KRAZY STONY POINT #202385	TOTAL
Automobile	347.38	\$347.38
Total 6610 Repairs	2,972.58	\$2,972.58
6700 Travel & Ent		\$0.00
6720 Meals	77.58	\$77.58
Total 6700 Travel & Ent	77.58	\$77.58
6900 Utilities		\$0.00
Electric	7,964.72	\$7,964.72
Gas	461.17	\$461.17
Internet	221.87	\$221.87
Pest Control	104.00	\$104.00
Water	248.87	\$248.87
Total 6900 Utilities	9,000.63	\$9,000.63
Freight Expense	911.20	\$911.20
Internet Fees	249.27	\$249.27
Moving expense	6,088.15	\$6,088.15
Patient First	98.00	\$98.00
Total Expenses	\$406,530.77	\$406,530.77
NET OPERATING INCOME	\$197,050.50	\$197,050.50
Other Expenses		
Cash Drawer Overage/Shortage	-3.78	\$ -3.78
Total Other Expenses	\$ -3.78	\$ -3.78
NET OTHER INCOME	\$3.78	\$3.78
NET INCOME	\$197,054.28	\$197,054.28

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY GAYTON CROSSING #202771	TOTAL
Income		
4000 Sales	545,997.26	\$545,997.26
Discounts	-30,020.44	\$ -30,020.44
Total Income	\$515,976.82	\$515,976.82
Cost of Goods Sold		
COGS	172,259.23	\$172,259.23
Total Cost of Goods Sold	\$172,259.23	\$172,259.23
GROSS PROFIT	\$343,717.59	\$343,717.59
Expenses		
51100 Freight and Shipping Costs	1,238.36	\$1,238.36
6180 Insurance		\$0.00
6185 Health Insurance	1,195.54	\$1,195.54
6646 Gayton Sales Health Insurance	-1,211.09	\$ -1,211.09
6648 Gayton Groomer Health Insurance	-1,164.63	\$ -1,164.63
Total 6185 Health Insurance	-1,180.18	\$ -1,180.18
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-209.64	\$ -209.64
6240 Merchant Fees	5,074.75	\$5,074.75
6300 Office Expenses	10.55	\$10.55
Grooming Supplies		\$0.00
Vet Expenses	162.07	\$162.07
Total Grooming Supplies	162.07	\$162.07
Total 6300 Office Expenses	172.62	\$172.62
6560 Payroll Expenses	35,063.24	\$35,063.24
6561 Payroll Expenses - Manager	14,261.51	\$14,261.51
6562 Grooming Payroll	36,891.62	\$36,891.62
6641 Gayton Manager Payroll Expense	23,286.21	\$23,286.21
6642 Gayton Groomer Payroll Expense	39,920.78	\$39,920.78
7640 Gayton Sales Payroll Expense	48,814.31	\$48,814.31
Collected Payroll Tips	-9,168.97	\$ -9,168.97
Payroll Taxes	6,732.59	\$6,732.59
6643 Gayton Sales Payroll Taxes	3,811.87	\$3,811.87
6644 Gayton Manager Payroll Taxes	1,781.86	\$1,781.86
6645 Gayton Groomer Payroll Taxes	673.50	\$673.50
Total Payroll Taxes	12,999.82	\$12,999.82
Total 6560 Payroll Expenses	202,068.52	\$202,068.52
6600 Rent	107,429.44	\$107,429.44
6610 Repairs		\$0.00
6620 Building Repairs	1,114.30	\$1,114.30
6640 Equipment Repairs	251.45	\$251.45
Total 6610 Repairs	1,365.75	\$1,365.75
6650 Taxes		\$0.00
Personal Property Taxes	1,867.98	\$1,867.98

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	DOG KRAZY GAYTON CROSSING #202771	TOTAL
Total 6650 Taxes	1,867.98	\$1,867.98
6900 Utilities		\$0.00
Electric	7,752.27	\$7,752.27
Gas	410.80	\$410.80
Internet	269.27	\$269.27
Pest Control	156.00	\$156.00
Water	1,090.41	\$1,090.41
Total 6900 Utilities	9,678.75	\$9,678.75
Discounts on Purchases	-1,219.41	\$ -1,219.41
Freight Expense	984.50	\$984.50
Internet Fees	538.54	\$538.54
Sales Tax on Purchases	0.00	\$0.00
Total Expenses	\$328,990.16	\$328,990.16
NET OPERATING INCOME	\$14,727.43	\$14,727.43
Other Expenses		
Cash Drawer Overage/Shortage	391.93	\$391.93
Total Other Expenses	\$391.93	\$391.93
NET OTHER INCOME	\$ -391.93	\$ -391.93
NET INCOME	\$14,335.50	\$14,335.50

Dog Krazy, Inc.
Profit and Loss by Location
January - December 2024

	DOG KRAZY CHANCELLOR COMMONS #203109	TOTAL
Income		
4000 Sales	662,602.51	\$662,602.51
Discounts	-62,539.07	\$ -62,539.07
Total Income	\$600,063.44	\$600,063.44
Cost of Goods Sold		
COGS	313,898.33	\$313,898.33
Total Cost of Goods Sold	\$313,898.33	\$313,898.33
GROSS PROFIT	\$286,165.11	\$286,165.11
Expenses		
51100 Freight and Shipping Costs	1,253.00	\$1,253.00
6180 Insurance		\$0.00
6185 Health Insurance	477.59	\$477.59
6656 Chancellor Sales Health Insurance	-1,755.98	\$ -1,755.98
Total 6185 Health Insurance	-1,278.39	\$ -1,278.39
6187 Liability Insurance	970.54	\$970.54
Total 6180 Insurance	-307.85	\$ -307.85
6240 Merchant Fees	4,966.74	\$4,966.74
6300 Office Expenses	1,035.66	\$1,035.66
6560 Payroll Expenses	30,496.64	\$30,496.64
6561 Payroll Expenses - Manager	18,173.06	\$18,173.06
6651 Chancellor Manager Payroll Expense	28,326.93	\$28,326.93
7650 Chancellor Sales Payroll Expense	56,781.21	\$56,781.21
Collected Payroll Tips	-8.00	\$ -8.00
Payroll Taxes	3,767.76	\$3,767.76
6653 Chancellor Sales Payroll Taxes	797.83	\$797.83
6654 Chancellor Manager Payroll Taxes	2,167.08	\$2,167.08
Total Payroll Taxes	6,732.67	\$6,732.67
Total 6560 Payroll Expenses	140,502.51	\$140,502.51
6600 Rent	42,000.12	\$42,000.12
CAM's	11,099.88	\$11,099.88
Total 6600 Rent	53,100.00	\$53,100.00
6610 Repairs		\$0.00
6620 Building Repairs	1,165.00	\$1,165.00
6640 Equipment Repairs	194.50	\$194.50
Total 6610 Repairs	1,359.50	\$1,359.50
6900 Utilities		\$0.00
Electric	709.73	\$709.73
Gas	590.49	\$590.49
Internet	269.11	\$269.11
Water	175.61	\$175.61
Total 6900 Utilities	1,744.94	\$1,744.94
Freight Expense	907.20	\$907.20
Internet Fees	834.90	\$834.90

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	DOG KRAZY CHANCELLOR COMMONS #203109	TOTAL
Total Expenses	\$205,396.60	\$205,396.60
NET OPERATING INCOME	\$80,768.51	\$80,768.51
Other Expenses		
Cash Drawer Overage/Shortage	153.00	\$153.00
Total Other Expenses	\$153.00	\$153.00
NET OTHER INCOME	\$ -153.00	\$ -153.00
NET INCOME	\$80,615.51	\$80,615.51

Notes:

1. The stores operated by our affiliate do not pay an initial franchise fee or royalties on Gross Sales of 5%, a marketing fund contribution of 1% and certain other fees that we may collect as described in this disclosure document. Expenses will vary widely among franchisees and may include the following: (i) royalty fees; (ii) contributions to the advertising and marketing fund (iii) advertising expense a franchise operator may choose to incur according to perceived needs; (iv) increased cost for inventory purchases; (v) higher staffing expenses (vi) property taxes; (vii) accounting, legal and other professional fees; (viii) depreciation/amortization; (ix) interest or finance charges and/or repayment of principal on any funds borrowed for the business.

2. “Gross Profit” are the total “Gross Sales” derived from the sale of goods or services less sales tax, discounts, allowances, returns and Cost of Goods Sold. “Gross Sales” has the same meaning generally as in the Franchise Agreement.

3. Gross Sales were derived primarily through reporting from the POS system in the ordinary course of business .

4. The Carytown and Chancellor Commons stores were franchised effective January 1, 2025.

5. Gross Profit for the stores shown would be adjusted for royalties on Gross Sales of 5%, a marketing fund contribution of 1% of Gross Sales which are not paid by company-operated stores as follows:.

Gross Profit Fredericksburg	\$ 804,233.53
Royalty at 8% of Total Income	\$ 64,338.69
Marketing Fund at 1% of Total Income	\$ 8,042.34
Adjusted Gross Profit	\$ 731,852.50

Gross Profit Spotsylvania	\$ 994,686.16
Royalty at 8% of Total Income	\$ 79,574.90
Marketing Fund at 1% of Total Income	\$ 9,946.87
Adjusted Gross Profit	\$ 905,164.39

Gross Profit Stafford	\$ 683,351.08
Royalty at 8% of Total Income	\$ 54,668.09
Marketing Fund at 1% of Total Income	\$ 6,833.51
Adjusted Gross Profit	\$ 621,849.48

Gross Profit Carytown	\$ 707,669.58
Royalty at 8% of Total Income	\$ 56,613.57
Marketing Fund at 1% of Total Income	\$ 7,076.70
Adjusted Gross Profit	\$ 643,979.31

Gross Profit Short Pump	\$ 313,970.69
Royalty at 8% of Total Income	\$ 25,117.66
Marketing Fund at 1% of Total Income	\$ 3,139.71
Adjusted Gross Profit	\$ 285,713.32

Gross Profit Stony Point	\$ 603,581.27
Royalty at 8% of Total Income	\$ 48,286.51
Marketing Fund at 1% of Total Income	\$ 6,035.82
Adjusted Gross Profit	\$ 549,258.94

Gross Profit Gayton	\$ 343,717.59
Royalty at 8% of Total Income	\$ 27,497.41
Marketing Fund at 1% of Total Income	\$ 3,437.18
Adjusted Gross Profit	\$ 312,783.00

Gross Profit Chancellor Commons	\$ 286,165.11
Royalty at 8% of Total Income	\$ 22,893.21
Marketing Fund at 1% of Total Income	\$ 2,861.66
Adjusted Gross Profit	\$ 260,410.24

7. Except as noted above, there are no material financial and operational differences between the affiliated operated stores and future franchised stores.

8. The results shown are not audited.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much. Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than what is included in this Item 19, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Christopher Guinn, Franchising@dogkrazy.com, 540-429-0908, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	5	6	+1
	2023	6	8	+2
	2024	8	8	0
Total Outlets	2022	5	6	+1
	2023	6	8	+2
	2024	8	8	0

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table 3
Status of Franchised Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
N/A	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Virginia	2022	5	1	0	0	0	6
	2023	6	2	0	0	0	8
	2024	8	0	0	0	0	8
Totals	2022	5	1	0	0	0	6
	2023	6	2	0	0	0	8
	2024	8	0	0	0	0	8

Two stores were sold to franchisees in December 2024 effective January 1, 2025

Table 5
Projected Openings As Of December 31, 2024

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

Current Franchisees

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

Former Franchisees

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

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

Confidentiality Clauses

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

Franchisee Organizations

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

Item 21
FINANCIAL STATEMENTS

We have not been franchising for three years or more and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit E contains our audit report of April 8, 2025, of our financial statements as of December 31, 2023, and December 31, 2024 and our unaudited balance sheet as of June 30, 2025. Our fiscal year end is December 31.

Item 22
CONTRACTS

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

- B. Franchise Agreement (with Exhibits)
- C. Multi-Unit Development Agreement
- D. Form of General Release
- I. State Addenda to Agreements

Item 23
RECEIPTS

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

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

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

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Business Oversight Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B TO DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	Franchisee	_____
2.	Initial Franchise Fee	\$40,000
3.	Development Area	_____
4.	Store Location	_____
5.	Territory	_____
6.	Opening Deadline	_____
7.	Principal Executive	_____
8.	Franchisee’s Address	_____

FRANCHISE AGREEMENT

This Agreement is made between **DOG KRAZY FRANCHISING, LLC** a Texas limited liability company (“Franchisor”), and Franchisee effective as of the _____ day _____, 20____ (the “Effective Date”).

Background Statement:

A. Franchisor has created and owns a system (the “System”) for developing and operating a specialty retail store featuring products and services for dogs.

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

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate one Dog Krazy store on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

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

“**Approved Vendor**” means a supplier, vendor, or distributor of goods or services which has been approved by Franchisor.

“**Business**” means the business owned by Franchisee and operated under this Agreement, including without limitation the Store.

“**Competitor**” means any business which engages in, owns, is affiliated with or operates a pet supply, pet grooming or similar business.

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

“**Gross Sales**” means the total dollar amount of all sales generated through the Store for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) discounts (iv) sales of used equipment not in the ordinary course of business, or (v) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

“Location” means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1 of this Agreement.

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

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

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

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use to identify or in connection with Franchisor’s business or associated with Franchisor or its affiliates.

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

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

“Required Vendor” means a supplier, vendor, or distributor of products or services which Franchisor requires franchisees to use.

“Store” means the store operated under this Agreement at the Location approved by Franchisor.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“Territory” means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1 of this Agreement.

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

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate one Dog Krazy store only at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1 of this Agreement. Franchisee shall develop, open and operate a Dog Krazy Store at the Location for the entire term of this Agreement and any renewals thereof.

2.2 Protected Territory. During the term of this Agreement and any renewals thereof, Franchisor agrees not to itself establish, or license or franchise the establishment of, another store within the Territory selling the same or similar goods or services under the same trademarks or service marks as a Dog Krazy store. Franchisor retains the right to:

- (i) establish and license others to establish and operate Dog Krazy stores and businesses outside the Territory, notwithstanding their proximity to the Territory or their impact on the Store;
- (ii) operate and license others to operate businesses anywhere that do not operate under the Dog Krazy Marks; and
- (iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Dog Krazy stores.

2.3 Franchisee Control. Franchisee represents that Exhibit 1 to this Agreement (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner’s interest in Franchisee. If any information on Exhibit 1 changes that does not constitute a Transfer, Franchisee shall notify Franchisor within ten (10) days of such change.

2.4 Principal Executive. Franchisee agrees that the person designated as the “Principal Executive” on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee. The Principal Executive is not required to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor’s approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Exhibit 3 to this Agreement.

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

ARTICLE 3. TERM

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

3.2 Successor Agreement. When the Initial Term of this Agreement expires, Franchisee may enter into two successor franchise agreements for additional periods of five (5) years each (the "Renewal Term"), subject to the following conditions prior to the expiration of the Initial Term and each Renewal Term:

- (i) Franchisee notifies Franchisor of the election to renew between ninety (90) and one hundred eighty (180) days prior to the end of the Initial Term and each Renewal Term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor and any of its affiliates at the time of election and at the time of renewal;
- (iii) Within a period of time acceptable to Franchisor, Franchisee has made or makes renovations and changes to the Location as Franchisor requires, including without limitation a Remodel, to conform to Franchisor's then-current System Standards;
- (iv) Franchisee and its Owners execute Franchisor's then-current form of franchise agreement and related documents, which may be materially different than this Agreement including, without limitation, higher and different fees, provided however that Franchisee will not pay another initial franchise fee;
- (v) Franchisee and each Owner executes a general release of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Royalty Fee. Franchisee shall pay Franchisor each month a royalty fee (the "Royalty Fee") equal to five percent (5%) of Gross Sales. The Royalty Fee for any month shall be paid in the immediately following month by the day designated by Franchisor in the Manual or otherwise in writing.

4.3 Marketing Contributions.

(a) Marketing Fund Contribution. Franchisee shall pay Franchisor a contribution to the Marketing Fund (the “Marketing Fund Contribution”) equal to one per cent (1%) of Franchisee’s Gross Sales for any marketing fund that is in effect at the same time as the Royalty Fee is paid.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales as determined by majority vote of the Market Cooperative.

4.4 Replacement / Additional Training Fee. If Franchisee sends an employee to Franchisor’s training program after opening, Franchisor may charge its then-current training fee, if any. Franchisee shall be responsible for any of its travel, food and lodging expenses.

4.5 Non-Compliance Fee. Franchisor may charge Franchisee One Thousand Five Dollars (\$1,500) for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee’s non-payment of a fee owed to Franchisor) which Franchisee fails to cure after thirty (30) days’ notice. Franchisor may also charge Franchisee for its costs incurred if in the exercise of its discretion it determines that travel to Franchisee’s location is appropriate. This fee is a reasonable estimate of Franchisor’s internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee’s breach. The non-compliance fee is in addition to all of Franchisor’s other rights and remedies (including default and termination under Section 14.2 of this Agreement).

4.6 Curing Non-Compliance. Franchisor may in its sole discretion cure any instance of non-compliance by Franchisee with a requirement of this Agreement and Franchisee shall pay Franchisor’s cost incurred in curing the non-compliance and an administrative fee of ten percent (10%) of such costs.

4.7 Special Inspection Fee. Franchisor may charge its reasonable out-of-pocket expenses incurred if Franchisor inspects the Location because of a government report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.

4.8 Reimbursement. Franchisor may, but has no obligation to, pay on Franchisee’s behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay the amount paid by Franchisor plus a ten percent (10%) administrative charge to Franchisor within fifteen (15) days after invoice by Franchisor accompanied by reasonable documentation.

4.9 Payment for Products , Supplies and other items supplied by Franchisor. Franchisee shall pay Franchisor or its affiliate for any products, supplies or other items supplied to Franchisee, according to the terms and conditions of the invoices for same.

4.10 Method of Payment and Reporting.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require. Franchisee shall comply with Franchisor's payment instructions. If Franchisor elects to have payments made by pre-authorized bank draft, Franchisee shall execute the authorization attached to this Agreement as Exhibit 4.

(b) Calculation of Fees. Each week, on a day designated by Franchisor, Franchisee shall report to Franchisor, its Gross Sales from the previous week. If Franchisee fails to report weekly Gross Sales, then Franchisor may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to One Hundred twenty-Five percent (125%) of the last Gross Sales reported to Franchisor. The parties will reconcile the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

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

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

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

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

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. FRANCHISOR'S ASSISTANCE

5.1 Pre-Opening Assistance. Franchisor agrees to provide the following assistance to Franchisee before Franchise commences operation of the Business:

(a) Location. Franchisor shall provide Franchisee with its criteria for Dog Krazy locations and review information provided by Franchisee regarding proposed location(s) for the Business and approve or disapprove the Location in accordance with Section 6.1 of this Agreement; provided however, that Franchisee acknowledges that Franchisor's approval of a location is not any way to be construed as guaranty of the performance of the Business at that location;

(b) Territory. Franchisor shall designate a Territory for the franchise in accordance with Section 6.1 of this Agreement.

(c) Pre-Opening Plans, Specifications, and Vendors Provide Franchisee with a plan for the Franchisee's office with (i) Franchisor's sample set of standard building plans or specifications for a recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Franchisor deems appropriate, including without limitation specifications regarding inventory, equipment, computer system, any required vehicles for use in the Business, supplies and materials, and (iv) Franchisor's lists of Approved Vendors and/or Required Vendors.

(d) Certain Other Specifications. Make available to Franchisee, Franchisor's specifications and approved suppliers for signs, fixtures, equipment, inventory, computer system, and supplies;

(e) Employees. Provide Franchisee with suggested staffing and operational instructions in the Manual or otherwise in writing for training Franchisee's employees; provided however that Franchisee acknowledges that all hiring decisions, terms and conditions of employment and training of Franchisees employees, remain the sole responsibility of Franchisee.

(f) Opening Inventory. Supply Franchisee with the opening purchase of inventory of bakery cookies. Franchisor may add or delete products and services that Franchisee is required to purchase from Franchisor or its affiliate.

(g) Manual. Provide Franchisee with access to, or a copy of, Franchisor's Manual;

(h) Training. Make available an initial training program for Franchisee's Principal Executive at Franchisor's headquarters and/or at another location designated by Franchisor at no fee for this training; provided however, that Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses.

(i) Business Plan. Upon Franchisee's reasonable request, review and provide advice regarding Franchisee's business plan and any financial projections; provided however, that franchisee acknowledges that Franchisor bears no responsibility for the performance of the Business and that the performance of the Franchisee will depend on many factors beyond Franchisor's control including without limitation Franchisee's business acumen;

(j) Market Introduction Plan. Advise Franchisee regarding the planning and execution of Franchisee's market introduction plan, including without limitation any grand opening of the Business;

(k) On-site Opening Assistance. Send at least one representative to Franchisee's location to assist with Franchisee's opening of the Business.

5.2 Post-Opening Assistance. Franchisor agrees to provide the following assistance to Franchisee after Franchise commences operation of the Business:

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee regarding improving and developing Franchisee's business, and resolving

operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee for such support plus any out-of-pocket expenses such as travel, lodging, and meals for employees providing onsite support;

(b) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required System Standards;

(c) Marketing. Franchisor shall manage the Marketing Fund;

(d) Inventory. Franchisor agrees to supply or facilitate the supply through affiliates or third-parties Franchisee's inventory purchases of certain products and services as reasonably requested by Franchisee;

(e) Pricing. Franchisor agrees to provide Franchisee with recommended pricing for products and services, which may include required maximum prices and customer loyalty programs with required promotional pricing and discounts.

(f) Internet. Franchisor may maintain a website for the Dog Krazy brand, which will include Franchisee's location or territory and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisee shall find a potential Location within the Development Area described on the Summary Page. Franchisee shall submit its proposed Location to Franchisor for acceptance, with all related information Franchisor may request. If Franchisor does not accept the proposed Location in writing within thirty (30) days, then the site will be deemed rejected. It shall be an event of default under Section 14.2 (b) of this Agreement, if Franchisee does not present a site that meets Franchisor's approval by the Opening Date set forth on the Summary Page,

(ii) When Franchisor accepts the Location, it will issue a Location Acceptance Letter in the form of Exhibit 2 to this Agreement which will set forth the Location and Territory. Franchisor shall determine and assign Franchisee the Territory in its good faith discretion.

(iii) Franchisor's advice regarding a site or the acceptance of a site is not a representation or warranty that the Business will be successful, and Franchisor shall not be liable to Franchisee with respect to the location of the Store.

6.2 Lease. For any lease between Franchisee and the landlord of the Location, Franchisee shall:

(i) upon Franchisor's request, submit the proposed lease to Franchisor for written approval,

(ii) have the term of the lease provide for a period of not less than the Initial Term of this Agreement or any Renewal Term, and,

(iii) use commercially reasonable efforts to obtain the landlord's signature to the conditional assignment of the lease substantially in the form required by Franchisor as shown on Exhibit 5 to this Agreement.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Franchisor's System Standards. If required by Franchisor, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Franchisor's approval of Franchisee's plans. Franchisor may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Franchisor or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Store and Franchisor shall not have any liability with respect thereto. Franchisor's inspection and/or approval to open the Store is not a representation or a warranty that the Store has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Franchisor's training program for new franchisees to Franchisor's satisfaction by the time designated by Franchisor before opening the Store.

6.5 Conditions to Opening. Franchisee shall notify Franchisor at least twenty (20) days before Franchisee intends to open the Store to the public. Before opening, Franchisee must satisfy all of the following conditions:

- (i) Franchisee is in compliance with this Agreement,
- (ii) Franchisee has obtained all applicable governmental permits and authorizations,
- (iii) the Business and Store conform to all applicable System Standards,
- (iv) Franchisor has inspected and approved the Store,
- (v) Franchisee's officers and employees have completed all of Franchisor's required pre-opening training; and
- (vi) Franchisor has given its written approval to open, which approval will not be unreasonably withheld or delayed.

6.6 Opening Date. Franchisee shall open the Store to the public on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Store shall obtain and keep in force all governmental permits and licenses required for the Store.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, as from time to time prescribed by Franchisor in the Manual or otherwise in writing, including without limitation products supplied by Franchisor or its affiliate or designated supplier. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Franchisor, Franchisee shall not, without Franchisor's written approval, make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations.

7.4 Prices. Franchisee shall generally determine its own prices; provided however, that, to the extent permitted by applicable law, Franchisee shall honor any customer loyalty programs and promotions implemented by Franchisor and any maximum prices and minimum discounts for any given product or service established by Franchisor.

7.5 Personnel.

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

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

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

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

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

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

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

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

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, including without limitation a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs. Franchisor may set minimum scores that Franchisee must receive from the public on social media and internet review sites such as Yelp or Google.

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

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Dog Krazy business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Store in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Store as Franchisor may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

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

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any national or regional brand conventions.

7.15 Insurance.

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

- (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Store, for full repair and replacement value subject to a reasonable deductible;
- (ii) Business interruption insurance covering at least 12 months of income;
- (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit;
- (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000; and
- (v) Workers Compensation coverage as required by the laws of the state where the Store is located.

(b) Except for workers compensation insurance, Franchisee's policies shall (1) list Franchisor and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Franchisor and its affiliates, (3) be primary and non-contributing with any insurance carried by Franchisor or its affiliates, and (4) stipulate that Franchisor shall receive thirty (30) days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Franchisor.

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

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

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

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

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

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

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

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all products and services required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any products from Franchisor's designee, Required Vendors, Approved Vendors, and under Franchisor's specifications. Franchisor may periodically change any such requirement or change the status of any vendor. Any such requirement or change by Franchisor shall be made effective by insertion into the Manual, System Standards or otherwise by written notice to Franchisee.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular product or service only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the product or service from a different vendor, then Franchisee shall submit a written request to Franchisor for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems

appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notice of the approval or disapproval of any proposed new vendor within thirty (30) days after receipt of Franchisee's request.

8.3 Alternate Product or service Approval. If Franchisor requires Franchisee to purchase a particular Product or service, and Franchisee desires to purchase an alternate Product or service, Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Product or service within thirty (30) days after receipt of Franchisee's request.

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

8.5 No Liability of Franchisor. Franchisor shall not be liable to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Store issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities, including without limitation, in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships, which have not been approved by Franchisor. Franchisor may, but is not obligated to, operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that Franchisor may prescribe. Franchisee shall implement any social media and marketing plans, or campaigns as determined by Franchisor. If Franchisor permits Franchisee to operate its own social media accounts, Franchisee shall obtain Franchisor's prior approval for any and all social media postings or content relating or referring to the Store or the Marks, or in any way associated with the Store or the Marks.

9.2 Use by Franchisor. Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Franchisor for such purpose.

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

(a) Separate Account. Franchisor shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts.

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

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Franchisor's sole discretion, and Franchisor is not a fiduciary with respect to the Marketing Fund.

(d) Contribution by Other Outlets. Franchisor is not obligated to (i) have all other Dog Krazy stores (whether owned by other franchisees or by Franchisor or its affiliates) contribute to the Marketing Fund, or (ii) have other Dog Krazy stores contribute the same amount or at the same rate as Franchisee.

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

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

9.4 Market Cooperatives. Franchisor may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market

Cooperative within thirty (30) days. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner and shall commence operations on a date determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any Franchisor business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Store owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing standardized promotional materials for use by the members in local advertising and promotions, all of which are subject to Franchisor's approval.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant to Section 9.1 of this Agreement. Franchisor may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and provided Franchisor or its affiliates have a majority vote, not more than 3% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

9.5 Local Advertising and Marketing. Franchisee shall spend a minimum of two percent (2%) of Gross Sales each month on marketing the Store. Upon request of Franchisor, Franchisee shall furnish proof of its compliance with this Section. Franchisor has the sole discretion to determine what activities constitute "marketing" under this Section. Franchisor may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section 9.5.

9.6 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the market introduction plan at least thirty (30) days before the projected opening date of the Store.

ARTICLE 10. RECORDS AND REPORTS

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

10.2 Reports.

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

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

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

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

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

10.3 Initial Investment Report. Within one hundred twenty (120) days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Store, with costs allocated to the categories listed in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

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

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Store, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by three percent (3%) or more during any four-week period.

ARTICLE 11. FRANCHISOR'S RIGHTS

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

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

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may, but shall not be obligated to, take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses including without limitation, the allocation of any internal costs for such action, plus a ten percent (10%) administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 Store Data. All customer data and other non-public data generated by the Store is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Store for the term of this Agreement and any renewals thereof.

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

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

11.8 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.9 System Variations. Franchisor may vary or waive any System Standard for any one or more of Franchisor franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Franchisor discovers or becomes aware of any aspect of the Store which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon notice from Franchisor, Franchisee must temporarily cease operations of the Store and remedy the dangerous condition. Franchisor shall not be liable to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall not use any trademarks, service marks or logos in connection with the Store other than the Marks. Franchisee shall use all Marks specified by Franchisor only in the manner designated by Franchisor. Franchisee has no rights in the Marks other than the right to use them in the operation of the Store in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Store and Business, shall inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change at Franchisee's sole expense.

12.3 Infringement.

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

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

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

ARTICLE 13. COVENANTS

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

13.2 Covenants Not to Compete.

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

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason or, where applicable, for two years after a Transfer, no Restricted Party shall directly or indirectly operate, have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor which is located at the premises upon which the Dog Krazy is or was located or is located or within a twenty-five (25) mile radius of the Franchisee's location or any other Dog Krazy location, whether owned by Franchisor or another Franchisee. Franchisee expressly agrees that the two-year period and the twenty-five (25) mile radius are the reasonable and necessary time and distance needed to protect Franchisor if this Agreement expires or is terminated for any reason. Franchisee agrees that the two-year time period of the non-competition provision shall not accrue during any time period that Franchisee or any Restricted Party is in violation of this covenant. If this Agreement is terminated before the Territory is determined, then the area of

non-competition will the Development Area and the territory of any other Dog Krazy business operating on the date of termination.

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

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause its general manager and other employees to sign Franchisor's then-current form of confidentiality and non-compete agreement.

ARTICLE 14. DEFAULT AND TERMINATION

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

14.2 Termination by Franchisor.

(a) Termination Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee has insufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within ten (10) days after Franchisor gives notice to Franchisee of such breach.

(b) Termination Subject to 30-Day Cure Period. Franchisor may terminate this Agreement if Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) of this Section 14.2, and Franchisee fails to cure such breach to Franchisor's satisfaction within thirty (30) days after Franchisor notifies Franchisee of the breach.

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

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or makes any misrepresentation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;

- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within forty-five (45) days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open the Store for business by the date specified on the Summary Page after ten (10) days' notice from Franchisor;
- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 of this Agreement (compliance with laws) or Section 13.1 of this Agreement (confidentiality), violates Section 13.2 of this Agreement (non-compete) or Article 15 of this Agreement (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee abandons the Store or ceases operation of the Store for more than five (5) consecutive days;
- (viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;
- (ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with Sections 10.5 or 11.2 of this Agreement;
- (x) the Store is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within forty-eight (48) hours after becoming aware of the danger, whether as a result of notice from Franchisor or otherwise;
- (xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xii) Franchisor or any Franchisor affiliate terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee or its affiliate; provided however, that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not automatically give Franchisor the right to terminate this Agreement;
- (xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

- (xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Franchisor's opinion is reasonably likely to materially and unfavorably affect the Dog Krazy brand.

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

- (i) pay all amounts owed to Franchisor;
- (ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Store, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks.

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

14.5 Liquidated Damages. If Franchisor terminates this Agreement based upon Franchisee's default or if Franchisee purports to terminate this agreement for any reason not specified in Section 14.1 of this Agreement, then within ten (10) days thereafter Franchisee shall pay to Franchisor a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Franchisor under this Agreement for the 52-week period preceding the date on which Franchisee ceased operating the Store; multiplied by (y) the lesser of (i) 104 or (ii) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the Store for at least 52 weeks, then (x)

will equal the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Franchisor during the period that Franchisee operated the Store. The “average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Franchisor” shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions set forth in an addendum to this Agreement unless this Section 14.5 of this Agreement is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent Franchisor’s damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee’s payment to Franchisor under this Section 14.5 will be in lieu of any direct monetary damages that Franchisor may incur as a result of Franchisor’s loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Franchisor after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Sections 14.3 and 14.4 of this Agreement, Franchisor’s right to injunctive relief for enforcement of Article 13 of this Agreement, and any attorneys’ fees and other costs and expenses to which Franchisor is entitled under this Agreement. Except as provided in this Section, Franchisee’s payment of this lump sum shall be in addition to any other right or remedy that Franchisor may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Franchisor has the right but not the obligation to purchase any or all of the assets related to the Store, and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee no later than thirty (30) days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee’s last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within thirty (30) days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor’s purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or “going concern” value for the Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by the Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee’s portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Franchisor to cure defaults under Franchisee’s lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold twenty-five percent (25%) of the purchase price for ninety (90) days to ensure that all of Franchisee’s taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

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

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not Transfer this Agreement without obtaining Franchisor's prior written consent, which shall not be unreasonably withheld provided that certain conditions of Transfer are satisfied, including, without limitation, the following:

- (i) Franchisor receives a transfer fee equal to Ten Thousand Dollars (\$10,000) plus any broker fees and other out-of-pocket costs incurred by Franchisor;
- (ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);
- (v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5 of this Agreement;
- (vi) Franchisee has paid all monetary obligations to Franchisor and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Franchisor or its affiliates;
- (vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;
- (viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and
- (ix) the Store fully complies with all of Franchisor's most recent System Standards.

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

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor,

administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2 of this Agreement.

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

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

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

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend, with counsel reasonably acceptable to Franchisor, Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnatee arising directly or indirectly related to, or alleged to arise out of, the operation of the Business. Franchisee shall not settle an Action without the consent of the Indemnatee. This indemnity will continue in full force and effect and shall survive any termination or expiration of this Agreement.

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

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of

Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

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

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

(d) Intellectual Property Claims. A claim involving an alleged infringement of any of Franchisor's intellectual property rights may be brought in a court authorized to hear such claims under Section 17.5 of this Agreement without first proceeding in arbitration.

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

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

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

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

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnification under Article 16 of this Agreement, or (iii) related to unauthorized use of Confidential Information or the Marks.

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

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and

other expenses of the legal proceeding. “Prevailing party” means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

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

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee and Franchisor.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior discussions, negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Dog Krazy Franchising, LLC in its Franchise Disclosure Document.

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

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

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

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

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

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to Chief Executive Officer, 10007 Patriot Hwy Suite 115 Fredericksburg, Virginia 22407. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Store after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2 of this Agreement, then at any time (regardless of any course of dealing by the parties), Franchisor may by giving written notice to Franchisee (the “Holdover Notice”) either (i) require Franchisee to cease operating the Store and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Franchisor specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi) of this Agreement.

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

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

[Signatures on next page]

Agreed to by:

FRANCHISOR:
DOG KRAZY FRANCHISING, LLC

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

FRANCHISEE:

[if an individual:]

Name: _____
Date: _____

[if an entity:]

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

EXHIBIT 1 TO THE
DOG KRAZY FRANCHISE AGREEMENT

OWNERSHIP INFORMATION

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

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

State: _____

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

Name	Shares or Percentage of Ownership

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

Name	Title

EXHIBIT 2 TO THE
DOG KRAZY FRANCHISE AGREEMENT

LOCATION ACCEPTANCE LETTER

To: _____

This Location Acceptance Letter is issued by _____ for your
_____ franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Store is:

2. The Territory of the Store is:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 3 TO THE
DOG KRAZY FRANCHISE AGREEMENT

GUARANTY AND NON-COMPETE AGREEMENT

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

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

Guarantor agrees as follows:

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

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the or the Store; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term

of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for Confidential Information which Franchisor licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

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

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within twenty-five (25) miles of Franchisee's Territory or the territory of any other Dog Krazy business operating on the date of termination or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other Dog Krazy business operating on the date of termination.

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

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

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Virginia (without giving effect to its principles of conflicts of law). The parties agree that any Virginia law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Franchisor all costs incurred by Franchisor (including

reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

EXHIBIT 4 TO THE
DOG KRAZY FRANCHISE AGREEMENT

ACH PAYMENT AGREEMENT

ACCOUNT NAME: _____
CUSTOMER NUMBER: _____
FRANCHISE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments:

(I/we) do hereby authorize _____, a _____,
(hereinafter "Franchisor") to initiate (debit or credit) entries to (my/our) (Checking Account /
Savings Account) as indicated and named below as the depository financial institution, hereafter
named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and
between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must
comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF,
(I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect
a returned debit NSF fee of \$75 per item by electronic debit from my account identified below. In
the event all funds and interests are not received by Franchisor within 15 days from presentment
and intended withdrawal from our account by Franchisor, then we will be deemed in default of the
Franchise Agreement. We further agree to pay all reasonable costs of collection including but not
limited to reasonable attorney's fees and court costs incurred by Franchisor. I am a duly authorized
check signer on the financial institution account identified below and authorize all of the above as
evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER:

ACCOUNT NUMBER: _____
DEPOSITORY NAME: _____
BRANCH: _____
CITY: _____ STATE: _____ ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE NUMBER: _____
CUSTOMER NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

FRANCHISEE: _____
By: _____
Name: _____

Title: _____
Date: _____

EXHIBIT 5 TO THE
DOG KRAZY FRANCHISE AGREEMENT

RIDER TO LEASE AGREEMENT

Landlord: _____

Notice Address: _____

Telephone: _____

Franchisor: **DOG KRAZY FRANCHISING,
LLC**

Notice Address: 10007 Patriot Hwy Suite 115
Fredericksburg, Virginia 22407

Telephone: 540-429-0908

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a _____ business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within ten (10) days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Proprietor shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within fifteen (15) days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Dog Krazy brand. Any provision of the Lease

which limits Tenant's right to own or operate other Dog Krazy outlets in proximity to the Leased Premises shall not apply to Franchisor.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

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

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

Executed by:

LANDLORD:

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

Dog Krazy Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C TO DISCLOSURE DOCUMENT
MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Dog Krazy Franchising, LLC, a Texas limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”) on _____, _____, 20____ the (“Effective Date”).

Background Statement: On the same day as they executed this MUDA, Franchisor and Franchisee have entered into a Franchise Agreement for the franchise of a Dog Krazy store (the “Franchise Agreement,” capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Franchisor and Franchisee desire that Franchisee open multiple Dog Krazy stores.

1. Multi-Unit Commitment.

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

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

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fees to Franchisor. The Initial Franchise Fees are non-refundable.

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

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

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

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

5. Limitation of Liability. Franchisee’s commitment to develop Dog Krazy stores is in the nature of an option only. If Franchisor terminates this MUDA for Franchisee’s default, Franchisee shall not be liable to Franchisor for lost future revenues or profits from the unopened Dog Krazy stores.

6. Conditions. Franchisee’s right to develop each Dog Krazy franchise after the first franchise is subject to the following:

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

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

[Signatures on Next Page]

Agreed to by:

FRANCHISOR:

Dog Krazy Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

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

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Dog Krazy Franchising, LLC (“Franchisor”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

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

Agreed to by:

Name: _____
Date: _____

EXHIBIT E TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

DOG KRAZY FRANCHISING, LLC

Fredericksburg, Virginia

FINANCIAL REPORT

December 31, 2024

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800.464.1976
YHBcpa.com



INDEPENDENT AUDITOR'S REPORT

To the Members
Dog Krazy Franchising, LLC
Fredericksburg, Virginia

Opinion

We have audited the financial statements of Dog Krazy Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity (deficit) and cash flows for the years then ended December 31, 2024 and 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
April 8, 2025

DOG KRAZY FRANCHISING LLC

Balance Sheets
December 31, 2024 and 2023

Assets	2024	2023
Cash	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Total assets	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Liabilities and Members' Equity (Deficit)		
Liabilities, related party notes payable	<u>\$ 103,190</u>	<u>\$ 60,000</u>
Members' Equity (Deficit)	<u>\$ (102,190)</u>	<u>\$ (59,000)</u>
Total liabilities and members' equity (deficit)	<u>\$ 1,000</u>	<u>\$ 1,000</u>

See Notes to Financial Statements.

DOG KRAZY FRANCHISING LLC

Statements of Operations and Members' Equity (Deficit)
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Royalties	\$ --	\$ --
Expenses		
Marketing	35,190	--
Professional fees	<u>8,000</u>	<u>60,000</u>
Total expenses	<u>43,190</u>	<u>60,000</u>
Net (loss)	(43,190)	(60,000)
Members' Equity (Deficit) - beginning of year	(59,000)	--
Contribution	<u> --</u>	<u>1,000</u>
Members' Equity (Deficit) - end of year	<u>\$ (102,190)</u>	<u>\$ (59,000)</u>

DOG KRAZY FRANCHISING LLC

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Net (loss)	\$ (43,190)	\$ (60,000)
Adjustment to reconcile net (loss) to net cash provided by operating activities	--	--
Net cash provided by operating activities	<u>(43,190)</u>	<u>(60,000)</u>
 Cash Flows from Financing Activities		
Member contribution	--	1,000
Proceeds from related party notes payable	<u>43,190</u>	<u>60,000</u>
Net cash provided by financing activities	<u>43,190</u>	<u>61,000</u>
 Net change in cash and cash equivalents	--	1,000
 Cash and Cash Equivalents		
Beginning	<u>1,000</u>	<u>--</u>
Ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>

See Notes to Financial Statements.

DOG KRAZY FRANCHISING, LLC

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies

Organization

Dog Krazy Franchising, LLC (the “Company”) is a Texas limited liability company. The Company was formed for the purpose of developing, operating and franchising a specialty retail store featuring products and services for dogs.

Basis of Accounting

The Company’s accounts are maintained, and these statements are presented, on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Income Taxes

Under provision of the Internal Revenue Code, limited liability companies that are treated as partnerships are not subject to income taxes, and any income or loss realized is taxed to the individual members. Accordingly, no provision for federal income taxes appears in the financial statements

In accordance with FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, the Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision. For the years ended December 31, 2024 and 2023, there were no accrued interest or penalties associated with uncertain tax positions.

Income tax returns are filed in the U.S. federal jurisdiction and various state and local jurisdictions. The U.S. federal income tax returns prior to 2019 are closed. The state and local jurisdictions have statute of limitations that generally range from three to five years.

Use of Estimates

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

Cash Equivalents

The Company considers all readily liquid investments in obligations that have an original maturity of three months or less to be cash equivalents.

Notes to Financial Statements

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2024 and 2023 was \$35,190 and \$0, respectively.

Fair Value of Financial Instruments

Financial instruments held by the Company include cash and related party notes payable. The book value of cash is representative of fair value because of the short maturity of these instruments and/or historical collectability. The fair values of the borrowings of related party notes payable approximate book value based upon consideration of current market rates.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Nature of Services

The Company's revenue is derived from contracts with customers, and the appropriate accounting treatment is determined for each contract at its inception. The Company's contracts are Franchise Agreements for each individual franchise. The Company's revenue consists of franchise royalties and initial and renewal franchise fees.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees and sales-based royalties.

Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning on the date of the Franchise Agreement.

Continuing royalties are calculated as a percentage of franchise net sales that are related to the performance obligation under the Franchise Agreement.

Notes to Financial Statements

Contract Assets and Liabilities

The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. There was no deferred revenue as of December 31, 2024. The Company does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset.

Note 2. Related Party Noted Payable

The Company has a note payable to Dog Krazy, Inc. of \$35,190 at December 31, 2024. The note represents expenses paid on behalf of the Company for marketing services. The Company has a note payable to the Members of the Company of \$60,000 at December 31, 2024. The note represents expenses paid on behalf of the Company for initial professional fees. Both notes are expected to be paid in full once franchise revenue is collected.

Note 3. Subsequent Events

Subsequent to year-end, five of the existing Dog Krazy, Inc. corporate stores were sold as franchise locations with royalty payments beginning in early 2025.

Subsequent events have been evaluated through April 8, 2025, which is the date the financial statements were available to be issued. The Company has determined that there were no additional subsequent events that require recognition or disclosure.

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

Balance Sheet
Dog Krazy Franchising, LLC
As of June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
Initiate Business Checking SM (2444) - 1	24,198.80
Total for Bank Accounts	\$24,198.80
Accounts Receivable	
Accounts Receivable (A/R)	50.00
Total for Accounts Receivable	\$50.00
Other Current Assets	
Loans to others	-\$5,351.41
Chancellor	-3,533.48
Total for Loans to others	-\$8,884.89
Payments to deposit	
Total for Other Current Assets	-\$8,884.89
Total for Current Assets	\$15,363.91
Fixed Assets	
Other Assets	
Total for Assets	\$15,363.91
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	
Total for Accounts Payable	0
Credit Cards	
Other Current Liabilities	
Total for Current Liabilities	0
Long-term Liabilities	
Long-term loans from shareholders	60,000.00
Total for Long-term Liabilities	\$60,000.00
Total for Liabilities	\$60,000.00
Equity	
Retained Earnings	-82,390.00
Net Income	57,311.33
Opening balance equity	
Shareholders' equity	\$1,060.85
Contributions	1,000.00
Distributions	-21,618.27
Total for Shareholders' equity	-\$19,557.42
Total for Equity	-\$44,636.09
Total for Liabilities and Equity	\$15,363.91

EXHIBIT F TO DISCLOSURE DOCUMENT
OPERATIONS MANUAL TABLE OF CONTENTS

Dog Krazy
Franchise Brand Standards Manual
Table of Contents

Section	Number of Pages (Including <i>Cover Pages and Table of Contents Pages</i>)
Introduction	27
Establishing the Business	40
Personnel	73
Administrative Procedures	21
Daily Procedures	12
Marketing	18
Total Number of Pages	191



EXHIBIT G TO DISCLOSURE DOCUMENT
CURRENT AND FORMER FRANCHISEES

Current Franchisees

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

Joshua Stanley – Queenie & Kate, Inc. took over 3310 W. Cary Street as of January 1, 2025 – Cary Town

Vanessa Antunes – shadow cosmic pets Inc. – took over 42k62 Plank Rd. as of January 1, 2025 – Chancellor Commons

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

Former Franchisees

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

None

EXHIBIT H TO DISCLOSURE DOCUMENT
STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

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

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

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

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

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

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

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

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

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

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

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

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

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

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

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

The following is added to Item 5

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

The following is added to Item 17:

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

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

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

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

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

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. The following is added to the end of Item 19:

REPRESENTATIONS REGARDING EARNINGS CAPABILITY

Dog Krazy Franchising, LLC DOES NOT FURNISH OR AUTHORIZE ITS SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF A FRANCHISE. ACTUAL RESULTS VARY FROM UNIT TO UNIT AND, Dog Krazy Franchising, LLC CANNOT ESTIMATE THE EARNINGS OF ANY PARTICULAR FRANCHISE.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

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

The following statements are added to Item 5

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

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

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

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

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

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

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

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

EXHIBIT I

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

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

Agreed to by:

FRANCHISOR:

Dog Krazy Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

INDIANA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

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

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

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

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

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

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

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

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each

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

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

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

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

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

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

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

Agreed to by:

FRANCHISOR:
Dog Krazy Franchising, LLC

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

FRANCHISEE:

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

MARYLAND RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Franchise Fee. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement: In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Releases, Estoppels and Waivers of Liability. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

3. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

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

5. Jurisdiction. Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

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

Agreed to by:

FRANCHISOR:

FRANCHISEE:

Dog Krazy Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

MINNESOTA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

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

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

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

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

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

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

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

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

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

Agreed to by:

FRANCHISOR:

Dog Krazy Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.
- 2. Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.
- 3. Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.
- 4. Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.
- 5. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

Dog Krazy Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

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

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

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

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

Agreed to by:

FRANCHISOR:

Dog Krazy Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

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

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

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

Agreed to by:

FRANCHISOR:

FRANCHISEE:

Dog Krazy Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**VIRGINIA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT
AGREEMENT**

This Rider amends the Franchise and Multi-Unit Development Agreement dated _____ (the “Agreement”), between Dog Krazy Franchising, LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

Payment of the initial franchise fee and other initial payments owed by Franchisee to the Franchisor are deferred until Franchisor has completed its pre-opening obligations under the Franchise Agreement .

Payment of any Development Fee owed by Franchisee to Franchise is deferred until Franchisor has completed its pre-opening obligations under the Development Agreement.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

Dog Krazy Franchising, LLC

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

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

**WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT**

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in 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 limitation 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 collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

Dog Krazy Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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
Maryland	Pending
New York	Pending
Virginia	November 23, 2024

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

RECEIPT

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

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

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

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

Name	Principal Business Address	Telephone Number
Christopher Guinn	10007 Patriot Hwy Suite 115 Fredericksburg, Virginia 22407	540-429-0908

Any additional franchise sellers involved in offering and selling the franchise to you are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement and listed below: _____

Issuance Date: May 1, 2025

I received a disclosure document dated May 1, 2025, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Exhibits)
- C. Multi-Unit Development Agreement
- D. Form of General Release
- E. Financial Statements
- F. Operations Manual Table of Contents
- G. Current and Former Franchisees
- H. Addenda to Disclosure Document
- I. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

RECEIPT

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

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

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

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

Name	Principal Business Address	Telephone Number
Christopher Guinn	10007 Patriot Hwy Suite 115 Fredericksburg, Virginia 22407	540-429-0908

Any additional franchise sellers involved in offering and selling the franchise to you are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement and listed below: _____

Issuance Date: May 1, 2025

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- D. Form of General Release
- E. Financial Statements
- F. Operations Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____

Return This Copy To Us